



UNITEDHEALTH GROUP + EMPRESAS BANMÉDICA

JANUARY 2018

SUMMARY

**Multi-Country
Platform
Acquisition**

**Strengthens
Latin American
Growth Outlook**

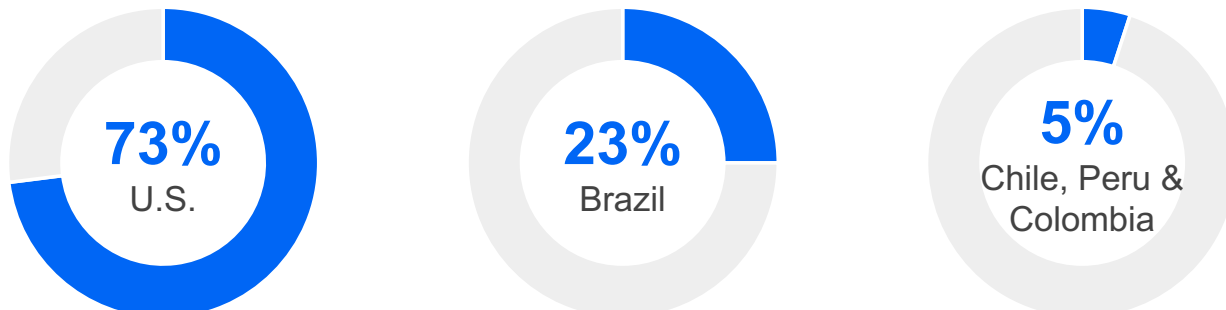
**Expected Neutral
to Adjusted EPS
in 2018**

- UnitedHealth Group has acquired the equity of Banmédica for approximately \$2.8 billion.
- Banmédica is strategically positioned in target geographies of Chile, Peru and Colombia, three of the six largest economies in Latin America. These countries have demonstrated consistent economic growth and increasing demand for high-quality health care services in markets underpenetrated by the private sector.
- Portfolio of complementary health benefits and health care delivery assets in three growing economies diversifies and strengthens UnitedHealthcare's existing Latin American presence
- Opportunities to further strengthen Banmédica with UnitedHealth Group expertise:
 - In care delivery: data and analytics for care quality as well as contracting, revenue management and overall population health
 - In health benefits: use of data analytics in care quality, clinical protocols, payment integrity and administrative processing
- Opportunities will emerge to continue local and regional expansion in health care benefits and delivery, as well as to diversify into adjacent market segments, growing the business through the complementary strengths of the combined organizations
- Expected neutral to 2018 Adjusted EPS and to provide returns above UnitedHealth Group's cost of capital

BUILDING THE PREEMINENT HEALTH CARE ORGANIZATION IN LATIN AMERICA

- Chile, Peru and Colombia are among the most stable and open countries in Latin America with democratic political systems and growth-oriented government policies
- Total GDP for these three countries is ~\$720 billion and annual GDP growth from 2006 to 2016 has averaged in the mid-single digit percentages for each
- Chile, Colombia and Peru have socioeconomic and demographic trends driving need for more capable health systems, including an aging population with increasing health care spend and a growing middle class
- The combined population across Chile, Peru and Colombia is approximately 100 million people and represents a significantly underpenetrated private insurance opportunity for growth, averaging only 5% penetration across these countries – where there is social and political openness to expansion

Private Health Insurance Penetration

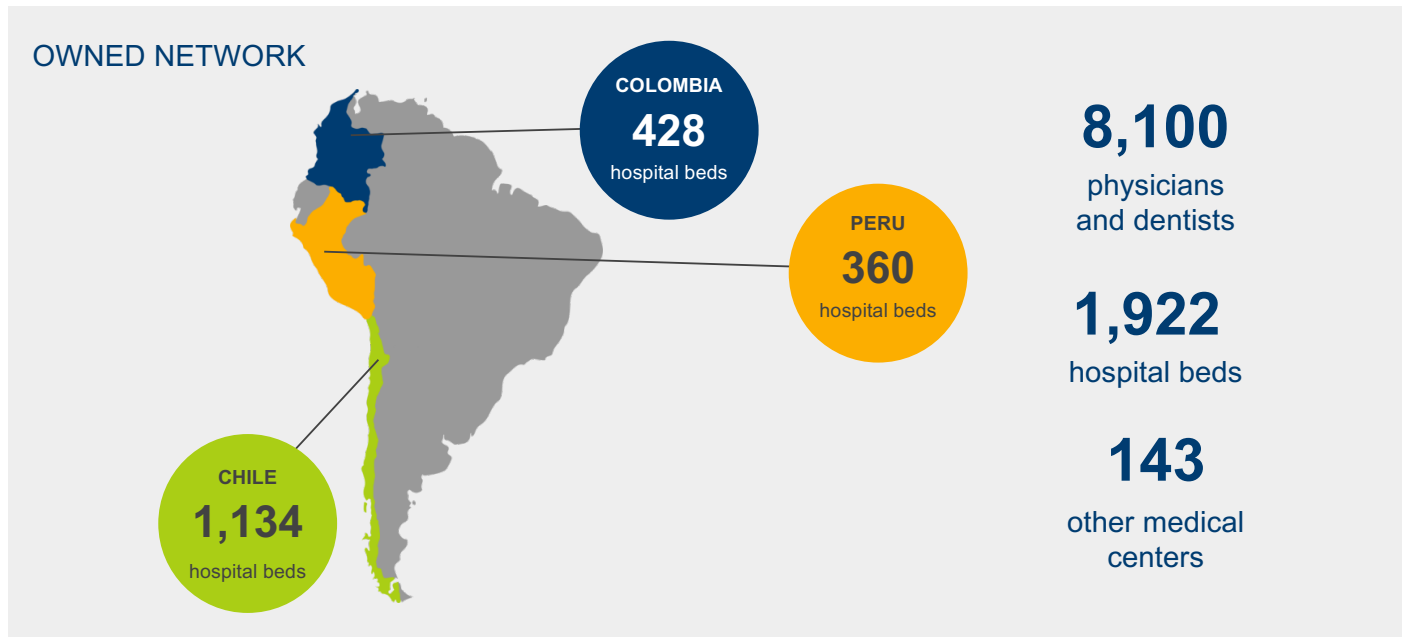


- Similar to UnitedHealth Group Brazil, Banmédica’s comprehensive approach to health care includes a leading position in both private health care funding and ownership of high quality inpatient and outpatient clinical services
- The combination enhances the opportunity for Optum to provide additional services to large, underserved markets in the private sector as well as the public sector in these countries
- UnitedHealth Group is well aligned with Banmédica with regards to mission, culture and innovation

Source: World Bank, ANS, Superintendencia de Salud Chile, SuSalud Peru, SuperSalud Colombia

BANMÉDICA AT A GLANCE

- Banmédica serves more than 2.1 million insured consumers and operates 13 private hospitals
 - Largest private sector health benefit and care delivery business in Chile, with market-leading positions in both categories and particular strength in Santiago, Chile’s most populated city
 - Strong presence in the private health benefit sectors in Peru and Colombia, complemented by a growing footprint of owned hospital beds, clinics and other clinical resources
- Compelling set of owned health care delivery capabilities, supplemented by a strong contracted network



- Proven business model with an experienced management team and a track record of profitable growth
- 2016 annual revenues were approximately \$2.3 billion, a two-year CAGR of 16% on a constant currency basis
- Revenue mix by country includes 70% from Chile, 18% from Peru and 12% from Colombia
- Strong and consistent financial performance has supported investments in new markets and health care facilities, while maintaining and growing existing markets

Source: Banmédica

THE HEALTH CARE LANDSCAPE IN CHILE, PERU AND COLOMBIA

Total health care spending in Chile, Colombia and Peru is approximately \$58 billion, with private and out-of-pocket spend representing \$21 billion. Health care spending growth in these countries was roughly 10% to 11% annually from 2009 to 2014, yet health care spend as a percentage of GDP is relatively low in the region.

	Chile	Colombia	Peru
Health Care Spending as a % of Total GDP 2014 ⁽¹⁾	7.8%	7.2%	5.5%
Average Yearly Growth in Health Care Spending 2009-2014 ⁽¹⁾	9.6%	10.7%	11.3%

- Public health systems offer basic care for all citizens, but a growing middle class is driving demand for access to better quality health care currently provided in the private system
- Aging population with increasing health care spend is putting greater strain on health care resources
- Demand for new hospital bed infrastructure is strong, given persistently high occupancy, as a result of a relatively low number of beds per 1,000 people
- Private insurers and providers offer premium value-added services that are sought by the growing middle class as an alternative to the public system
- As a result of these factors, private market benefits and private hospitals are expected to grow faster than the health care system overall in these countries

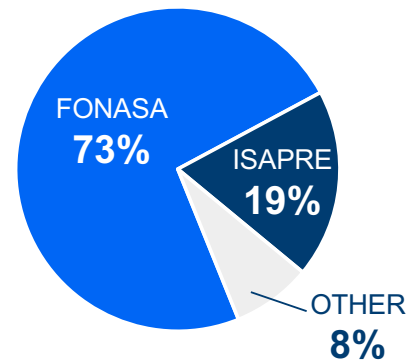
(1) Source: World Bank

SPOTLIGHT ON CHILEAN HEALTH CARE

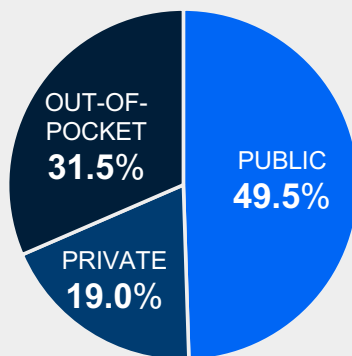
PUBLIC AND PRIVATE HEALTH CARE SYSTEMS

- **Fonasa (public system)** – Provides guaranteed access to public health facilities. Funded through 7% payroll tax as well as contributions from general taxes.
- **Isapre (private system)** – Provides access to private health facilities. Individuals can opt into the private system and contribute the 7% payroll tax required by the public system as well as additional funds depending on the plan design.
 - Serves ~19% of population through 13 participants

Health Beneficiaries by System



Chilean Health Expenditures



- A little more than 50% of Chilean health expenditures come from private sources including:
 - Isapre premiums and co-pays for private sector benefits and out-of-pocket costs in the public system to access private facilities
- Banmédica has ~26% share of the Isapre market and 4 other competitors have 15% or greater market share
- Isapre price increases are regulated by the government

- Total hospital beds in Chile decreased 5% from 2005 to 2015 due to lack of resources in the public health system. During that same period, private hospital beds grew 33% due to increased demand for and investment in private health services
- Banmédica's hospitals operate approximately 17% of the 6,800 private market beds in Chile and 35% of the private market beds in Santiago

2005 - 2015

TOTAL HOSPITAL BEDS

↓ 5%

PRIVATE HOSPITAL BEDS

↑ 33%

Source: World Bank, FONASA Annual Report 2015, Superintendencia de Salud, Clinicas de Chile 2015 Annual Report, Banmédica

SIGNIFICANT LATIN AMERICAN HEALTH CARE GROWTH OPPORTUNITIES

	CHILE	PERU	COLOMBIA	BRAZIL
Total Population	18M	32M	49M	208M
Number of People with Private Insurance	3.4M	0.8M	1.1M ⁽¹⁾	48M
Private Insurance Penetration	19%	3%	2%	23%
Number of Private Insurance Organizations	13	4	9 ⁽¹⁾	788
Number of Hospital Beds (Public/Private)	25,000/ 6,800	28,000/ 21,500 ⁽²⁾	27,200/ 53,000	304,000/ 135,000
Private Sector Hospital Bed Penetration	18%	43% ⁽²⁾	66%	31%

Source: World Bank, Superintendencia de Salud Chile, Clinicas de Chile, SuSalud Peru, SuperSalud Colombia, ANS, DataSUS, MINSA Peru, Datos.gov Colombia

(1) Medicinas Prepagada (Pre-paid Medical) only; excludes EPS and other commercial insurance

(2) Includes private hospitals and other facilities (non-profit and university operated)

BANMÉDICA HISTORICAL FINANCIAL PERFORMANCE

in current U.S.\$

(Membership data in 000s, \$ in millions except per share data)

	For The Period Ending,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Year-to-Date Sept. 30, 2017</u>
Revenue	\$1,737	\$2,163	\$2,328	\$1,871
EBITDA	\$173	\$196	\$230	\$185
Operating Earnings	\$127	\$141	\$173	\$136
Net Income to Shareholders	\$79	\$74	\$95	\$69
EPS	\$0.10	\$0.09	\$0.12	\$0.09
Operating Cash Flow	\$140	\$167	\$148	\$106
Members	803	1,911	2,023	2,156
Hospital Beds	1,645	1,906	1,911	1,922

Source: Banmédica Public Filings; Applies 610 CLP / USD exchange rate to Banmédica reported financials; all data expressed in International Financial Reporting Standards (IFRS)

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Information included in this document may contain forward-looking statements, which may be identified by their use of terms such as “intend,” “plan,” “may,” “should,” “will,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “continue,” “potential,” “opportunity,” “project” and similar terms. These statements are based on certain assumptions and analyses that UnitedHealth Group’s management believe are appropriate under the circumstances. However, these statements are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Forward-looking statements speak only as of the date they are made, and UnitedHealth Group does not undertake any obligation to publicly update or revise any of them in light of new information, future events or otherwise.

All subsequent written and oral forward-looking statements attributable to UnitedHealth Group or any person acting on UnitedHealth Group’s behalf are qualified by the cautionary statements in this section.

Factors that could have a material adverse effect on UnitedHealth Group’s or Banmédica’s operations and future prospects, many of which are difficult to predict and beyond the control of UnitedHealth Group or Banmédica, include, but are not limited to: the ability of UnitedHealth Group to successfully integrate Banmédica following completion of the tender offer, including the integration of Banmédica and UnitedHealth Group’s Brazilian business; realization of the expected benefits of the acquisition of Banmédica in a timely manner or at all; the amount of the costs, fees, expenses and charges related to the tender offer and the stock purchase agreement; effects of the pendency of the tender offer on relationships with employees, physicians, suppliers, customers and other business partners in Chile, Peru and Colombia; failure to effectively retain, attract and motivate key employees; UnitedHealth Group acquiring, managing and integrating new operations, businesses or assets, and the associated diversion of management attention or other related costs or difficulties; general political, economic and business conditions and industry conditions, including in Chile, Colombia and Peru; changes to laws or regulations, including in the health care industry in Chile, Colombia and Peru; the inherent uncertainty associated with financial or other projections; and the ability to implement and achieve business strategies successfully.

This list of important factors is not intended to be exhaustive. We discuss certain of these matters more fully, as well as certain risk factors that may affect our business operations, financial condition and results of operations, in our filings with the Securities and Exchange Commission, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Any or all forward-looking statements we make may turn out to be wrong, and can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. By their nature, forward-looking statements are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Actual future results may vary materially from expectations expressed or implied in this document or any of our prior communications. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update or revise any forward-looking statements, except as required by applicable securities laws.

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