

MedLife Group  
9m 2019 Financial Results  
November 14, 2019

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

# Agenda

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# Main Events Q3/19 and Subsequent Events

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## ACQUISITIONS

- 75% of the shares in **Onco Team Diagnostic, Bucharest** (*finalized in October 2019*)
  - one laboratory; EUR 1.1m Turnover in 2018
- 100% of the shares in **Lotus Hospital, Ploiesti** (*signed in October 2019*)
  - outpatient unit, imaging center, laboratory and hospital (including maternity); EUR 3.9m Turnover in 2018
- 100% of the shares in **Micromedica Medical Center, Moldova region** (*signed in November 2019*)
  - 6 outpatient units with imaging and one laboratory; EUR 3.8m Turnover in 2018

## ORGANIC GROWTH

- **Floreasca Hyperclinic** (*inaugurated in October 2019*)

## FINANCING FROM BANKS

- Amendment and increase of existing facilities by EUR 24m

# Key messages 9m 2019

SALES

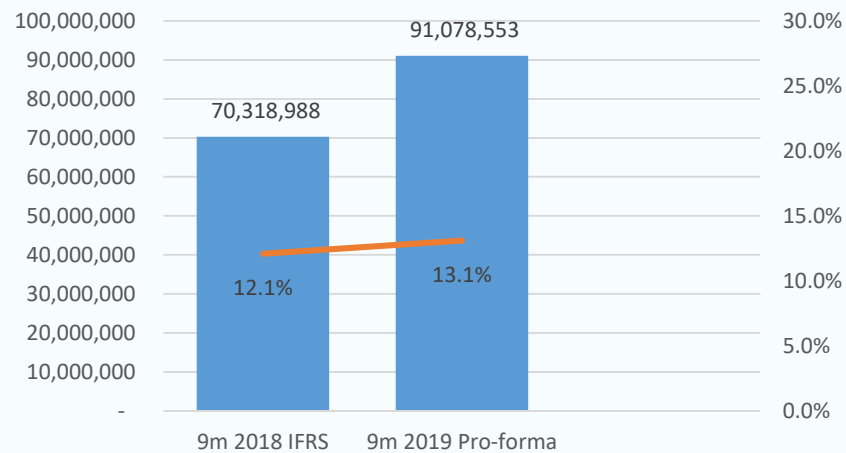
Sales increased by :  
 + 20.1% Pro-forma 9m 2019 vs. IFRS 9m 2018  
 + 22.7% IFRS 9m 2019 vs. IFRS 9m 2018  
 + 14.9% like2like

EBITDA

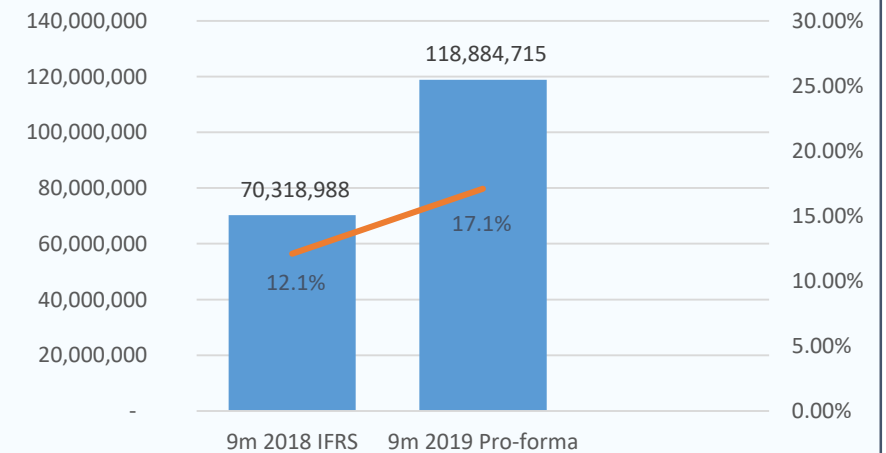
■ Improved margin: 13.1% Pro-forma 9m 2019 vs. 12.1% IFRS 9m 2018 (fig\_1) (before IFRS 16)  
 17.1% Pro-forma 9m 2019 vs. 12.1% IFRS 9m 2018 (fig\_2) (after IFRS 16)

■ Absolute value of EBITDA higher by: 29.5% Pro-forma 9m 2019 vs. IFRS 9m 2018 (before IFRS 16)  
 69.1% Pro-forma 9m 2019 vs. IFRS 9m 2018 (after IFRS 16)

EBITDA AND EBITDA MARGIN BEFORE IFRS 16 (fig\_1)



EBITDA AND EBITDA MARGIN AFTER IFRS 16 (fig\_2)

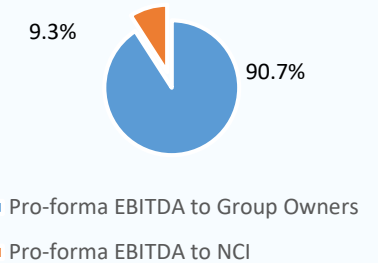


# Key messages 9m 2019 (Cont.)

EBITDA

■ Split of **Pro-forma EBITDA** between Owners of the Group / NCI for 9m 2019:

- **90.7%** to Group Owners
- **9.3%** to NCI



EBIT

■ **Improved margin:** 6.8% Pro-forma 9m 2019 vs. 4.8% IFRS 9m 2018 (**before IFRS 16**)  
7.0% Pro-forma 9m 2019 vs. 4.8% IFRS 9m 2018 (**after IFRS 16**)

■ Absolute value of EBIT **higher** by: 70.3% Pro-forma 9m 2019 vs. IFRS 9m 2018 (**before IFRS 16**)  
75.7% Pro-forma 9m 2019 vs. IFRS 9m 2018 (**after IFRS 16**)

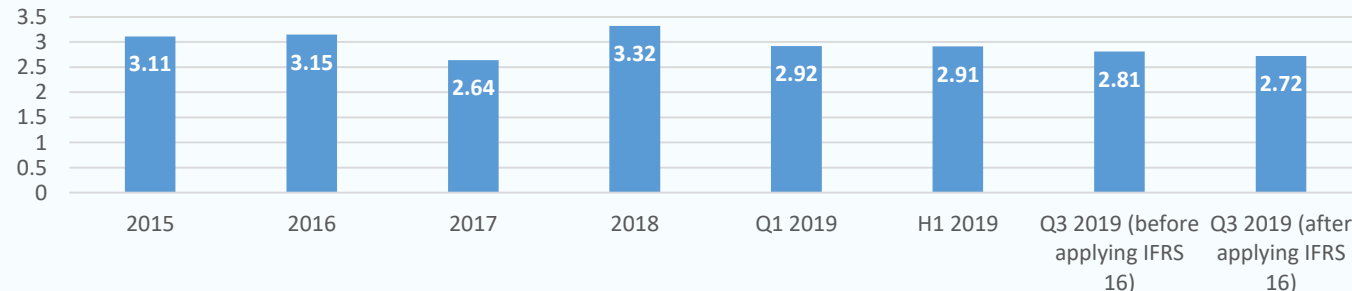
Net Result

■ Improved **Net Result:** increased by 98.4% Pro-forma 9m 2019 vs. IFRS 9m 2018 (**before IFRS 16**) and by 84.8% Pro-forma 9m 2019 vs. IFRS 9m 2018 (**after IFRS 16**)

■ Split of Net Result **IFRS 9m 2019:** 84% Owners / 16% NCI vs. **IFRS 9m 2018:** 76% Owners / 24% NCI

NET DEBT to Pro-forma EBITDA Ratio

■ **Stable Net Debt to Pro-forma EBITDA Ratio** (*pro-forma EBITDA for 9m 2019 was annualized*)



# 9m 2019 Financial Snapshot

## Consolidated Statement of Financial Position

Description	December 31, 2018	September 30, 2019	%VAR	Impact from	September 30, 2019	%VAR
	IFRS	IFRS (before applying IFRS 16)		IFRS 16	IFRS	
Non-current assets	590,174,447	603,344,779	2.2%	88,840,599	692,185,378	17.3%
Current assets	163,919,759	197,868,512	20.7%	-	197,868,512	20.7%
<b>TOTAL ASSETS</b>	<b>754,094,206</b>	<b>801,213,291</b>	<b>6.2%</b>	<b>88,840,599</b>	<b>890,053,890</b>	<b>18.0%</b>
Current liabilities	245,246,366	266,472,663	8.7%	27,806,162	294,278,825	20.0%
Long term liabilities	313,538,596	321,455,132	2.5%	62,314,001	383,769,133	22.4%
Deferred tax liability	16,436,342	16,457,838	0.1%	446,067	16,903,905	2.8%
<b>TOTAL LIABILITIES</b>	<b>575,221,304</b>	<b>604,385,633</b>	<b>5.1%</b>	<b>90,566,230</b>	<b>694,951,863</b>	<b>20.8%</b>
Equity attributable to owners of the Group	159,350,814	175,443,004	10.1%	(1,589,342)	173,853,662	9.1%
Non-controlling interests	19,522,088	21,384,654	9.5%	(136,289)	21,248,365	8.8%
<b>EQUITY</b>	<b>178,872,902</b>	<b>196,827,658</b>	<b>10.0%</b>	<b>(1,725,631)</b>	<b>195,102,027</b>	<b>9.1%</b>

# 9m 2019 Financial Snapshot

## Consolidated Statement of Profit and Loss

Description	9m 2019			Impact from IFRS 16	9m 2019			9m 2019			9m 2019	
	9m 2018 IFRS	IFRS (before applying IFRS 16)	%VAR		9m 2019 IFRS	%VAR	9m 2018 IFRS	Pro-forma (before applying IFRS 16)	%VAR	9m 2019 Pro-forma	%VAR	
Sales	579,340,082	711,042,507	22.7%	-	711,042,507	22.7%	579,340,082	696,019,564	20.1%	696,019,564	20.1%	
Other operating income	4,444,375	4,813,817	8.3%	-	4,813,817	8.3%	4,444,375	4,841,235	8.9%	4,841,235	8.9%	
<b>OPERATING INCOME</b>	<b>583,784,457</b>	<b>715,856,324</b>	<b>22.6%</b>	<b>-</b>	<b>715,856,324</b>	<b>22.6%</b>	<b>583,784,457</b>	<b>700,860,799</b>	<b>20.1%</b>	<b>700,860,799</b>	<b>20.1%</b>	
<b>OPERATING EXPENSES</b>	<b>(555,979,055)</b>	<b>(673,545,434)</b>	<b>21.1%</b>	<b>1,508,356</b>	<b>(672,037,078)</b>	<b>20.9%</b>	<b>(555,979,055)</b>	<b>(653,505,117)</b>	<b>17.5%</b>	<b>(651,996,760)</b>	<b>17.3%</b>	
<b>OPERATING PROFIT</b>	<b>27,805,402</b>	<b>42,310,890</b>	<b>52.2%</b>	<b>1,508,356</b>	<b>43,819,246</b>	<b>57.6%</b>	<b>27,805,402</b>	<b>47,355,682</b>	<b>70.3%</b>	<b>48,864,039</b>	<b>75.7%</b>	
<b>EBITDA</b>	<b>70,318,988</b>	<b>85,923,727</b>	<b>22.2%</b>	<b>27,806,163</b>	<b>113,729,890</b>	<b>61.7%</b>	<b>70,318,988</b>	<b>91,078,553</b>	<b>29.5%</b>	<b>118,884,715</b>	<b>69.1%</b>	
Net finance cost	(11,987,250)	(11,537,432)	(3.8)%	(2,787,920)	(14,325,352)	19.5 %	(11,987,250)	(11,624,622)	(3.0)%	(14,412,542)	20.2 %	
Other financial expenses	2,908,186	(4,970,859)	(270.9)%	-	(4,970,859)	(270.9)%	2,908,186	(4,968,180)	(270.8)%	(4,968,180)	(270.8)%	
<b>FINANCIAL RESULT</b>	<b>(9,079,064)</b>	<b>(16,508,291)</b>	<b>81.8%</b>	<b>(2,787,920)</b>	<b>(19,296,211)</b>	<b>112.5%</b>	<b>(9,079,064)</b>	<b>(16,592,802)</b>	<b>82.8%</b>	<b>(19,380,722)</b>	<b>113.5%</b>	
<b>RESULT BEFORE TAXES</b>	<b>18,726,338</b>	<b>25,802,599</b>	<b>37.8 %</b>	<b>(1,279,564)</b>	<b>24,523,035</b>	<b>31.0 %</b>	<b>18,726,338</b>	<b>30,762,881</b>	<b>64.3 %</b>	<b>29,483,316</b>	<b>57.4%</b>	
Income tax expense	(5,952,514)	(4,680,816)	(21.4)%	(446,067)	(5,126,883)	(13.9)%	(5,952,514)	(5,425,446)	(8.9)%	(5,871,513)	(1.4)%	
<b>NET RESULT</b>	<b>12,773,824</b>	<b>21,121,783</b>	<b>65.4%</b>	<b>(1,725,631)</b>	<b>19,396,152</b>	<b>51.8%</b>	<b>12,773,824</b>	<b>25,337,434</b>	<b>98.4%</b>	<b>23,611,803</b>	<b>84.8%</b>	



# 9m 2019 Financial Snapshot

## Consolidated Statement of Cash Flow

Description	September 30, September 30,	
	2018	2019
<b>Net income before taxes</b>	<b>18,726,338</b>	<b>24,523,035</b>
Adjustments for non-monetary items	51,301,706	84,442,898
<b>Operating cash flow before working capital and other monetary changes</b>	<b>70,028,044</b>	<b>108,965,933</b>
Cash generated from working capital changes	(17,930,351)	(31,550,882)
Other monetary changes (income tax and net interest paid)	(14,012,888)	(15,277,791)
<b>Net cash from operating activities</b>	<b>38,084,805</b>	<b>62,137,260</b>
<b>Net cash used in investing activities</b>	<b>(54,953,424)</b>	<b>(42,061,002)</b>
<b>Net cash from/ (used in) financing activities</b>	<b>(30,737,443)</b>	<b>(3,124,590)</b>
<b>Net change in cash and cash equivalents</b>	<b>(47,606,062)</b>	<b>16,951,668</b>
Cash and cash equivalents beginning of the period	79,227,766	34,206,159
Cash and cash equivalents end of the period	31,621,704	51,157,827

# 9m 2019 Financial Snapshot

## OPEX Evolution

Description							% of OPERATING EXPENSES			% of SALES			
	9m 2018 IFRS	9m 2019 IFRS (before applying IFRS 16)	%VAR	Impact from IFRS 16	9m 2019 IFRS	%VAR	9m 2018 IFRS	9m 2019 IFRS	Change	9m 2018 IFRS	9m 2019 IFRS	Change	Note
Consumable materials and repair materials	90,236,590	115,070,551	27.5 %	-	115,070,551	27.5 %	16.2 %	17.1 %	0.9 p.p	15.6 %	16.2 %	0.6 p.p	
Commodities	21,569,010	22,272,585	3.3 %	-	22,272,585	3.3 %	3.9 %	3.3 %	-0.6 p.p	3.7 %	3.1 %	-0.6 p.p	
Utilities	6,493,754	8,705,259	34.1 %	-	8,705,259	34.1 %	1.2 %	1.3 %	0.1 p.p	1.1 %	1.2 %	0.1 p.p	
Repairs maintenance	6,364,687	8,776,201	37.9 %	-	8,776,201	37.9 %	1.1 %	1.3 %	0.2 p.p	1.1 %	1.2 %	0.1 p.p	
Rent	31,396,835	33,980,829	8.2 %	(27,806,162)	6,174,667	(80.3)%	5.6 %	0.9 %	-4.7 p.p	5.4 %	0.9 %	-4.6 p.p	A
Insurance premiums	1,860,170	2,319,884	24.7 %	-	2,319,884	24.7 %	0.3 %	0.3 %	0 p.p	0.3 %	0.3 %	0 p.p	
Promotion expense	10,870,020	9,407,637	(13.5)%	-	9,407,637	(13.5)%	2.0 %	1.4 %	-0.6 p.p	1.9 %	1.3 %	-0.6 p.p	
Communications	2,778,084	2,975,159	7.1 %	-	2,975,159	7.1 %	0.5 %	0.4 %	-0.1 p.p	0.5 %	0.4 %	-0.1 p.p	
Third party expenses & Salaries expenses, out of which:	332,447,131	415,210,162	24.9 %	-	415,210,162	24.9 %	59.8 %	61.8 %	2 p.p	57.4 %	58.4 %	1 p.p	B
<i>Third party expenses (including doctor's agreements)</i>	<i>149,855,235</i>	<i>192,401,265</i>	<i>28.4 %</i>	-	<i>192,401,265</i>	<i>28.4 %</i>	<i>27.0 %</i>	<i>28.6 %</i>	<i>1.7 p.p</i>	<i>25.9 %</i>	<i>27.1 %</i>	<i>1.2 p.p</i>	
<i>Salary and related expenses (including social contrib.)</i>	<i>182,591,896</i>	<i>222,808,897</i>	<i>22.0 %</i>	-	<i>222,808,897</i>	<i>22.0 %</i>	<i>32.8 %</i>	<i>33.2 %</i>	<i>0.3 p.p</i>	<i>31.5 %</i>	<i>31.3 %</i>	<i>-0.2 p.p</i>	
Depreciation	42,513,586	43,612,837	2.6 %	26,297,806	69,910,643	64.4 %	7.6 %	10.4 %	2.8 p.p	7.3 %	9.8 %	2.5 p.p	C
Other administration and operating expenses	9,449,188	11,214,330	18.7 %	-	11,214,330	18.7 %	1.7 %	1.7 %	0 p.p	1.6 %	1.6 %	-0.1 p.p	
<b>OPERATING EXPENSES</b>	<b>555,979,055</b>	<b>673,545,434</b>	<b>21.1%</b>	<b>(1,508,356)</b>	<b>672,037,078</b>	<b>20.9%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0 p.p</b>	<b>96.0%</b>	<b>94.5%</b>	<b>-1.5 p.p</b>	

### Note:

The Group recorded a 1.5 p.p. decrease of Operating Expenses as % of Sales in 9m 2019 as compared to 9m 2018:

- A. 4.6 p.p. decrease of "Rent" as % of Sales, generated by first time adoption of IFRS 16;
- B. 1.0 p.p. increase of "Third parties and salaries expenses" as % of Sales as an effect of increased salaries in the public sector; and
- C. 2.5 p.p. increase of "Depreciation" as % of Sales, mainly due to first time adoption of IFRS 16.

# Operational KPIs for 9m 2019

Business line	Info	9m 2018	9m 2019
		IFRS	IFRS
Clinics	<b>Revenue</b>	<b>169,246,952</b>	<b>215,147,139</b>
Clinics	Visits	1,089,141	1,374,303
Clinics	Avg fee	155.4	156.6
Stomatology	<b>Revenue</b>	<b>33,092,445</b>	<b>44,140,328</b>
Stomatology	Visits	77,677	91,538
Stomatology	Avg fee	426.0	482.2
Hospitals	<b>Revenue</b>	<b>118,168,968</b>	<b>161,867,305</b>
Hospitals	Patients	53,594	61,971
Hospitals	Avg fee	2,204.9	2,612.0
Laboratories	<b>Revenue</b>	<b>101,190,985</b>	<b>113,933,178</b>
Laboratories	Analyses	4,299,054	4,446,584
Laboratories	Avg fee	23.5	25.6
Corporate	<b>Revenue</b>	<b>125,158,490</b>	<b>136,776,660</b>
Corporate	Subscriptions	635,420	691,605
Corporate	Avg fee	197.0	197.8
Pharmacies	<b>Revenue</b>	<b>26,177,756</b>	<b>28,725,215</b>
Pharmacies	Clients	200,324	192,319
Pharmacies	Sales per client	130.7	149.4
Others	<b>Revenue</b>	<b>6,304,486</b>	<b>10,452,681</b>



## IV. Q&A SESSION

THANK YOU!

