

# Q3 2023 Financial Results Presentation

10 November 2023

La MedLife  
ai mereu un  
medic bun



# 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.

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

These financial projections/forecasts are in compliance with the Policy on Forecast of MedLife Group published on its website:  
[https://www.medlifeinternational.com/public\\_files/documente\\_bursa/policy\\_of\\_forecast.pdf](https://www.medlifeinternational.com/public_files/documente_bursa/policy_of_forecast.pdf)

These financial projections/forecasts 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.

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

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

# AGENDA

1

Highlights 9m 2023

- Key messages and outlook

2

Financial overview

- Consolidated Statement of Profit and Loss
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flow

3

Q&A Session

# Highlights 9m 2023

- Key messages and Outlook



## Key messages for 9m 2023 period

- Continued robust organic growth of 10% in revenues, with sustained demand for medical services despite a less favorable macroeconomic environment;
- Profitability improved in Q3 vs Q2 from 12.5% to 13.5%, highlighting the positive direction of the Group, despite the early-stage investments that put pressure on the Group's profitability, but which at the same time lay the foundation for future growth;
- Early stage investments include 3 main CAPEX intensive projects that come with loss results in the reported period;
- 2 radiotherapy Neolife centers located in Braila and Valcea and 2 further investments in radiotherapy units in Brasov (a second radiotherapy equipment being commissioned) and Sibiu (modernization of the current radiotherapy equipment);
- Nord Pipera Hospital – 20k sm hospital, with 8 operating theaters, soon to be inaugurated;
- Continued investments in high-end technology in MedLife Medical Park, Humanitas Hospital in Cluj, MedLife Hospital in Brasov and Polisano Hospital in Sibiu expected to yield significant results in the future;
- Increased net debt used to fund new investments, leverage level coming down by the end of 2024;

# Outlook for YE and 2024

- Inauguration of Nord Hospital by the end of this month;
- Complete the investments started in MedLife Medical Park, Medici`s Hospital in Timisoara and new medical unit in Craiova;
- Gradual shift in recent years from prevention services to hospital and oncology services will result in greater resilience for the Group;
- Expect strong performance and consolidation of oncology and hospital divisions;
- Focus on optimizing operational flows and Group structure, with 3 merger projects with effective date @ 31 dec 2023;
- Focus on consolidating profitability margins after big investments in organic projects;
- platform for growth in coming years on the back of anticipated increased contribution from early-stage investments and projects;



# Financial overview

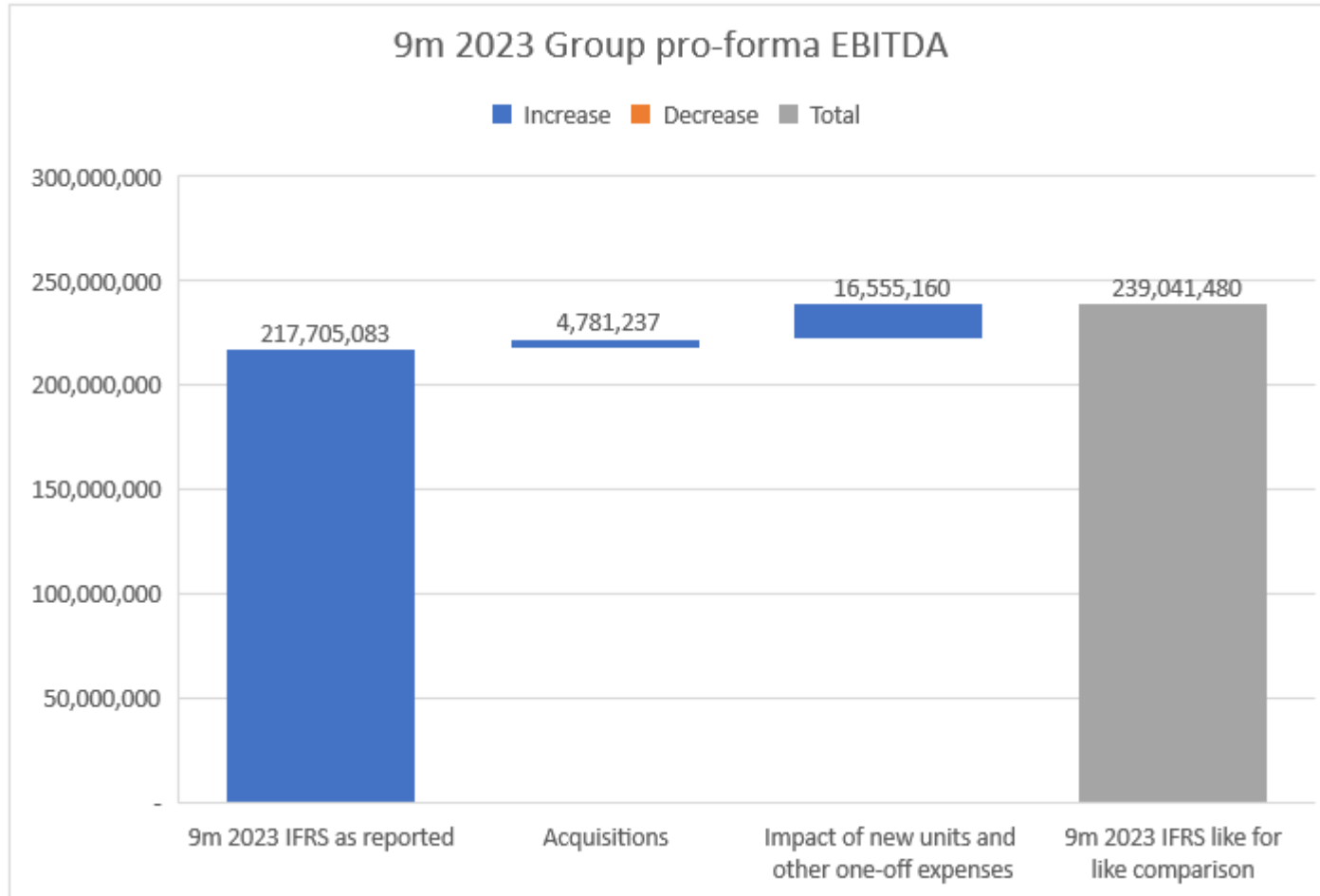
- Consolidated Statement of Profit and Loss
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flow

# Consolidated Statement of Profit and Loss

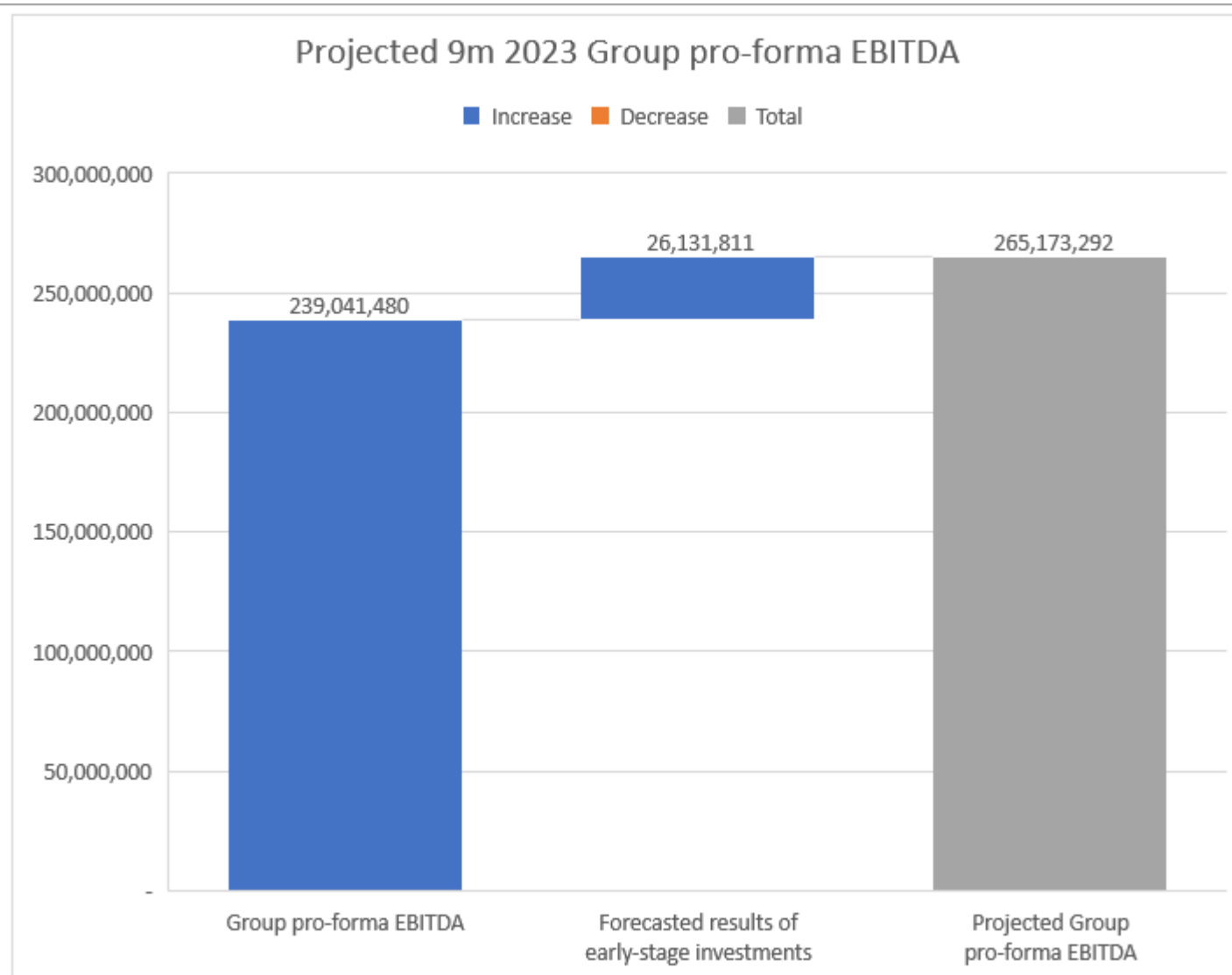
| Description                | 9m 2022<br>IFRS        | 9m 2023<br>IFRS        | %VAR           | Pro-forma adj.      | 9m 2023<br>Pro-forma   | %VAR           |
|----------------------------|------------------------|------------------------|----------------|---------------------|------------------------|----------------|
| Gross Sales                | 1,323,955,033          | 1,627,415,774          | 22.9 %         | 32,323,239          | 1,659,739,013          | 25.4 %         |
| Net Sales (less NHP)       | 1,323,955,033          | 1,627,415,774          | 22.9 %         | (64,664,590)        | 1,562,751,183          | 18.0 %         |
| Other operating income     | 9,901,201              | 12,865,976             | 29.9 %         | 974,988             | 13,840,964             | 39.8 %         |
| <b>OPERATING INCOME</b>    | <b>1,333,856,234</b>   | <b>1,640,281,750</b>   | <b>23.0 %</b>  | <b>(63,689,602)</b> | <b>1,576,592,148</b>   | <b>18.2 %</b>  |
| <b>OPERATING EXPENSES</b>  | <b>(1,238,416,926)</b> | <b>(1,563,475,986)</b> | <b>26.2 %</b>  | <b>82,272,089</b>   | <b>(1,481,203,897)</b> | <b>19.6 %</b>  |
| <b>OPERATING PROFIT</b>    | <b>95,439,308</b>      | <b>76,805,764</b>      | <b>(19.5)%</b> | <b>18,582,486</b>   | <b>95,388,251</b>      | <b>(0.1)%</b>  |
| <b>EBITDA</b>              | <b>198,086,984</b>     | <b>217,705,083</b>     | <b>9.9 %</b>   | <b>21,336,397</b>   | <b>239,041,480</b>     | <b>20.7 %</b>  |
| Net finance cost           | (26,335,478)           | (57,394,710)           | 117.9 %        | (1,088,189)         | (58,482,899)           | 122.1 %        |
| Other financial expenses   | (1,531,772)            | (4,242,058)            | 176.9 %        | 198,279             | (4,043,779)            | 164.0 %        |
| <b>FINANCIAL RESULT</b>    | <b>(27,867,251)</b>    | <b>(61,636,769)</b>    | <b>121.2 %</b> | <b>(889,910)</b>    | <b>(62,526,679)</b>    | <b>124.4 %</b> |
| <b>RESULT BEFORE TAXES</b> | <b>67,572,057</b>      | <b>15,168,996</b>      | <b>(77.6)%</b> | <b>17,692,576</b>   | <b>32,861,572</b>      | <b>(51.4)%</b> |
| Income tax expense         | (10,729,535)           | (11,365,857)           | 5.9 %          | (2,737,203)         | (14,103,060)           | 31.4 %         |
| <b>NET RESULT</b>          | <b>56,842,522</b>      | <b>3,803,139</b>       | <b>(93.3)%</b> | <b>14,955,374</b>   | <b>18,758,512</b>      | <b>(67.0)%</b> |
| <b>Margins</b>             |                        |                        |                |                     |                        |                |
| EBIT %                     | 7.2%                   | 4.7%                   |                |                     | <b>6.1%</b>            |                |
| EBITDA %                   | 15.0%                  | 13.4%                  |                |                     | <b>15.3%</b>           |                |
| Net Result %               | 4.3%                   | 0.2%                   |                |                     | <b>1.2%</b>            |                |

- Pro-forma EBIT in line with same period last year
- Pro-forma EBITDA increased by 21%, a margin of 15.3% (15% same period last year)
- Net result decreased by 67%, a margin of 1.2% (4.3% same period last year) – impact of increased finance costs Euribor linked.

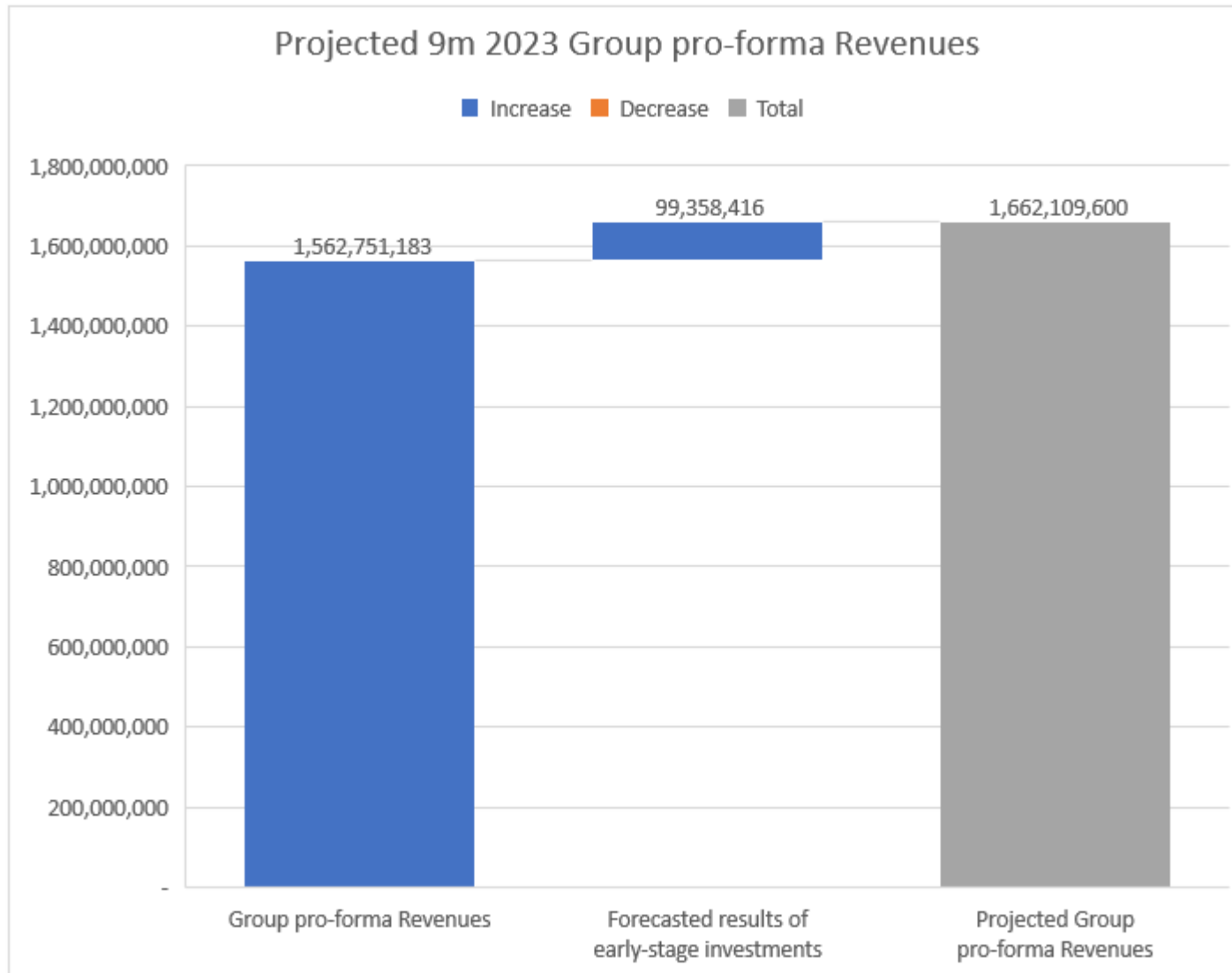




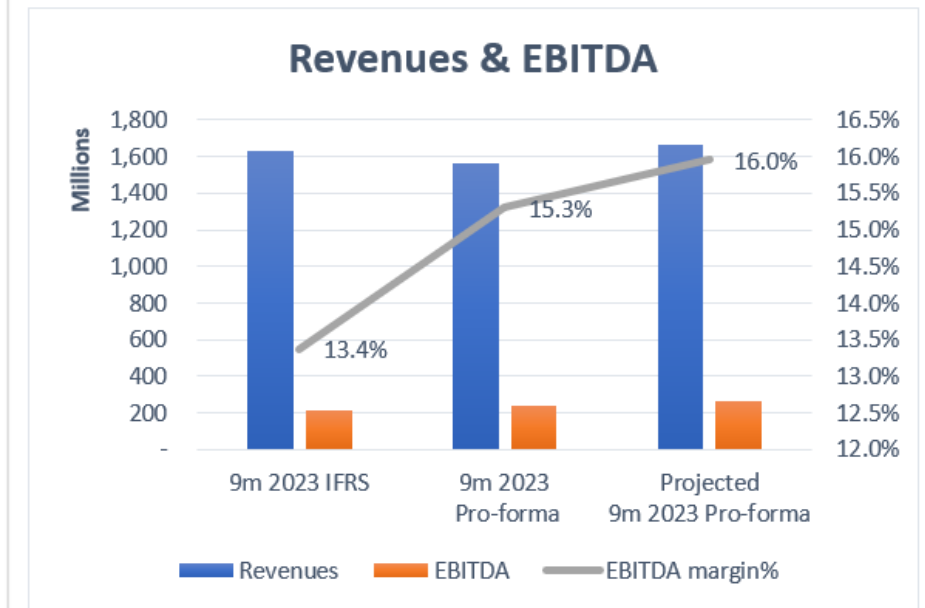
- 4.8m RON EBITDA of companies acquired during 9m 2023 (81% related to Nord Group)
- Drag of early-stage units, with 16.5m RON loss in EBITDA mostly due to organically developed projects (main being Nord Hospital and 2 radiotherapy centers of Neolife in Braila and Valcea)



- Forecasted results of early-stage investments include 9months results of
  - new Nord Hospital in Bucharest;
  - Neolife Braila oncology center;
  - Neolife Valcea oncology center;
  - New radiotherapy equipment in Brasov;
  - Da Vinci robot of MedPark;
  
- after 18 months from their opening;
  
- 26m RON forecasted EBITDA coming from early stage investments;



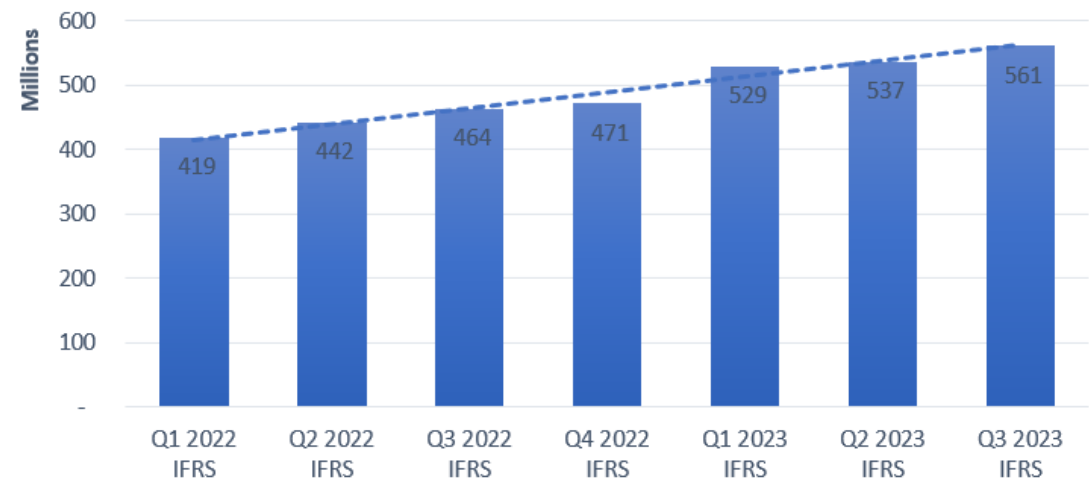
- 99m RON forecasted Revenues, leading to 16% projected EBITDA margin for the Group



## QoQ EBITDA and margin Evolution



## QoQ Revenues evolution



# Consolidated Statement of Profit and Loss (Cont.)

## Operational KPIs –business lines evolution

| Business line | Info           | 9m 2022<br>IFRS      | 9m 2023<br>IFRS      | %VAR          | Share of<br>total IFRS<br>Sales |
|---------------|----------------|----------------------|----------------------|---------------|---------------------------------|
| Clinics       | <b>Revenue</b> | <b>446,170,930</b>   | <b>608,211,330</b>   | <b>36.3%</b>  | <b>37.4%</b>                    |
| Clinics       | Visits         | 2,203,401            | 2,837,293            | 28.8%         |                                 |
| Clinics       | Avg fee        | 202.5                | 214.4                | 5.9 %         |                                 |
| Stomatology   | <b>Revenue</b> | <b>87,420,487</b>    | <b>92,506,777</b>    | <b>5.8%</b>   | <b>5.7%</b>                     |
| Stomatology   | Visits         | 138,231              | 138,157              | -0.1%         |                                 |
| Stomatology   | Avg fee        | 632.4                | 669.6                | 5.9 %         |                                 |
| Hospitals     | <b>Revenue</b> | <b>274,742,758</b>   | <b>353,143,067</b>   | <b>28.5%</b>  | <b>21.7%</b>                    |
| Hospitals     | Patients       | 86,882               | 102,962              | 18.5%         |                                 |
| Hospitals     | Avg fee        | 3,162.3              | 3,429.8              | 8.5 %         |                                 |
| Laboratories  | <b>Revenue</b> | <b>153,193,881</b>   | <b>171,739,754</b>   | <b>12.1 %</b> | <b>10.6%</b>                    |
| Laboratories  | Analyses       | 4,904,181            | 5,463,886            | 11.4 %        |                                 |
| Laboratories  | Avg fee        | 31.2                 | 31.4                 | 0.6 %         |                                 |
| Corporate     | <b>Revenue</b> | <b>163,704,809</b>   | <b>189,373,911</b>   | <b>15.7%</b>  | <b>11.6%</b>                    |
| Corporate     | Subscriptions  | 784,910              | 867,342              | 10.5%         |                                 |
| Corporate     | Avg fee        | 208.6                | 218.3                | 4.7 %         |                                 |
| Pharmacies    | <b>Revenue</b> | <b>60,278,085</b>    | <b>46,287,876</b>    | <b>-23.2%</b> | <b>2.8%</b>                     |
| Pharmacies    | Clients        | 465,470              | 346,530              | -25.6%        |                                 |
| Pharmacies    | Sales per      | 129.5                | 133.6                | 3.1 %         |                                 |
| Others        | <b>Revenue</b> | <b>138,444,083</b>   | <b>166,153,060</b>   | <b>20.0%</b>  | <b>10.2%</b>                    |
| <b>Total</b>  |                | <b>1,323,955,033</b> | <b>1,627,415,774</b> | <b>22.9%</b>  | <b>100.0%</b>                   |

- Strong growth in revenues, up 25% pro-forma basis / 23% on IFRS, organic growth of 10%
- FFS represents 61% of total revenues

# Consolidated Statement of Profit and Loss (Cont.)

## OPEX evolution

| Description  |                      |                      |              | % of OPERATING EXPENSES |              |                 | % of SALES   |              |                |
|--|----------------------|----------------------|--------------|-------------------------|--------------|-----------------|--------------|--------------|----------------|
|  | 9m 2022              | 9m 2023              | %VAR         | 9m 2022                 | 9m 2023      | Change          | 9m 2022      | 9m 2023      | Change         |
|  | IFRS                 | IFRS                 |              | IFRS                    | IFRS         |                 |              |              |                |
| Consumable materials and repair materials                      | 224,657,498          | 286,957,439          | 27.7%        | 18.1%                   | 18.4%        | 0.2 p.p         | 17.0%        | 17.6%        | 0.7 p.p        |
| Commodities  | 153,548,065          | 155,327,826          | 1.2%         | 12.4%                   | 9.9%         | -2.5 p.p        | 11.6%        | 9.5%         | -2.1 p.p       |
| Utilities  | 18,262,152           | 24,745,270           | 35.5%        | 1.5%                    | 1.6%         | 0.1 p.p         | 1.4%         | 1.5%         | 0.1 p.p        |
| Repairs maintenance  | 14,843,122           | 14,196,703           | -4.4%        | 1.2%                    | 0.9%         | -0.3 p.p        | 1.1%         | 0.9%         | -0.2 p.p       |
| Rent   | 8,866,438            | 9,695,457            | 9.4%         | 0.7%                    | 0.6%         | -0.1 p.p        | 0.7%         | 0.6%         | -0.1 p.p       |
| Insurance premiums   | 3,363,516            | 4,236,979            | 26.0%        | 0.3%                    | 0.3%         | 0 p.p           | 0.3%         | 0.3%         | 0 p.p          |
| Promotion expense  | 19,338,991           | 27,136,312           | 40.3%        | 1.6%                    | 1.7%         | 0.2 p.p         | 1.5%         | 1.7%         | 0.2 p.p        |
| Communications   | 3,958,443            | 4,591,991            | 16.0%        | 0.3%                    | 0.3%         | 0 p.p           | 0.3%         | 0.3%         | 0 p.p          |
| Third party expenses & Salaries expenses, <i>out of which:</i> | 673,587,195          | 873,441,906          | 29.7%        | 54.4%                   | 55.9%        | 1.5 p.p         | 50.9%        | 53.7%        | 2.8 p.p        |
| <i>Third party expenses (including doctor's agreements)</i>    | <i>339,861,734</i>   | <i>456,459,369</i>   | <i>34.3%</i> | <i>27.4%</i>            | <i>29.2%</i> | <i>1.8 p.p</i>  | <i>25.7%</i> | <i>28.0%</i> | <i>2.4 p.p</i> |
| <i>Salary and related expenses (including social contrib.)</i> | <i>333,725,461</i>   | <i>416,982,537</i>   | <i>24.9%</i> | <i>26.9%</i>            | <i>26.7%</i> | <i>-0.3 p.p</i> | <i>25.2%</i> | <i>25.6%</i> | <i>0.4 p.p</i> |
| Depreciation   | 102,647,676          | 140,899,319          | 37.3%        | 8.3%                    | 9.0%         | 0.7 p.p         | 7.8%         | 8.7%         | 0.9 p.p        |
| Impairment / Release under IFRS 9 provision on TR              | -                    | 1,002,093            | 0.0%         | 0.0%                    | 0.1%         | 0.1 p.p         | 0.0%         | 0.1%         | 0.1 p.p        |
| Other administration and operating expenses                    | 15,343,830           | 21,244,691           | 38.5%        | 1.2%                    | 1.4%         | 0.1 p.p         | 1.2%         | 1.3%         | 0.1 p.p        |
| <b>OPERATING EXPENSES</b>                                      | <b>1,238,416,926</b> | <b>1,563,475,986</b> | <b>26.2%</b> | <b>100%</b>             | <b>100%</b>  | <b>0 p.p</b>    | <b>93.5%</b> | <b>96.1%</b> | <b>2.5 p.p</b> |

# Consolidated Statement of Financial Position

| Description  | December 31,<br>2022<br>IFRS | September 30,<br>2023<br>IFRS | %VAR         |
|--|------------------------------|-------------------------------|--------------|
| Non-current assets   | 1,686,590,024                | 1,935,664,778                 | 14.8%        |
| Current assets, excluding Cash and cash equivalents          | 376,318,151                  | 408,107,847                   | 8.4%         |
| Cash and cash equivalents                                    | 89,068,154                   | 121,270,631                   | 36.2%        |
| <b>TOTAL ASSETS</b>  | <b>2,151,976,329</b>         | <b>2,465,043,256</b>          | <b>14.5%</b> |
| Current liabilities (excluding interest bearing liabilities) | 414,943,880                  | 440,394,952                   | 6.1%         |
| Financial Debt   | 1,189,086,767                | 1,456,650,517                 | 22.5%        |
| Other long term debt   | 21,657,277                   | 28,458,890                    | 31.4 %       |
| Deferred tax liability                                       | 44,250,160                   | 44,994,791                    | 1.7%         |
| <b>TOTAL LIABILITIES</b>                                     | <b>1,669,938,084</b>         | <b>1,970,499,150</b>          | <b>18.0%</b> |
| Equity attributable to owners of the Group                   | 416,780,834                  | 423,006,313                   | 1.5%         |
| Non-controlling interests                                    | 65,257,411                   | 71,537,793                    | 9.6%         |
| <b>EQUITY</b>  | <b>482,038,245</b>           | <b>494,544,106</b>            | <b>2.6%</b>  |



# Consolidated Statement of Financial Position (Cont.)

## Debt position

### Leasing liabilities

|                             | December 31,<br>2022<br>IFRS | September 30,<br>2023<br>IFRS | %VAR         |
|-----------------------------|------------------------------|-------------------------------|--------------|
| current portion - leasing   | 77,141,698                   | 92,665,731                    | 20.1%        |
| long term portion - leasing | 225,175,340                  | 247,625,722                   | 10.0%        |
| <b>Total</b>                | <b>302,317,038</b>           | <b>340,291,454</b>            | <b>12.6%</b> |

### Financial debt

|   | December 31,<br>2022<br>IFRS | September 30,<br>2023<br>IFRS | %VAR         |
|---|------------------------------|-------------------------------|--------------|
| Overdraft   | 27,801,016                   | 22,780,854                    | (18.1)%      |
| Current portion of long-term debt                         | 55,695,054                   | 81,180,414                    | 45.8%        |
| Long-term debt  | 803,273,659                  | 1,012,397,795                 | 26.0%        |
| <b>Total</b>  | <b>886,769,729</b>           | <b>1,116,359,063</b>          | <b>25.9%</b> |
| <b>Net Debt</b>   | <b>1,100,018,613</b>         | <b>1,335,379,886</b>          | <b>21.4%</b> |
| Net debt to pro-forma EBITDA (annualised) ratio           | <b>3.9</b>                   | <b>4.3</b>                    |              |
| Net debt to projected pro-forma EBITDA (annualised) ratio |                              | <b>3.9</b>                    |              |





# Consolidated Statement of Cash Flow

| Description  | September 30,        | September 30,        |
|--|----------------------|----------------------|
|  | 2022                 | 2023                 |
|  | IFRS                 | IFRS                 |
| <b>Net income before taxes</b>   | <b>67,572,057</b>    | <b>15,168,996</b>    |
| Adjustments for non-monetary items   | 125,902,080          | 197,978,433          |
| <b>Operating cash flow before working capital and other monetary changes</b> | <b>193,474,137</b>   | <b>213,147,428</b>   |
| Cash used in working capital changes   | (124,602,541)        | (46,756,218)         |
| Other monetary changes (income tax and net interest paid)                    | (27,682,084)         | (41,903,183)         |
| <b>Net cash from operating activities</b>                                    | <b>41,189,512</b>    | <b>124,488,027</b>   |
| <b>Net cash used in investing activities</b>                                 | <b>(268,657,693)</b> | <b>(200,682,155)</b> |
| <b>Net cash from financing activities</b>                                    | <b>204,038,908</b>   | <b>108,396,606</b>   |
| <b>Net change in cash and cash equivalents</b>                               | <b>(23,429,274)</b>  | <b>32,202,477</b>    |
| Cash and cash equivalents beginning of the period                            | 135,858,888          | 89,068,154           |
| <b>Cash and cash equivalents end of the period</b>                           | <b>112,429,614</b>   | <b>121,270,631</b>   |

- Increased investments in PPE that will drive future increases in profitability

| Description                                       | September 30,        | September 30,        |
|---|----------------------|----------------------|
|   | 2022                 | 2023                 |
|   | IFRS                 | IFRS                 |
| Acquisition of subsidiaries, net of cash acquired | (196,440,330)        | (70,024,370)         |
| Purchase of intangible assets                     | (9,411,121)          | (14,227,804)         |
| Purchase of property, plant and equipment         | (62,806,242)         | (116,429,981)        |
| <b>Net cash used in investing activities</b>      | <b>(268,657,693)</b> | <b>(200,682,155)</b> |



Q&A Session

Thank you!