

# 2017 First Quarter Results

Conference Call - 05/11/2017



João Silveira - CEO

Marcus Martino - CFO & IR Officer

# Disclaimers

- ▶ This presentation makes references and declarations about outlooks, planned synergies, growth estimates, result projections and future strategies about Wiz, its colligates and controlled entities and its commercial partners.
- ▶ Although these references and declarations reflect what the administrators estimate, it involves risks and unpredictability. Therefore, there might be different results from the ones anticipated and discussed.
- ▶ The information presented here, follow the patronized rules of IFRS, except when mentioned during the presentation. Wiz is not accountable for updating estimates in this presentation.
- ▶ In the charts and tables the sums and growth rates reflect the decimal numbers of the values that are displayed as rounded in this presentation.

# Agenda



## Highlights of the Period

---



Product Performance



Financial Highlights

## GROSS REVENUE AND NET INCOME KPIs

Our Gross Revenue totaled R\$137.4 million in 1Q17, 37.6% above 1Q16 result. Net Income reached R\$47.5 million, 39.9% greater than 1Q16, and we ended the quarter with Net Margin of 38.8%.

## LIFE INSURANCE UPTURN

This quarter, Life Insurance presented an important upturn. In 1Q17, leveraged by 59.9% growth in new sales, Life Insurance gross revenues grew 25.0%, compared to 1Q16. This important performance in News Sales, in the first quarter of the year, was driven by an increase in One-time Payment products' penetration in bank transactions. These products have a higher ticket.

## CREDIT INSURANCE PERFORMANCE

We ended 1Q17 with gross revenues 97.9% greater than 1Q16. The increase in Individual and Corporate Credit Insurance penetration were the main drivers of performance, mainly motivated by Corporate Credit Insurance penetration, which went from 19.4% in 4Q16 to 35.7% in 1Q17.

## FINANSEG ACQUISITION

On May 4th our Board of Directors approved the conclusion of a Memorandum of Understanding for the whole acquisition of Finanseg Administração e Corretagem de Seguros Ltda., a company that sells Consortium products outside the branches network. The transaction approval depends on the agreement of Wiz' shareholders, who will confer on a Shareholders' meeting. From the administration standpoint, this is a strategical acquisition because it is within Wiz' distribution channels expansion plans.

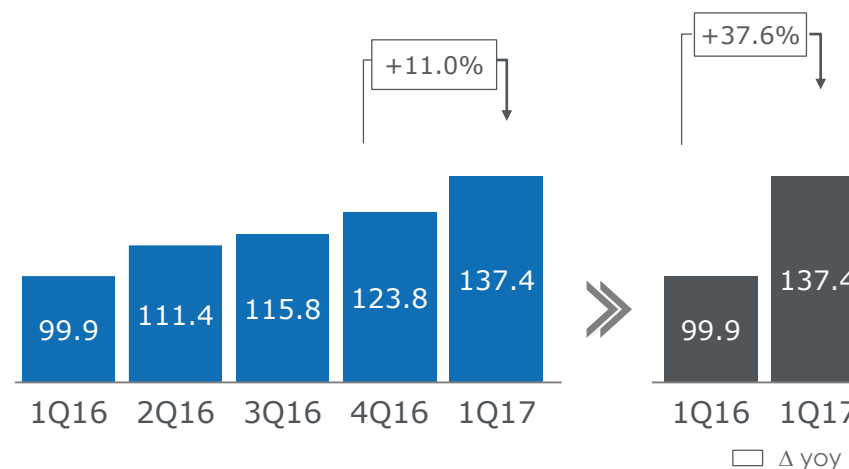
# Financial Results Summary



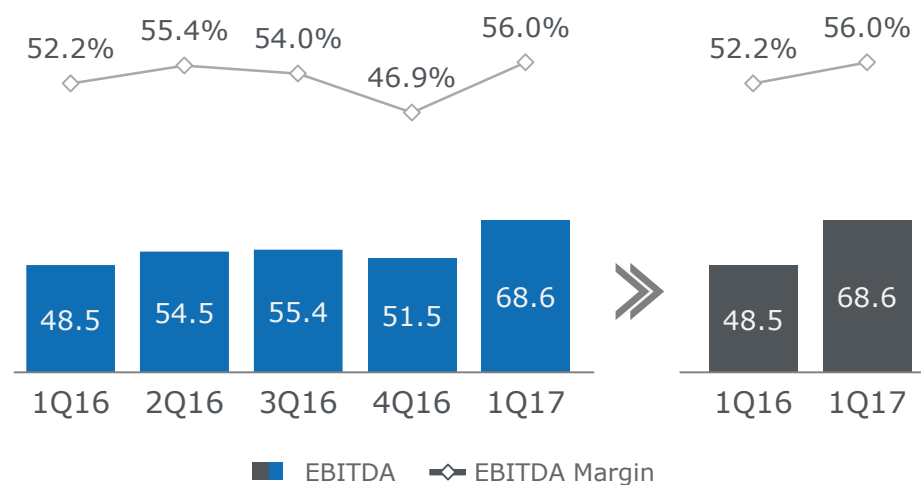
## Financial Performance Indicators

| Indicator (R\$ MM)             | 1Q17         | 1Q16        | ΔYoY         | 1Q17         | 4Q16         | ΔYoY         |
|--------------------------------|--------------|-------------|--------------|--------------|--------------|--------------|
| Gross Revenues                 | 137.4        | 99.9        | 37.6%        | 137.4        | 123.8        | 11.0%        |
| <b>Net Revenues</b>            | <b>122.5</b> | <b>92.8</b> | <b>32.0%</b> | <b>122.5</b> | <b>109.8</b> | <b>11.6%</b> |
| Cost and Expenses <sup>1</sup> | (53.9)       | (44.3)      | 21.7%        | (53.9)       | (58.3)       | (7.5%)       |
| <b>EBITDA<sup>1</sup></b>      | <b>68.6</b>  | <b>48.5</b> | <b>41.4%</b> | <b>68.6</b>  | <b>51.5</b>  | <b>33.1%</b> |
| EBITDA Margin                  | 56.0%        | 52.2%       | 3.8p.p.      | 56.0%        | 46.9%        | 9.1p.p.      |
| <b>Net Income<sup>1</sup></b>  | <b>47.5</b>  | <b>33.9</b> | <b>39.9%</b> | <b>47.5</b>  | <b>35.6</b>  | <b>33.5%</b> |
| Net Margin                     | 38.8%        | 36.6%       | 2.2p.p.      | 38.8%        | 32.4%        | 6.4p.p.      |

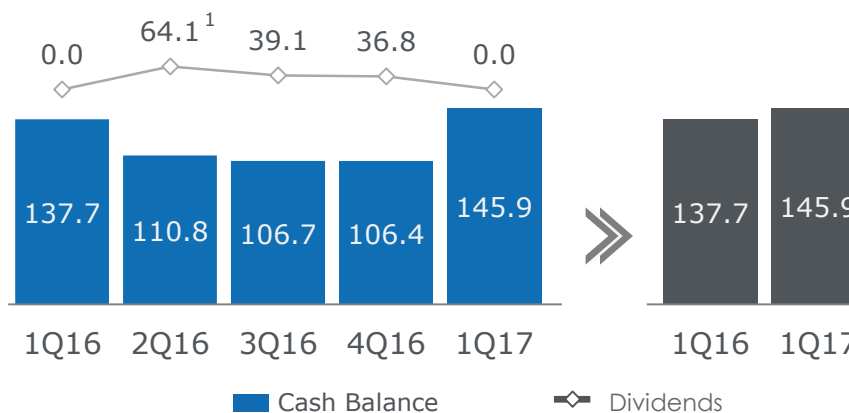
## Gross Revenues | R\$ millions



## EBITDA and EBITDA margin | R\$ millions; %



## Cash and dividends



Source: Company  
 Note: (1) 4Q15 dividends were distributed in April 2016.

# Agenda



Highlights of the Period



**Product Performance**

---



Financial Highlights

# Performance per Product

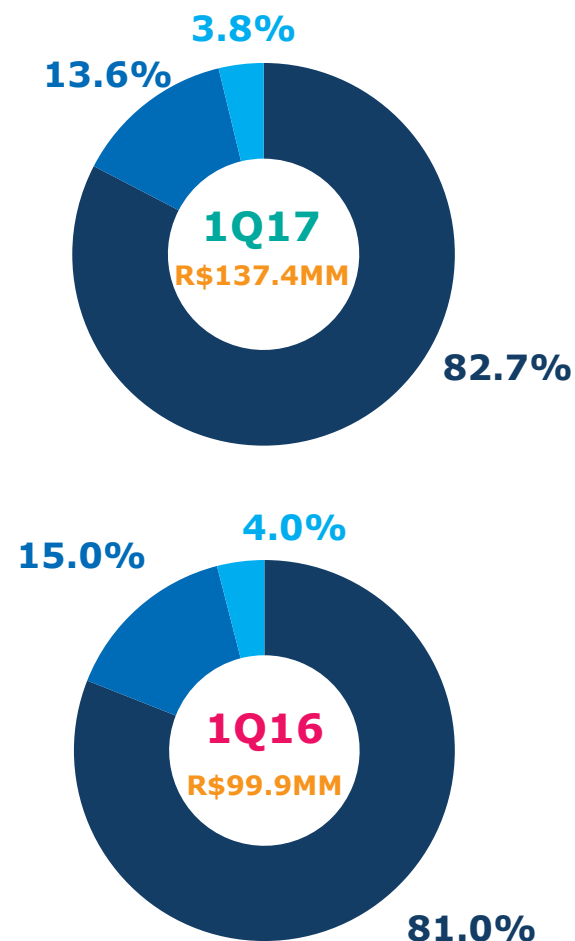


## Gross Revenues per Product

| Products (R\$ MM)           | 1Q17         | 1Q16        | ΔYoY         | 1Q17         | 4Q16         | ΔYoY         |
|-----------------------------|--------------|-------------|--------------|--------------|--------------|--------------|
| Life                        | 37.8         | 30.3        | 25.0%        | 37.8         | 36.3         | 4.3%         |
| Mortgage                    | 33.6         | 25.9        | 29.3%        | 33.6         | 29.3         | 14.5%        |
| Credit Insurance            | 31.7         | 16.0        | 97.9%        | 31.7         | 26.4         | 20.1%        |
| Property & Casualty         | 10.5         | 8.7         | 21.2%        | 10.5         | 9.8          | 7.8%         |
| <b>Bancassurance</b>        | <b>113.6</b> | <b>80.9</b> | <b>40.4%</b> | <b>113.6</b> | <b>101.7</b> | <b>11.7%</b> |
| Auto                        | 4.9          | 4.4         | 10.5%        | 4.9          | 4.2          | 17.1%        |
| Special Risks               | 12.4         | 7.2         | 71.8%        | 12.4         | 10.0         | 24.4%        |
| Health                      | 1.4          | 3.4         | -60.1%       | 1.4          | 3.5          | -61.6%       |
| <b>Traditional Products</b> | <b>18.7</b>  | <b>15.0</b> | <b>24.1%</b> | <b>18.7</b>  | <b>17.7</b>  | <b>5.6%</b>  |
| Pension plan                | 3.5          | 2.4         | 46.4%        | 3.5          | 2.8          | 23.5%        |
| Other products              | 1.7          | 1.6         | 6.7%         | 1.7          | 1.5          | 9.7%         |
| <b>Other</b>                | <b>5.2</b>   | <b>4.0</b>  | <b>30.6%</b> | <b>5.2</b>   | <b>4.4</b>   | <b>18.6%</b> |
| <b>Gross revenue</b>        | <b>137.4</b> | <b>99.9</b> | <b>37.6%</b> | <b>137.4</b> | <b>123.8</b> | <b>11.0%</b> |

## Revenue Breakdown 1Q17 vs. 1Q16

■ Bancassurance ■ Traditional ■ Other



# Revenue Stock



## Revenue Stock Breakdown<sup>1</sup>

| Revenue (R\$ MM)     | 1Q16        | 2Q16        | 3Q16        | 4Q16        | 1Q17        | % Total Revenue <sup>1</sup> | 1Q17 x 1Q16  |
|----------------------|-------------|-------------|-------------|-------------|-------------|------------------------------|--------------|
| Life                 | 22.3        | 23.5        | 23.5        | 22.9        | <b>25.2</b> | 66.5%                        | 12.7%        |
| Mortgage             | 21.0        | 19.0        | 20.4        | 20.9        | <b>22.0</b> | 65.6%                        | 4.8%         |
| Residential          | 2.0         | 2.2         | 2.5         | 2.4         | <b>2.5</b>  | 38.7%                        | 25.9%        |
| Corporate MR         | 1.9         | 2.3         | 2.1         | 2.1         | <b>2.3</b>  | 57.3%                        | 23.7%        |
| Auto                 | 3.4         | 3.6         | 3.4         | 3.3         | <b>3.9</b>  | 79.4%                        | 12.0%        |
| Special risks        | 2.6         | 2.4         | 3.3         | 2.8         | <b>5.4</b>  | 43.0%                        | 108.4%       |
| Health               | 2.4         | 3.9         | 4.0         | 3.3         | <b>1.0</b>  | 76.8%                        | -56.7%       |
| <b>Revenue Stock</b> | <b>55.6</b> | <b>57.0</b> | <b>59.2</b> | <b>57.7</b> | <b>62.2</b> | <b>45.3%</b>                 | <b>11.9%</b> |

Source: Company

Note: (1) the breakdown of revenue stock is not an audited financial information and it was structured based on Wiz' internal reports and databases, considering the commission flow. It does not consider the "Other Products" segment due to its smaller relevance. The rationale and the formulas used to calculate our revenue stock are described in the glossary section of our earnings release.

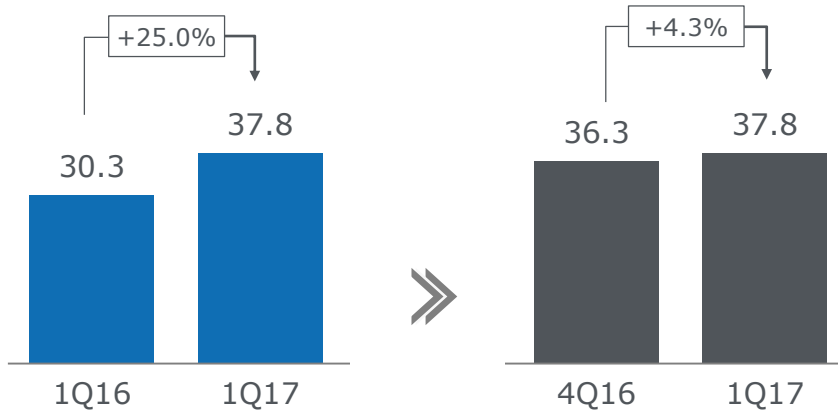


# Life and Mortgage Insurance Revenue

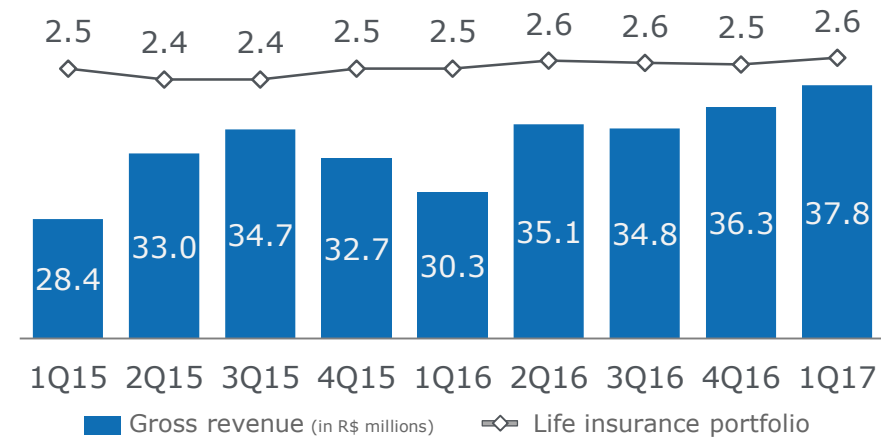


## Life

Gross revenues (in R\$ millions)

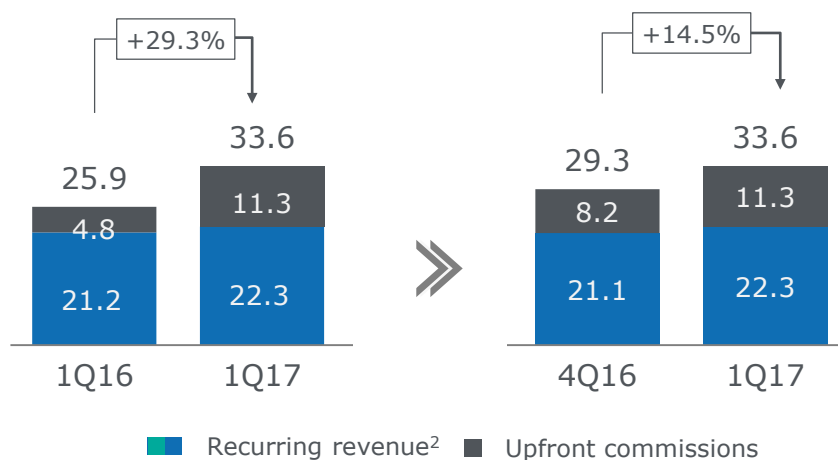


Life insurance portfolio<sup>1</sup> (in millions)

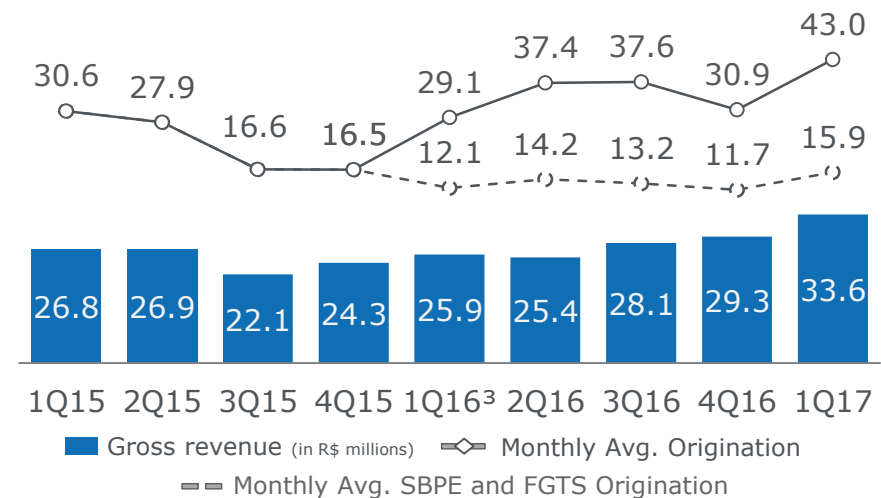


## Mortgage Insurance

Gross revenues (in R\$ millions)



Origination (in thousands of contracts)



Source: Company

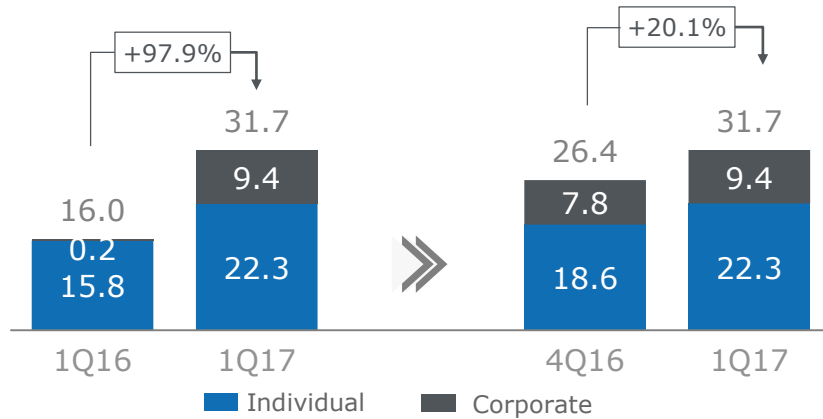
Note: (1) Excluding the Amparo product (funeral assistance ticket) sold at lotteries; (2) Considers the commission rate, established since October 2009 and also the new commissions in place currently. (3) Starting in 1Q16, we consider MCMV in the origination curve. Origination in 1Q17: SBPE+FGTS+MCMV totals 43.0k contracts; while SBPE+FGTS alone, totals 15.9k contracts, in a monthly average.

# Credit Insurance and Property & Casualty Revenue

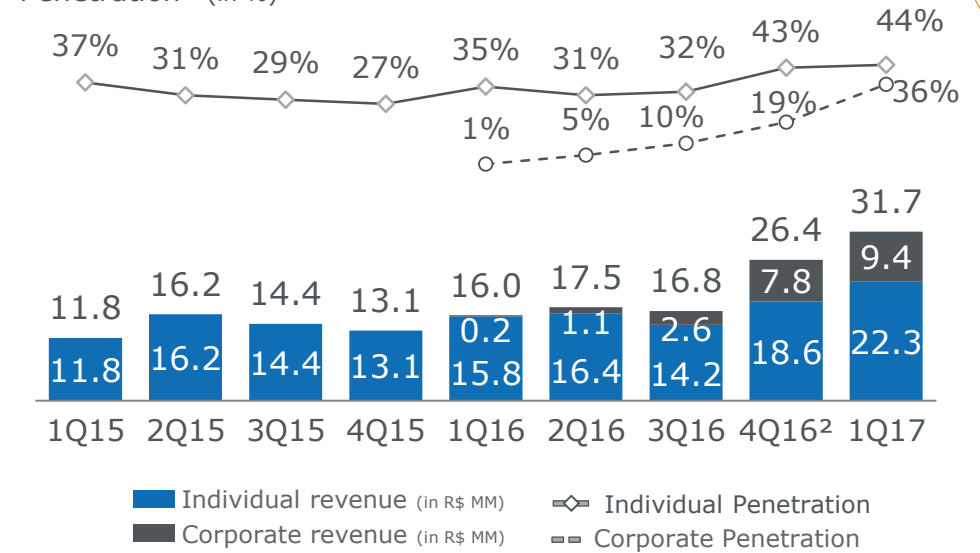


## Credit Insurance

Gross revenues (in R\$ millions)



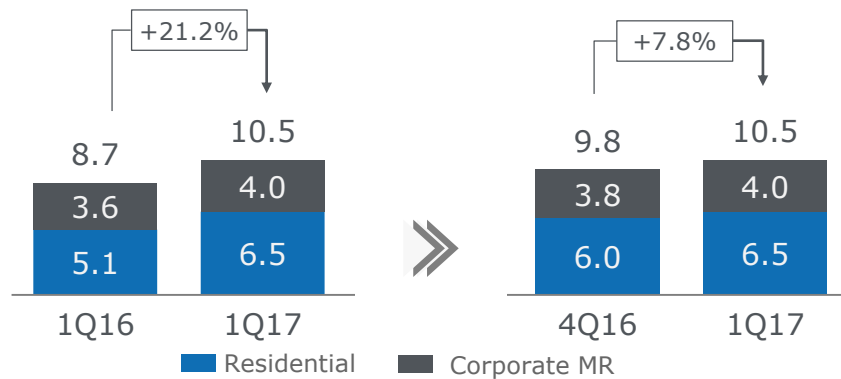
Penetration<sup>1</sup> (in %)



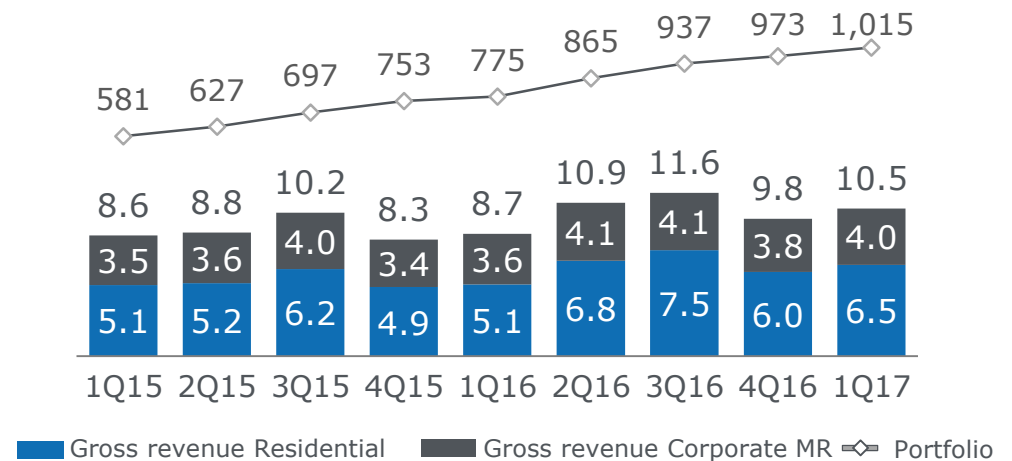
## Property & Casualty

Residential and Corporate MR

Gross revenues (in R\$ millions)



Items in the portfolio (in thousands)



Source: Company

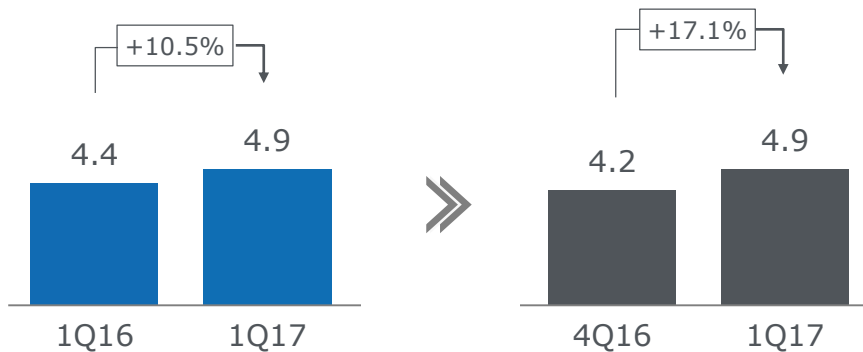
Note: (1) Penetration of credit insurance at CAIXA's branches (considers the addressable market only); (2) Starting in 4Q16, we disclose Corporate and Individual Financial Penetration on Credit Life.

# Auto Insurance and Special Risks Revenue

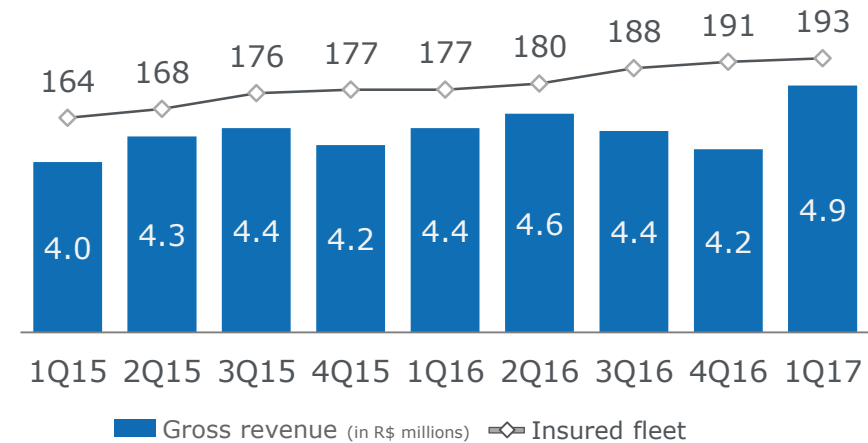


## Auto

Gross revenues (in R\$ millions)

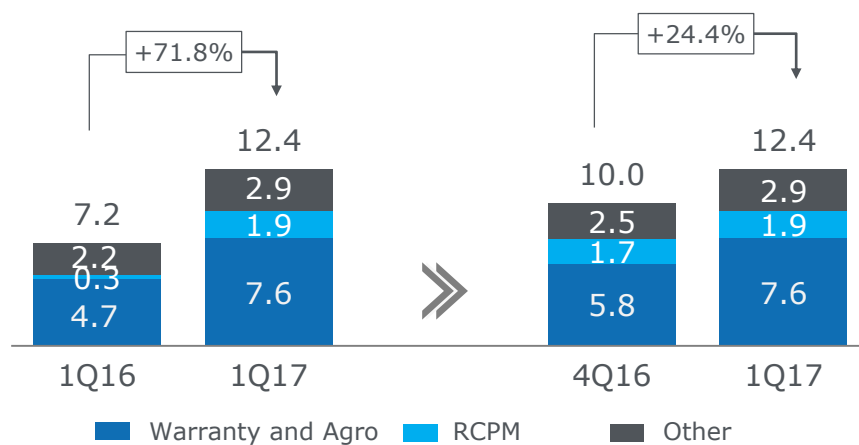


Insured fleet (in thousands)

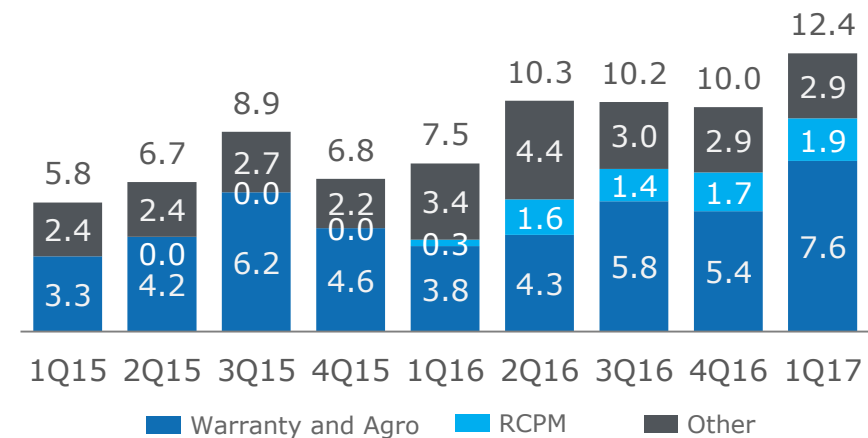


## Special Risks

Gross revenues (in R\$ millions)



Gross revenues (in R\$ millions)



# Agenda



Highlights of the Period



Product Performance



**Financial Highlights**

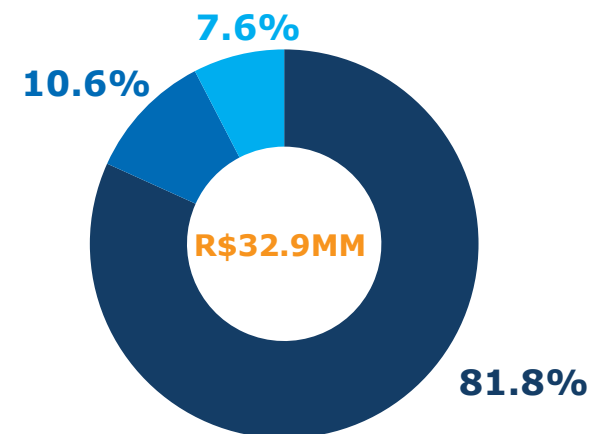
---

## Cost Breakdown

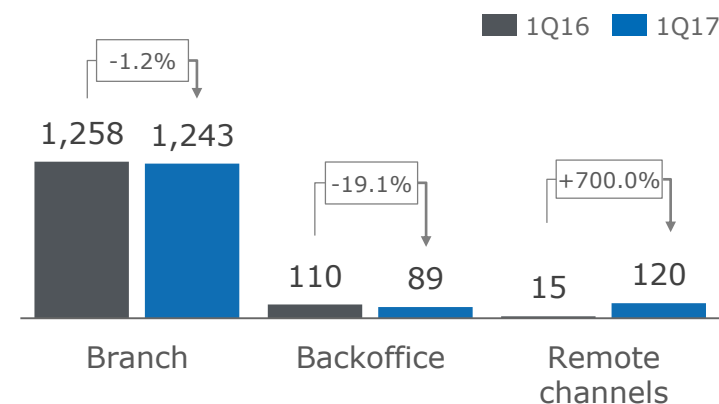
| Indicators (R\$ MM)    | 1Q17          | 1Q16          | ΔYoY          | 1Q17          | 4Q16          | ΔYoY         |
|------------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Personnel              | (24.6)        | (24.0)        | 2.9%          | (24.6)        | (25.2)        | -2.0%        |
| Travel and reimbursed  | (0.5)         | (0.4)         | 22.3%         | (0.5)         | (0.7)         | -23.0%       |
| Others                 | (1.7)         | (0.1)         | 1385.9%       | (1.7)         | (2.3)         | -25.6%       |
| <b>Branches</b>        | <b>(26.9)</b> | <b>(24.5)</b> | <b>9.8%</b>   | <b>(26.9)</b> | <b>(28.2)</b> | <b>-4.5%</b> |
| Call center            | (0.3)         | (4.1)         | -92.1%        | (0.3)         | (0.4)         | -15.4%       |
| Personnel              | (1.9)         | (0.3)         | 498.1%        | (1.9)         | (2.0)         | -0.6%        |
| Others                 | (1.2)         | (0.1)         | 1111.7%       | (1.2)         | (0.7)         | 66.9%        |
| <b>Remote channels</b> | <b>(3.5)</b>  | <b>(4.6)</b>  | <b>-23.4%</b> | <b>(3.5)</b>  | <b>(3.1)</b>  | <b>13.6%</b> |
| Personnel              | (1.9)         | (2.0)         | -6.1%         | (1.9)         | (1.9)         | -2.3%        |
| Others                 | (0.6)         | (0.4)         | 56.3%         | (0.6)         | (0.4)         | 42.1%        |
| <b>Backoffice</b>      | <b>(2.5)</b>  | <b>(2.4)</b>  | <b>4.1%</b>   | <b>(2.5)</b>  | <b>(2.4)</b>  | <b>5.8%</b>  |
| <b>Costs</b>           | <b>(32.9)</b> | <b>(31.5)</b> | <b>4.5%</b>   | <b>(32.9)</b> | <b>(33.6)</b> | <b>-2.1%</b> |

## 1Q17 Cost Breakdown

■ Branch ■ Remote channels ■ Backoffice



## Headcount Breakdown



# Operational Expenses

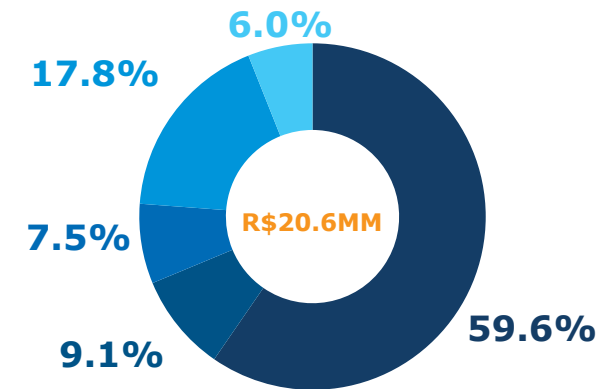


## Operational Expenses Breakdown

| Indicators (R\$ MM)                     | 1Q17          | 1Q16          | ΔYoY         | 1Q17          | 4Q16          | ΔYoY          |
|---|---------------|---------------|--------------|---------------|---------------|---------------|
| Personnel                               | (12.3)        | (8.8)         | 39.5%        | (12.3)        | (12.9)        | -4.7%         |
| Third-party services                    | (1.5)         | (0.9)         | 63.6%        | (1.5)         | (1.5)         | 1.7%          |
| Occupation                              | (1.2)         | (1.0)         | 30.7%        | (1.2)         | (1.0)         | 19.1%         |
| IT                                      | (1.9)         | (1.3)         | 45.2%        | (1.9)         | (1.8)         | 4.1%          |
| Other                                   | (3.7)         | (1.2)         | 208.3%       | (3.7)         | (3.7)         | -1.1%         |
| <b>General and administrative</b>       | <b>(20.6)</b> | <b>(13.2)</b> | <b>56.4%</b> | <b>(20.6)</b> | <b>(20.9)</b> | <b>-1.6%</b>  |
| Other expenses <sup>1</sup>             | (0.4)         | 0.3           | -235.3%      | (0.4)         | (3.8)         | -88.5%        |
| <b>Operational expenses<sup>1</sup></b> | <b>(21.0)</b> | <b>(12.8)</b> | <b>63.6%</b> | <b>(21.0)</b> | <b>(24.7)</b> | <b>-14.9%</b> |

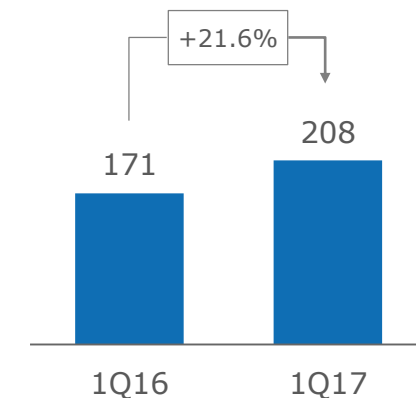
## G&A Expenses breakdown

■ Personnel ■ IT  
■ Third-party services ■ Other ■ Occupation

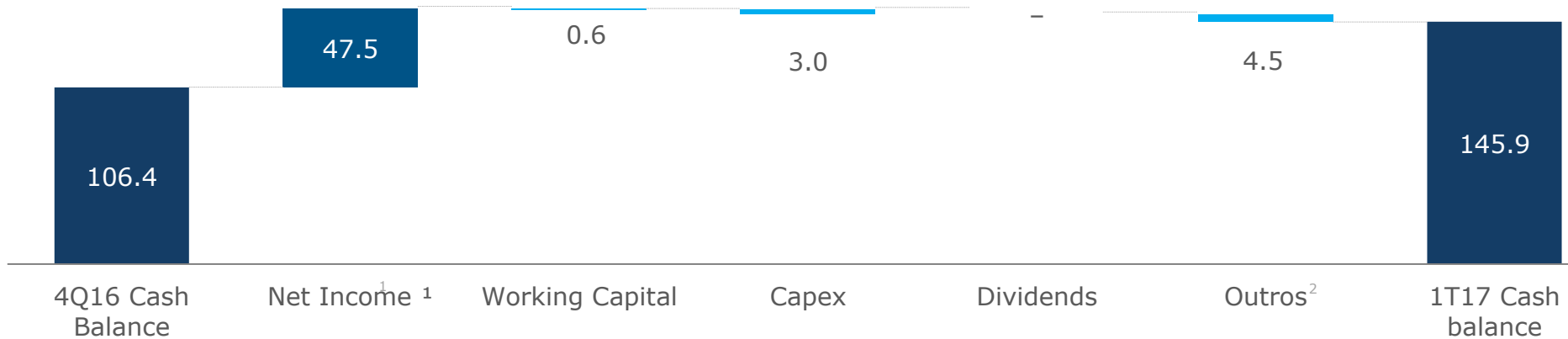


14

## Headcount



## 1Q17 Cash Flow



| Indicator (R\$ millions)           | 1Q17        | 4Q16         | 3Q16         | 2Q16          | 1Q16        |
|------------------------------------|-------------|--------------|--------------|---------------|-------------|
| <b>Net Income (Reported)</b>       | <b>47.5</b> | <b>35.6</b>  | <b>38.5</b>  | <b>40.2</b>   | <b>33.9</b> |
| Depreciation and amortization      | 2.3         | 1.8          | 1.2          | 1.1           | 0.8         |
| Working capital                    | (0.6)       | 1.7          | 3.5          | (0.4)         | 4.2         |
| Capital Expenditure (CAPEX)        | (3.0)       | (1.2)        | (5.9)        | (3.7)         | (1.8)       |
| <b>Cash provided by operations</b> | <b>46.3</b> | <b>37.8</b>  | <b>37.4</b>  | <b>37.3</b>   | <b>37.2</b> |
| Investments                        | -           | -            | -            | -             | -           |
| Dividends                          | -           | (36.8)       | (39.1)       | (64.1)        | -           |
| Other                              | (6.8)       | (1.3)        | (2.4)        | (0.1)         | (0.7)       |
| <b>Cash flow</b>                   | <b>39.5</b> | <b>(0.3)</b> | <b>(4.1)</b> | <b>(26.9)</b> | <b>36.6</b> |

Source: Company  
 Note: (1) Reported net income; (2) Depreciation & amortization, Investments and other.



**Thank you!**

**Investor Relations:**

Marcus Martino – CFO/IR Officer

Guilherme Aguiar – IR Superintendent

E-mail: [ri@wizsolucoes.com.br](mailto:ri@wizsolucoes.com.br)

Telefone: +55 (61) 3426-9524



# Attachments