



Conference Call Presentation for
2018 Annual Report and Financial Results

LEGAL DISCLAIMER

This presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of Med Life SA's securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy Med Life SA's securities.

Neither this presentation nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor.

All investors should consider such factors in consultation with a professional advisor of their choosing when deciding if an investment is appropriate.

Med Life SA has prepared this presentation based on information available to it, including information derived from public sources that have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.

These projections should not be considered a comprehensive representation of Med Life SA's cash generation performance.

This report may contain forward-looking statements. These statements reflect Med Life SA's current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as "anticipate," "believe", "estimate", "expect", "intend", "plan", "project", "target", "may", "will", "would", "could" or "should" or similar terminology.

These financial projections are preliminary and subject to change; Med Life SA undertakes no obligation to update or revise these forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events. Inevitably, some assumptions may not materialize, and unanticipated events and circumstances may affect the ultimate financial results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks.

Therefore, the final results achieved may vary significantly from the forecasts, and the variations may be material.

TOPICS OF DISCUSSION

I. DIFFERENCES RECORDED BETWEEN PRELIMINARY AND AUDITED FINANCIAL RESULTS FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER 2018

II. KEY OPERATIONAL METRICS EVOLUTION



I. DIFFERENCES RECORDED BETWEEN PRELIMINARY AND AUDITED FINANCIAL RESULTS part I



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in RON, otherwise stated)

For the year ended December 31, 2018				
	Preliminary	Audited	Audited vs Preliminary	Comment
ASSETS				
NON-CURRENT ASSETS				
Goodwill	82,378,647	82,378,647	-	
Intangible assets	39,385,025	39,647,014	261,989	Note 1, 2
Tangible fixed assets	458,014,197	458,033,010	18,813	
Financial fixed assets	10,348,396	10,115,776	(232,620)	Note 1
TOTAL NON-CURRENT ASSETS	590,126,265	590,174,447	48,182	
CURRENT ASSETS				
Inventories	31,077,226	31,070,480	(6,746)	
Receivables	78,971,571	78,957,879	(13,692)	
Other receivables	13,190,959	13,117,114	(73,845)	Note 1, 4
Cash at bank and in hand	33,337,537	34,206,159	868,622	Note 3
	156,577,293	157,351,632	774,339	
Assets classified as held for sale	381,665	381,665	-	
PREPAYMENTS	6,186,462	6,186,462	-	
TOTAL CURRENT ASSETS	163,145,420	163,919,759	774,339	
TOTAL ASSETS	753,271,685	754,094,206	822,521	
CURRENT LIABILITIES				
Trade accounts payable	140,105,096	140,970,528	865,432	Note 3
Overdraft	30,911,018	30,911,018	-	
Current portion of lease liability	8,949,474	8,949,472	(2)	
Current portion of long term debt	23,162,490	23,162,490	-	
Current tax liabilities	525,897	729,572	203,675	Note 5
Provisions	2,458,957	2,458,957	-	
Other liabilities	38,207,810	37,605,544	(602,266)	Note 4
Liabilities directly associated with assets classified as held for sale	458,785	458,785	-	
TOTAL CURRENT LIABILITIES	244,779,527	245,246,366	466,839	
LONG TERM DEBT				
Lease liability	26,525,231	26,525,231	-	
Long term debt	287,013,365	287,013,365	-	
TOTAL LONG-TERM LIABILITIES	313,538,596	313,538,596	-	
Deferred tax liability	16,436,342	16,436,342	-	
TOTAL LIABILITIES	574,754,465	575,221,304	466,839	
SHAREHOLDER'S EQUITY				
Issued capital	81,495,470	81,495,470	-	
Treasury shares	(6,056,105)	(6,056,105)	-	
Reserves	93,540,770	93,906,109	365,339	Note 6
Retained earnings	(10,005,007)	(9,994,660)	10,347	Note 2, 6
Equity attributable to owners of the Group	158,975,128	159,350,814	375,686	
Non-controlling interests	19,542,092	19,522,088	(20,004)	
TOTAL EQUITY	178,517,220	178,872,902	355,682	
TOTAL LIABILITIES AND EQUITY	753,271,685	754,094,206	822,521	

Note 1 : Reclassification of investment made by Genesys Medical Center in Transilvania Imagistica: initially recognized in Intangible assets and Financial assets – reclassified to Other receivables.

Note 2 : Reversal of depreciation recorded by Anima Specialty Medical Services S.R.L. to align to Group accounting policies. Impact on Intangible assets and Depreciation (which further affects Net result of the year included in Retained earnings line).

Note 3 : Recording the acquisition of meal tickets as a result of reversal of advance payment made in relation with Edenred Romania. Impact on Cash at bank and in hand account and Trade accounts payable.

Note 4 : Correction of partial payment for shares of Prima Medical, recorded initially as a further increase in investment, instead of a reduction in liability. Impact on Other receivables and Other liabilities.

Note 5 : Additional recording of corporate income tax. Impact on Current tax liabilities and Income tax expense (which further affects Net result of the year included in Retained earnings line).

Note 6 : Additional legal reserve. Impact on Net result of the year included in Retained earnings line and Reserves.

I. DIFFERENCES RECORDED BETWEEN PRELIMINARY AND AUDITED FINANCIAL RESULTS part II

CONSOLIDATED PRO-FORMA PL

(all amounts in RON, otherwise stated)

PRO FORMA	For the year ended December 31, 2018		Audited vs Preliminary	Comment
	Preliminary	Audited		
SALES	804,068,936	804,072,720	3,784	
Other operating revenues	13,617,439	13,617,439	-	
OPERATING INCOME	817,686,375	817,690,159	3,784	
OPERATING EXPENSES	(775,102,973)	(774,546,602)	556,371	Note 1
OPERATING PROFIT	42,583,402	43,143,557	560,155	
Net Finance cost	(18,538,666)	(18,538,666)	-	
Other financial expenses	3,026,245	3,025,477	(768)	
FINANCIAL RESULT	(15,512,421)	(15,513,189)	(768)	
RESULT BEFORE TAXES	27,070,981	27,630,368	559,387	
Income tax expense	(7,372,513)	(7,576,188)	(203,675)	Note 2
NET RESULT	19,698,468	20,054,180	355,712	

NET INCOME TO ADJUSTED EBITDA	For the year ended December 31, 2018		Audited vs Preliminary	Comment
	Preliminary	Audited		
Net income / (loss) for the period	19,698,468	20,054,180	355,712	
Add back:				
Taxes on income	7,372,513	7,576,188	203,675	
<i>Out of which:</i>				
Base tax expense	6,868,330	7,072,005	203,675	
One off impact	504,183	504,183	-	
Net financial result	15,512,421	15,513,189	768	
Depreciation, amortization and impairment, including write-ups	60,863,344	60,292,695	(570,649)	Note 1
Adjusted EBITDA	103,446,746	103,436,252	(10,494)	

PRO-FORMA REVENUE SPLIT BY BUSINESS LINE	For the year ended December 31, 2018		Audited vs Preliminary	Comment
	Preliminary	Audited		
Clinics	248,834,078	248,834,078	-	
Stomatology	44,733,559	44,733,559	-	
Hospitals	157,860,529	157,860,529	-	
Laboratories	137,403,691	137,403,691	-	
Corporate	169,801,162	169,801,162	-	
Pharmacies	36,111,885	36,111,885	-	
Other Sales	9,324,032	9,327,816	3,784	
SALES	804,068,936	804,072,720	3,784	

Note 1 : Reversal of depreciation recorded by Anima Specialty Medical Services S.R.L. to align to Group accounting policies. Impact on Depreciation (which further affects Operating expenses).

Note 2 : Additional recording of corporate income tax. Impact on Income tax expense.

I. DIFFERENCES RECORDED BETWEEN PRELIMINARY AND AUDITED FINANCIAL RESULTS part III

CONSOLIDATED STATEMENT OF CASH FLOW

(all amounts in RON, otherwise stated)

For the year ended December 31, 2018

	Preliminary	Audited	Audited vs Preliminary	Comment
Cash flow from operating activities				
Profit / Loss before tax	23,274,526	23,833,883	559,357	
Adjustments for:				
Depreciation	57,552,894	56,982,245	(570,649)	Note 1
Disposal of subsidiaries	-	-	-	
Provisions for risks and charges	(260,399)	(260,399)	-	
Interest expense	17,567,816	17,567,816	-	
Interest income	(814,477)	(813,677)	800	
Allowance for doubtful debts and receivables written-off	(161,589)	(161,589)	-	
Write off and allowance of other current assets	-	-	-	
Financial discounts	(6,983)	(6,983)	-	
Unrealized exchange gain/loss	1,407,020	1,407,018	(2)	
Other non-monetary gains	(6,549,809)	(6,549,809)	-	
Bargain gain	-	-	-	
Net gain/(loss) on disposal of property	-	-	-	
Operating cash flow before working capital changes	92,008,999	91,998,505	(10,494)	
(Increase) in accounts receivable	(21,018,881)	(20,931,344)	87,537	Note 3, 4
(Increase) in inventories	(5,909,005)	(5,902,259)	6,746	
Decrease/(Increase) in prepayments	1,889,895	1,889,895	-	
Increase in accounts payable	7,996,774	8,257,035	260,261	Note 2, 3
Cash generated from operations	74,967,782	75,311,832	344,050	
Income tax paid	(6,194,673)	(6,194,673)	-	
Interest paid	(18,165,105)	(18,165,105)	-	
Interest received	814,477	813,677	(800)	
Net cash flow from operating activities	51,422,481	51,765,731	343,250	
Cash flow from investing activities				
Investments in business combinations	(17,217,993)	(16,985,373)	232,620	Note 4
Purchase of intangible assets	(2,722,460)	(2,396,311)	326,149	Note 4
Purchase of property, plant and equipment	(49,890,384)	(49,923,781)	(33,397)	
Proceeds from sale of business combinations	-	-	-	
Net cash used in investing activities	(69,830,837)	(69,305,465)	525,372	
Cash flow from financing activities				
Share capital contribution	-	-	-	
Increase in loans	46,683,460	46,683,462	2	
Payment of loans	(58,474,480)	(58,474,480)	-	
Payments of financial leasing	(9,341,824)	(9,341,826)	(2)	
Dividend paid to NCI	(292,924)	(292,924)	-	
Payments for acquisition of treasury shares	(6,056,105)	(6,056,105)	-	
Net cash generated by financing activity	(27,481,873)	(27,481,873)	-	
Net change in cash and cash equivalents	(45,890,229)	(45,021,607)	868,622	Note 2
Cash and cash equivalents opening balance	79,227,766	79,227,766	-	
Cash and cash equivalents closing balance	33,337,537	34,206,159	868,622	

Note 1 : Reversal of depreciation recorded by Anima Specialty Medical Services S.R.L. to align to Group accounting policies. Impact on Intangible assets and Depreciation.

Note 2 : Recording of acquisition of meal tickets as a result of the reversal of advance payment made in relation with Edenred Romania. Impact on Cash at bank and in hand account and Trade accounts payable.

Note 3 : Correction of partial payment for shares of Prima Medical, recorded initially as an increase in investment, instead of a reduction of liability. Impact on Other receivables and Other liabilities.

Note 4 : Reclassification of investment made by Genesys Medical Center in Transilvania Imagistica: initially recognized in Intangible assets and Financial assets – reclassified to Other receivables; impact on Investments in Business Combinations in CF.

II. KEY OPERATIONAL METRICS EVOLUTION

Business line*	Info	12 months 2018	12 months 2017
		IFRS	IFRS
Clinics	Revenue	233,339,171	166,650,648
Clinics	Visits	1,478,211	1,153,218
Clinics	Avg fee	157.9	144.5
Stomatology	Revenue	44,733,559	37,565,681
Stomatology	Visits	102,714	99,682
Stomatology	Avg fee	435.5	376.9
Hospitals	Revenue	167,320,772	119,106,274
Hospitals	Patients	75,031	58,610
Hospitals	Avg fee	2,230.0	2,032.2
Laboratories	Revenue	134,680,878	115,259,329
Laboratories	Analyses	5,666,665	5,320,695
Laboratories	Avg fee	23.8	21.7
Corporate	Revenue	169,171,271	144,621,716
Corporate	Subscriptions	649,292	568,593
Corporate	Avg fee	260.5	254.4
Pharmacies	Revenue	36,111,885	29,526,655
Pharmacies	Clients	269,737	269,104
Pharmacies	Sales per client	133.9	109.7
Others	Revenue	9,205,325	10,489,646

*Sales represent IFRS sales as presented in the consolidated IFRS financial statements.





III. Q&A SESSION

Thank you!

