



Conference Call Presentation for Q1 2018 Results



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I. KEY POINTS Q1 2018

1

Sales growth Q1 2018 vs Q1 2017: + 13.4% like2like
+ 19.9% IFRS 2018 vs. IFRS 2017
+ 34% Pro forma 2018 vs. IFRS 2017

2

EBITDA margin IFRS Q1 2017: 12.9%
EBITDA margin IFRS Q1 2018: 12.2%
EBITDA margin Pro-forma Q1 2018: 12.4%

3

Net debt to EBITDA ratio of 3, after Polisano transaction (annualized Pro-forma Q1 2018 EBITDA)

4

Increase in NHIH funds contracted by hospitals in 2018 compared to FY 2017

5

The increase of salaries in the public health sector impacts to a limited extent the Q1 results but provides, at the same time, predictability over the next 4 years in terms of public competition on work force

6

Significant acquisitions during 2018 – 100% shares in Polisano (transaction closed), 90% shares in Ghencea Medical Center (subject to CPs) and 80% shares in Solomed Group (transaction closed on 14 May 2018) – **Growth oriented**

II. MEDLIFE GROUP Q1 FINANCIAL SNAPSHOT

Consolidated Statement of Financial Position

Description	December 31, 2017	March 31, 2018	%VAR
	IFRS	IFRS	
Non-current assets	432,342,667	429,886,286	(0.6)%
Current assets	171,002,820	185,774,334	8.6%
TOTAL ASSETS	603,345,487	615,660,620	2.0%
Current liabilities	167,577,743	180,083,682	7.5%
Long term liabilities	252,909,151	248,329,832	(1.8)%
Deferred tax liability	15,196,634	15,196,634	0.0%
TOTAL LIABILITIES	435,683,528	443,610,148	1.8%
Equity attributable to owners of the Group	152,036,571	154,923,832	1.9%
Non-controlling interests	15,625,388	17,126,640	9.6%
EQUITY	167,661,959	172,050,472	2.6%



Consolidated Statement of Profit and Loss

Description	Q1 2017	Q1 2018	%VAR	Q1 2018	%VAR
	IFRS	IFRS		Pro-Forma	
Sales	146,920,533	176,228,645	19.9%	196,864,070	34.0%
Other operating income	164,266	209,217	27.4%	1,700,187	935.0%
OPERATING INCOME	147,084,799	176,437,862	20.0%	198,564,257	35.0%
OPERATING EXPENSES	(137,112,224)	(166,815,073)	21.7%	(188,084,493)	37.2%
OPERATING PROFIT	9,972,575	9,622,789	-3.5%	10,479,764	5.1%
EBITDA	19,093,111	21,412,625	12.1%	24,463,673	28.1%
FINANCIAL RESULT	(3,916,441)	(3,619,906)	-7.6%	(4,500,950)	14.9%
RESULT BEFORE TAXES	6,056,134	6,002,883	(0.9)%	5,978,814	(1.3)%
Income tax expense	(1,819,858)	(1,614,370)	(11.3)%	(1,644,844)	(9.6)%
NET RESULT	4,236,276	4,388,513	3.6%	4,333,970	2.3%

II. MEDLIFE GROUP Q1 FINANCIAL SNAPSHOT

OPEX EVOLUTION

Description	Q1 2017 IFRS	Q1 2018 IFRS	% VAR	% of OPERATING EXPENSES			% of SALES			
				Q1 2017 IFRS	Q1 2018 IFRS	Change	Q1 2017 IFRS	Q1 2018 IFRS	Change	Note
Consumable materials and repair materials	23,394,703	27,016,168	15.5%	17.1%	16.2%	(0.9)	15.9%	15.3%	(0.6)	A
Commodities	5,634,254	7,397,306	31.3%	4.1%	4.4%	0.3	3.8%	4.2%	0.4	B
Utilities	1,582,265	2,382,903	50.6%	1.2%	1.4%	0.3	1.1%	1.4%	0.3	
Repairs maintenance	1,336,266	1,636,226	22.4%	1.0%	1.0%	0.0	0.9%	0.9%	0.0	
Rent	9,303,765	10,524,735	13.1%	6.8%	6.3%	(0.5)	6.3%	6.0%	(0.4)	
Insurance premiums	483,603	569,427	17.7%	0.4%	0.3%	(0.0)	0.3%	0.3%	(0.0)	
Promotion expense	2,676,807	3,650,101	36.4%	2.0%	2.2%	0.2	1.8%	2.1%	0.2	
Communications	745,107	916,427	23.0%	0.5%	0.5%	0.0	0.5%	0.5%	0.0	
Third party expenses & Salaries expenses, <i>out of which:</i>	80,262,294	98,276,586	22.4%	58.5%	58.9%	0.4	54.6%	55.8%	1.1	C
<i>Third party expenses (including doctor's agreements)</i>	<i>38,329,297</i>	<i>47,204,919</i>	<i>23.2%</i>	<i>28.0%</i>	<i>28.3%</i>	<i>0.3</i>	<i>26.1%</i>	<i>26.8%</i>	<i>0.7</i>	
<i>Salary and related expenses (including social contributions)</i>	<i>41,932,997</i>	<i>51,071,667</i>	<i>21.8%</i>	<i>30.6%</i>	<i>30.6%</i>	<i>0.0</i>	<i>28.5%</i>	<i>29.0%</i>	<i>0.4</i>	
Depreciation	9,120,536	11,789,836	29.3%	6.7%	7.1%	0.4	6.2%	6.7%	0.5	D
Other administration and operating expenses	2,572,624	2,655,358	3.2%	1.9%	1.6%	(0.3)	1.8%	1.5%	(0.2)	
OPERATING EXPENSES	137,112,224	166,815,073	21.7%	100%	100%	0.0	93.3%	94.7%	1.3	

Note:

The Group recorded a 1.3 p.p. increase of operating expenses as % of sales in Q1 2018 as compared to Q1 2017.

- A. 0.6 p.p. decrease of "Consumable materials and repair materials" as % of Sales, generated by increased cost synergies and volume discounts obtained from main suppliers;
- B. 0.4 p.p. increase of "Commodities" as % of Sales, as a direct effect of Sales growth of the Pharmacies business line;
- C. 1.1 p.p. increase of "Third parties and salaries expenses" as % of Sales as an effect of increased competition on work force from the public medical sector; and
- D. 0.5 p.p. increase of "Depreciation" as % of Sales, proving stability behavior compared to FY 2017.

III. KEY OPERATIONAL METRICS FOR Q1 2018

Business Line	Q1 2017	Q1 2018	% VAR
Clinics sales	38,837,934	48,199,052	24.1 %
Visits	277,325	320,519	15.6 %
Average Charge	140.0	150.4	7.4 %
Stomatology sales	8,773,435	10,534,452	20.1 %
Visits	26,624	25,808	(3.1)%
Average Charge	329.5	408.2	23.9 %
Hospitals sales	29,504,620	33,002,491	11.9 %
Visits	15,291	15,658	2.4 %
Average Charge	1,929.6	2,107.6	9.2 %
Laboratories sales	26,884,535	33,632,216	25.1 %
Visits	1,197,003	1,445,108	20.7 %
Average Charge	22.5	23.3	3.4 %
Corporate sales	33,437,690	39,857,039	19.2 %
Visits	480,289	573,688	19.4 %
Average Charge	69.6	69.5	(0.2)%
Pharmacies sales	6,810,048	8,948,472	31.4 %
Visits	70,116	75,256	7.3 %
Average Charge	97.1	118.9	22.5 %
Other sales	2,672,270	2,054,923	(23.1)%





IV. Q&A SESSION

THANK YOU!

