



# İş Investment Non-Deal Roadshow, İstanbul

24 – 25 May 2018

# MLPCARE

MEDICALPARK <sup>VM</sup>MEDICALPARK **liv**HOSPITAL



## Disclaimer

This presentation may contain certain forward-looking statements concerning MLP Care's future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the MLP Care's actual performance.

## Overview of MLP Care

## MLP Care: The #1 Private Hospital Group in Turkey

**31** Hospitals;  
More than the #2  
and #3 Competitors  
Combined

**5.900+** Beds;  
2x the size of 2<sup>nd</sup> Largest  
Competitor

**17** Cities  
**17.000+** Staff  
**2.000+** Doctors

Addresses All Price  
Segments  
in the Turkish Market

**3** JCI Accredited Hospitals  
**3** Centers of Excellence

Revenues: **2.6** billion TL<sup>1</sup>  
EBITDA: **409** million TL<sup>2</sup>

<sup>1</sup> 2017 Revenues

<sup>2</sup> 2017 Adjusted EBITDA figure

## Attractive double-digit historical growth

Net Sales (TLm)

**%19**

CAGR 2014-2017

EBITDA<sup>1</sup> (TLm)

**%25**

CAGR 2014-2017

EBITDAR<sup>1</sup> (TLm)

**%26**

CAGR 2014-2017

- Acquisition of 6 hospitals (2 of which are in Istanbul)
- 2 greenfield hospitals in Ankara

2014

- 2 brand new hospitals in Istanbul and Kocaeli

2015

- Opening of a University Hospital in Istanbul

2016

- Opening of a University Hospital in Istanbul and a greenfield hospital in Samsun

2017

- Openings of VM Medical Park Pendik Hospital and VM Medical Park Mersin Hospital.

2018



25

26

27

29

31

<sup>1</sup> Adjusted figures

## MLP Care is the Leading Private Hospital Group in Turkey



1 Operates in the Attractive Turkish Healthcare Market

2 Clear Leader in Private Hospital Provision

3 Strong Brand Recognition and Unique Business Model Addressing All Price Points

4 Clinical Excellence and World Class Service Offering

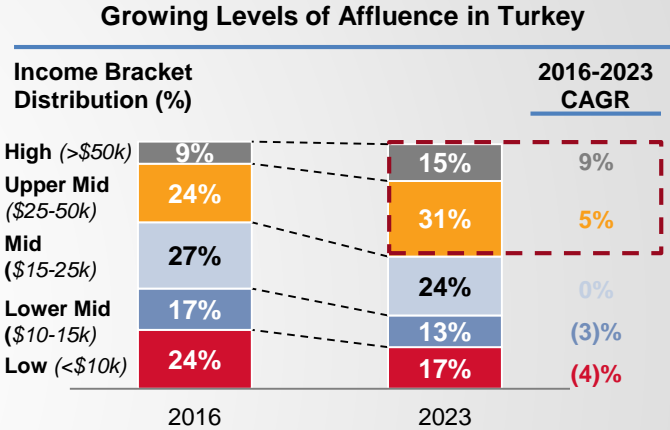
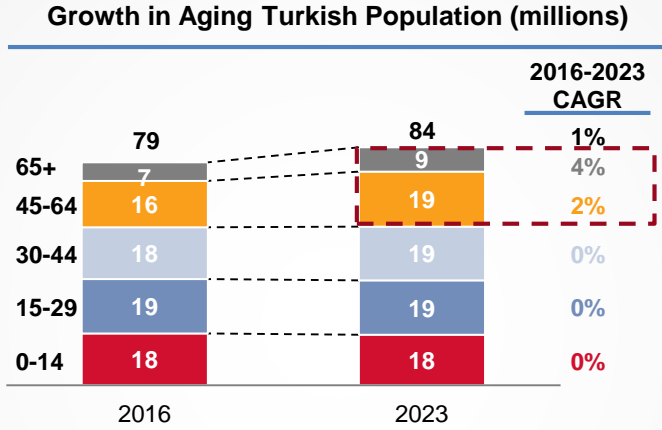
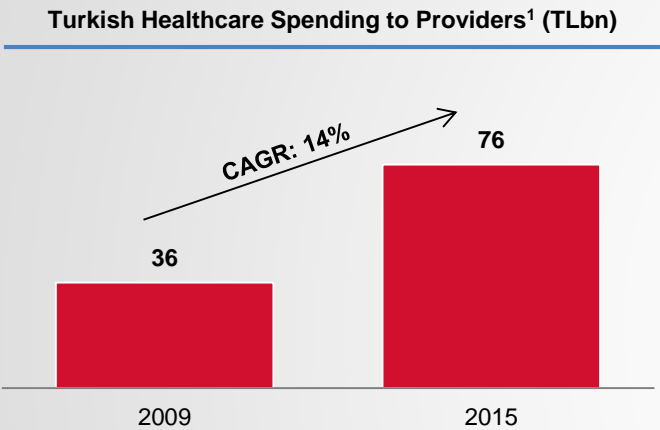
5 Superior Operational and Financial Performance

6 Outstanding Platform for Further Growth

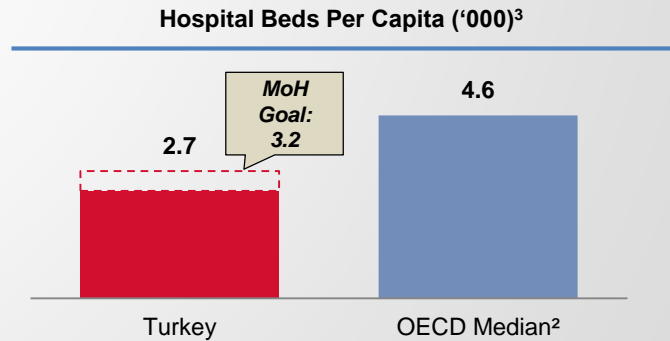
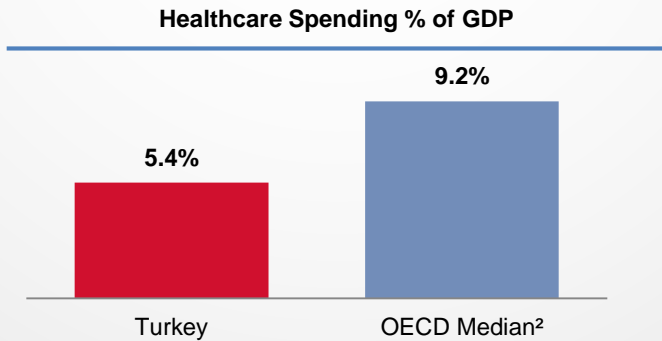
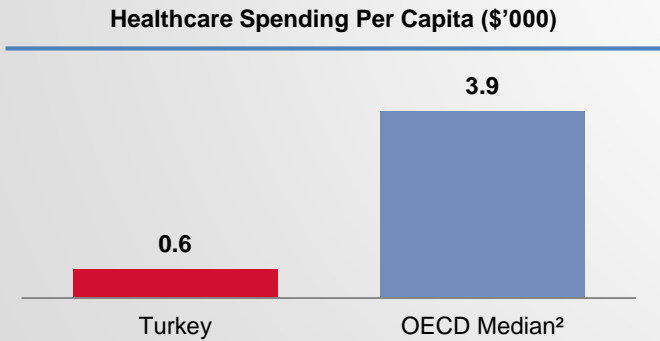
7 Visionary Leadership Supported by Outstanding Management Team

## 1 Operates in the Attractive Turkish Healthcare Market

Turkey is an attractive healthcare market with a growing elderly population and level of affluence, with significant scope for expansion compared to OECD players



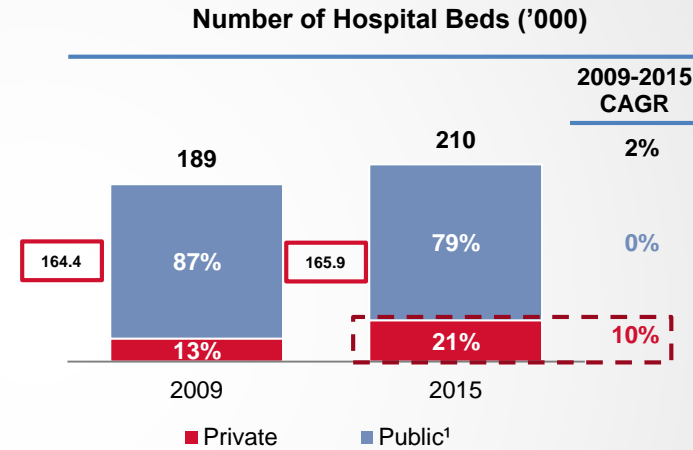
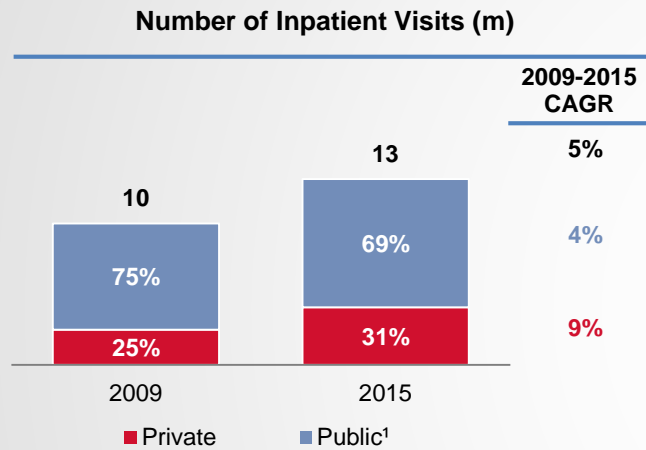
### Significant Scope For Expansion Compared to OECD<sup>2</sup> Peers



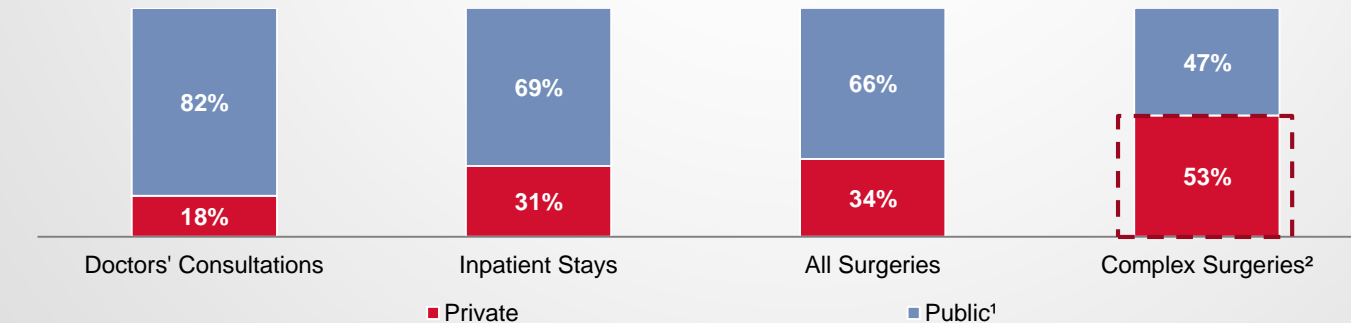
Source: IMS Health, Euromonitor International, OECD, Espicom Business Intelligence, MoH Statistics 2015 (published in Dec-2016), Turkish Statistical Institute, TOBB Report  
<sup>1</sup> Denotes hospitals only excluding pharmaceutical, medical equipment, dental and other. <sup>2</sup> Denotes the Organization for Economic Cooperation and Development including 35 member countries: USA, Sweden, Switzerland, France, Germany, Austria, New Zealand, Netherlands, Denmark, Belgium, Canada, Japan, Norway, Finland, Portugal, Australia, Italy, Slovenia, UK, Spain, Iceland, Greece, Slovakia, Israel, Chile, Ireland, Czech Republic, Hungary, Luxembourg, Lithuania, Estonia, Poland, Mexico, Latvia and Turkey. <sup>3</sup> 2016: 217,771 beds in Turkey.

## 1 Operates in the Attractive Turkish Healthcare Market

Private operators have increased their market share, by increasing capacity and by focusing on procedures with higher complexity. Private players now account for 21% of beds, but provide 53% of complex surgeries.



### Provision of Healthcare Services (2015)



Source: Ministry of Health, Health Statistics Yearbook 2013, 2015, TOBB report; <sup>1</sup> Public includes Ministry of Health and University hospitals; <sup>2</sup> A1 type surgeries e.g., organ transplants, 2014 numbers due to data availability



## 1 Operates in the Attractive Turkish Healthcare Market

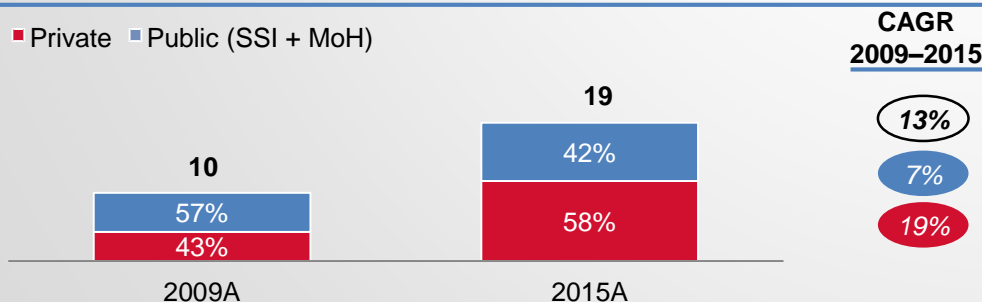
Supportive government policies have underpinned the expansion of private hospital groups

### Healthcare system and key participants



<b>Regulator</b>	<ul style="list-style-type: none"> <li>Monitors <b>quality</b> at all public and private hospitals</li> <li><b>Owns and operates public hospitals</b></li> <li><b>Controls</b> the number of <b>licences</b> in the sector</li> </ul>
<b>Ministry of Health (MoH)</b>	
<b>Payor</b>	<ul style="list-style-type: none"> <li>Main <b>provider of financing</b> to the healthcare sector</li> <li>Monitors usage statistics across private and public hospitals</li> </ul>
<b>Social Security Institute (SSI)</b>	

### Healthcare expenditure in private providers by payor type (TLbn)



Source: OECD reviews of health systems, Turkey 2008, Turkstat, TOBB report

<sup>1</sup> TOBB report; <sup>2</sup> SUT prices = SSI tariffs; <sup>3</sup> 200%+ on all services (except a few specified services); <sup>4</sup> Based on number of policies sold

### Universal Healthcare Coverage with Patient Choice

#### Universal healthcare coverage (UHI)

- Healthcare reforms initiated in 2004
- Primary care free of charge for all citizens

✓ 98%<sup>1</sup> population coverage by UHI

#### System favours patient choice

- Services provided by both public and contracted private hospitals with SSI being the key payor
- Private hospitals are able to charge higher rates than public hospitals, with some payment required from SSI patients
  - SSI reimburses private hospitals using SUT prices<sup>2</sup> (stable since 2008)
  - Private hospitals have the right to charge +200%<sup>3</sup> over and above SUT prices<sup>2</sup>

- ✓ Patients' choice
- ✓ Partial SSI reimbursements
- ✓ Co-pay up to 200% above SUT prices<sup>2</sup>

#### Top-up insurance (since 2014)

- Cheaper form of PMI to cover SSI patients' co-pay costs
- Can only be used at hospitals that signed a contract with SSI
- Top-up PMI is the fastest growing segment of the health insurance market with 2014-17 CAGR of >119%<sup>4</sup>

✓ Attractive funding structures increasing accessibility

## 2 Clear Leader in Private Hospital Provision

MLP Care is the largest multi-specialty hospital group in Turkey and the only private player with a truly nationwide network

- ✓ National and local leader with a network covering the greatest number of cities
- ✓ 40% of beds located in the attractive Istanbul market
- ✓ MLP Care has the highest number of beds in nearly every city in which they are present

Bed concentration in Istanbul:

- MLP: 40%
- Acibadem: 67%
- Memorial: 34%
- Medica: 42%

MLP Care network (# of hospitals and locations)



Location (in order of population) <sup>2</sup>	MLPCARE		ACIBADEM		MEMORIAL		MEDICANA		Pop. <sup>1</sup>
	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds	Hospitals	Beds	
Istanbul	10	2,532	9	1,513	4	829	6	577	>5mm
Ankara	2	348	1	103	1	230	1	146	2mm – 5mm
İzmir	1	244	-	-	-	-	-	-	
Bursa	1	214	1	174	-	-	1	300	
Mersin	2	282	-	-	-	-	-	-	
Antalya	1	228	-	-	3	342	-	-	
Adana	-	-	1	105	-	-	-	-	
Konya	-	-	-	-	-	-	1	201	1mm-2mm
Gaziantep	1	243	-	-	-	-	-	-	
Kocaeli	2	300	1	61	-	-	-	-	
Diyarbakır	-	-	-	-	2	276	-	-	
Kayseri	-	-	1	104	1	119	-	-	<1mm
Samsun	2	347	-	-	-	-	1	285	
Bodrum (Muğla)	-	-	1	104	-	-	-	-	<1mm
Eskişehir	-	-	1	107	-	-	-	-	
Trabzon	2	238	-	-	-	-	-	-	
Ordu	1	168	-	-	-	-	-	-	
Sivas	-	-	-	-	-	-	1	171	
Tokat	1	100	-	-	-	-	-	-	
Ereğli (Zonguldak)	1	113	-	-	-	-	-	-	
Elazığ	1	206	-	-	-	-	-	-	
Batman	1	110	-	-	-	-	-	-	
Çanakkale	1	75	-	-	-	-	-	-	
Uşak	1	131	-	-	-	-	-	-	
<b>Total</b>	<b>31</b>	<b>5,879</b>	<b>16</b>	<b>2,271</b>	<b>11</b>	<b>1,796</b>	<b>11</b>	<b>1,680</b>	

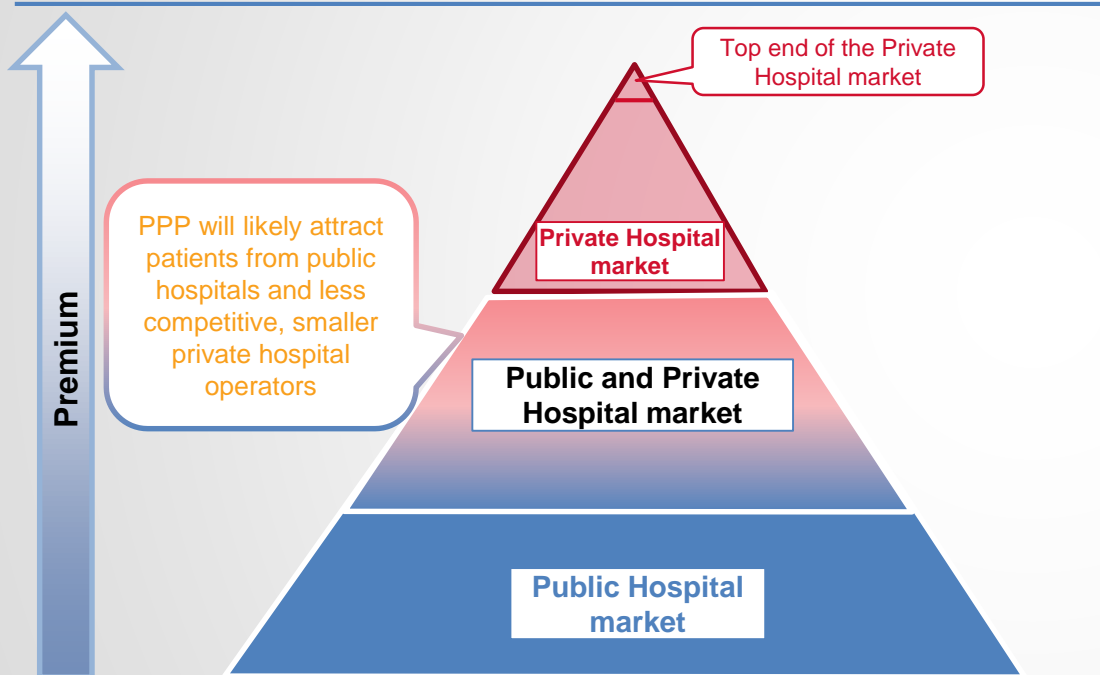
Source: Source: Latest information from company websites, Company Analysis, Turkstat (population estimates 2016)

<sup>1</sup> Turkstat, 2016 population; <sup>2</sup> Latest information from company websites

## 2 Clear Leader in Private Hospital Provision

MoH is investing in the PPP program, but large private players do not expect to see an impact in the near / mid term

Highly illustrative schematic of the Turkish Healthcare Sector



- Private hospital's **target population** is **significantly different** from what the PPP hospitals are expected to attract
- Emergence of large PPP hospitals can **accelerate consolidation** in the industry, resulting in smaller hospitals having just license value
- As such, MLP Care **is expected to be minimally impacted by the MoH's PPP initiative**

PPP success factors



**Operational excellence**

- City hospitals are **mega health complexes requiring operational excellence** to ensure financial sustainability and top quality
- Right governance system needs to be in place



**Healthcare personnel**

- MoH needs to **staff** city hospitals with the right quantity and quality of medical staff
- **Some public hospitals** may need **to be closed** and staff re-located
- **Re-location** of medical staff may pose some **risk due to remote location of city hospitals**



**High service quality**

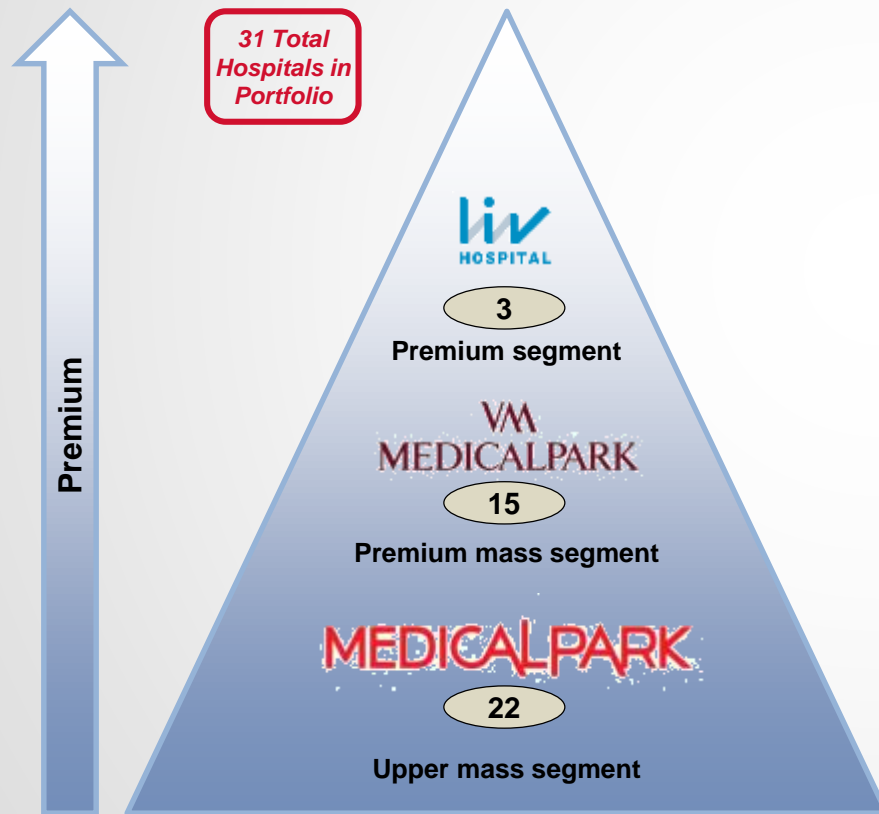
- MoH needs to **ensure patient demand** through high quality service
- **Significant increase in travel time**, especially for outpatient or unplanned visits may hinder demand

<sup>1</sup> Ministry of Health, Health statistics yearbook 2015, as of 2015

## 3 Strong Brand Recognition and Unique Business Model Addressing Multiple Price Points

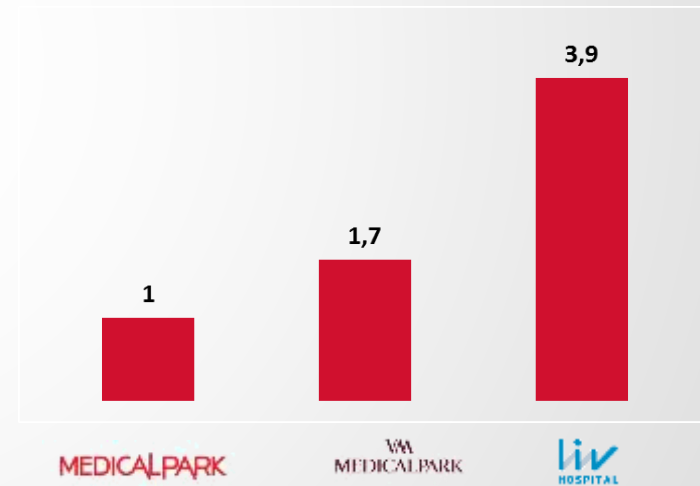
Three concepts targeting three different price points with consistently outstanding medical service quality

Concept Overview and Positioning



○ Number of hospitals including a particular concept

Relative Average Price per Payor Type

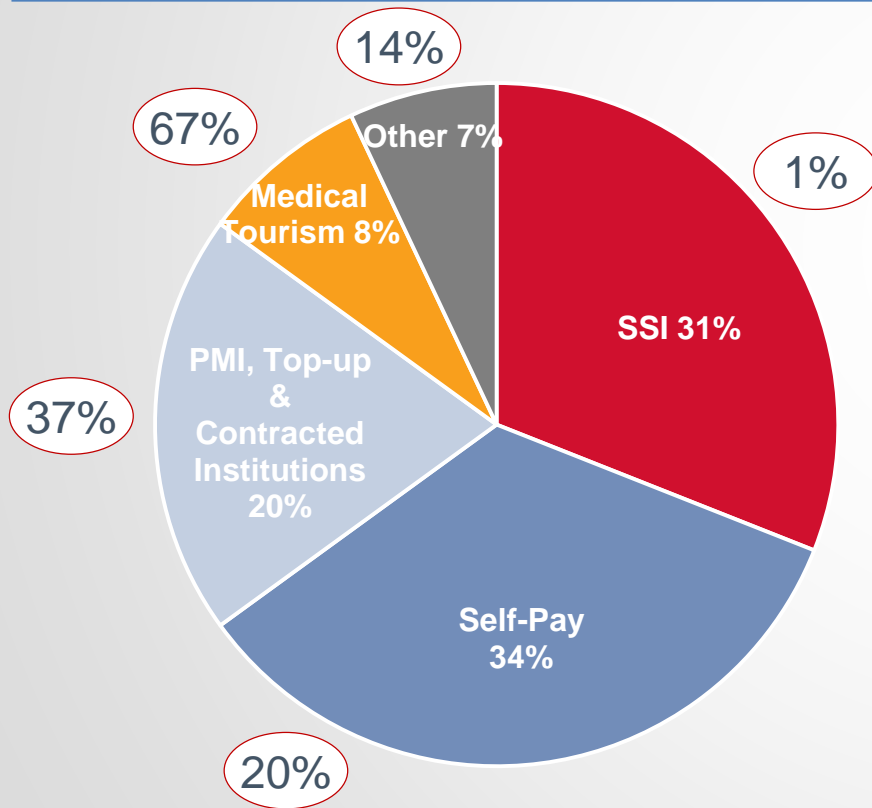


Note: Three acquired hospitals (Ereğli, Avclar and Çanakkale) are operated under the name of "Anadolu Hastanesi", instead of Medical Park

## 3 Strong Brand Recognition and Unique Business Model Addressing Multiple Price Points

Business model results in a balanced portfolio covering multiple payor types

1Q2018 Revenue Breakup by Payor Type



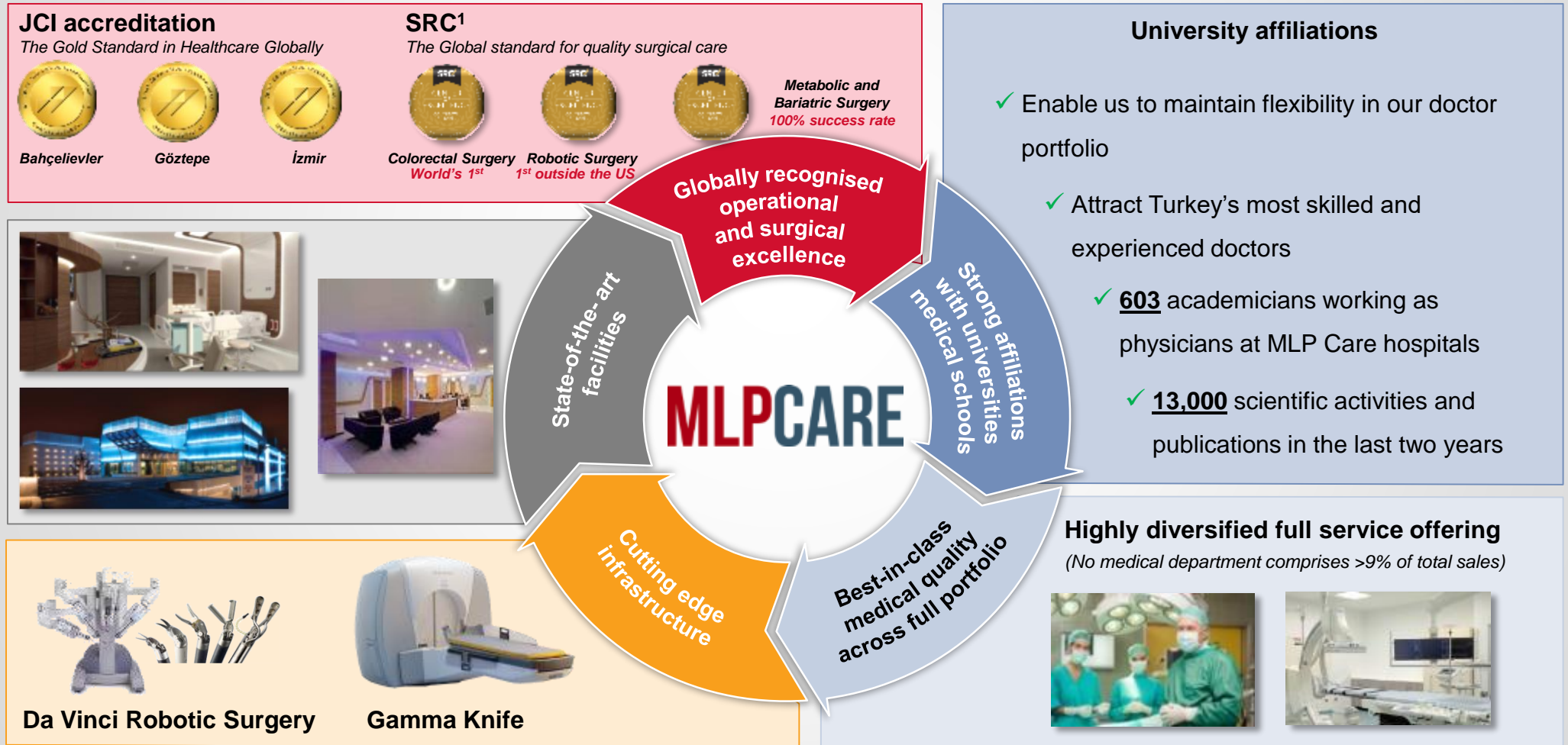
- **SSI Insurance** provides access to the majority of Turkey's population
- **Revenue from PMI** grew by **6X** in the last five years
- **Revenue from Top-up Insurance** grew by more than **2X** in 2017
- **Medical Tourism** growing from a small and sustainable base

Source: Turkish Reinsurers and Insurers Association. <sup>1</sup> Calculated as MLP Care's revenue from private medical insurance (excluding contracted institutions revenue) divided by the total payment made by insurers to healthcare providers.

 Denotes growth in 1Q2017 over 1Q2018

## 4 Clinical Excellence and World Class Service Offering

MLP Care benefits from a “Virtuous Circle” of best-in-class service, infrastructure and academic affiliations



<sup>1</sup> Denotes Surgical Review Corporation.

## 4 Clinical Excellence and World Class Service Offering

Top tier talent and patients are attracted to MLP Care's unrivalled reputation, resulting in a steadily growing market share

### Ability to attract and retain top-tier physicians...

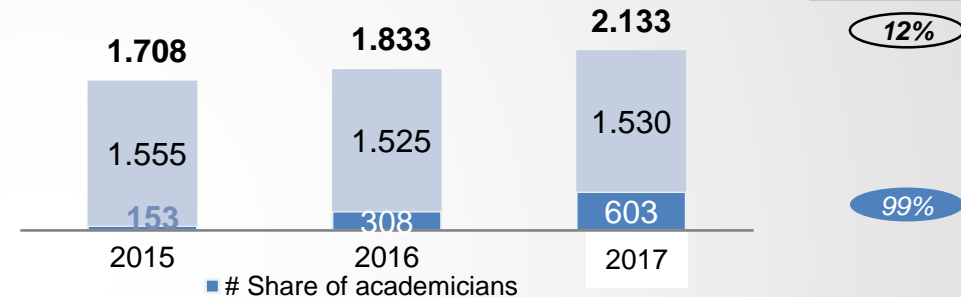
#### Key points of attraction

#### Top tier physicians choose MLP Care for:

- ✓ Strong and reliable brand
- ✓ Leading market share
- ✓ State-of-the-art infrastructure
- ✓ University affiliations
- ✓ Vast exposure to complex cases

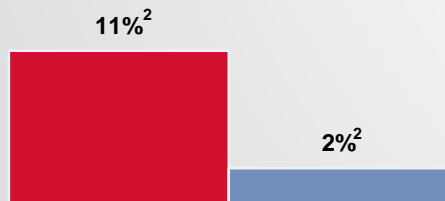
#### Proven track record of physicians recruitment

CAGR  
2015-2017



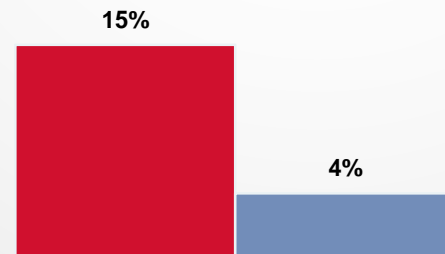
### ...and drive patient in-flows to grow market share in Turkey

#### MLP Care share in beds<sup>1</sup>



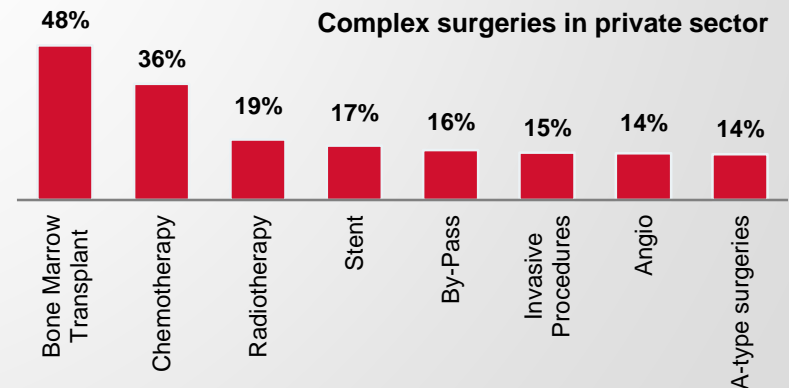
■ MLP share in private beds  
■ MLP share in total beds

#### MLP Care share in inpatients<sup>1</sup>



■ MLP share in inpatients in the private sector  
■ MLP share in total inpatients

#### MLP Care share in complex surgeries<sup>1</sup>



Source: Turkish Ministry of Health. <sup>1</sup> Data as of 2017. <sup>2</sup> Assumes growth in beds based on 7.2% 2013-2015 private beds CAGR and 1.9% 2013-2015 total beds CAGR applied to 2015 MoH figures.

# Financial Performance



## 5 Superior Operational and Financial Performance

Strong results in 1Q 2018

- ✓ Double digit revenue growth accross all segments
- ✓ Expansion in EBITDA margin
- ✓ Significant decline in leverage ratio
- ✓ Bottomline turned into positive
- ✓ Two new greenfield hospitals: Pendik and Mersin

## 5 Superior Operational and Financial Performance

Strong results in 1Q 2018

Net Sales (TLm)


▲ **%18.2**

Adj. EBITDAR<sup>1</sup> (TLm)

▲ **%25.5**

Adj. EBITDA<sup>1</sup> (TLm)

▲ **%29.7**

24.3%  Margin 25.8%

17.0%  Margin 18.7%

- ✓ Net Sales grew by 18.2%, contributed by double digit revenue growth across all segments
- ✓ Both EBITDA & EBITDAR margins improved, driven by improved operating profitability as well as successful cost savings, despite additional costs associated with the new hospital openings

<sup>1</sup> EBITDA and EBITDAR figures have been adjusted for TFRS adjustments that have no cash impact on relevant period and one-off income/expense figures

## 5 Superior Operational and Financial Performance

# A



**Domestic Patient Revenues**  
 TL 636 m  
**15.4% growth y-o-y**

### *Growth Continued in 1Q*

- ✓ Inpatient revenues grew 11.7%
- ✓ Outpatient revenues grew 21.1%

# B



**Medical Tourism Revenues**  
 TL 59 m  
**67.3% growth y-o-y**

### **Continued to attract Foreign Patients**

- ✓ Share of patients from Europe in total Medical Tourism: 39%
- ✓ Middle East & Africa: 32%
- ✓ Former CIS and the rest: 29%

# C



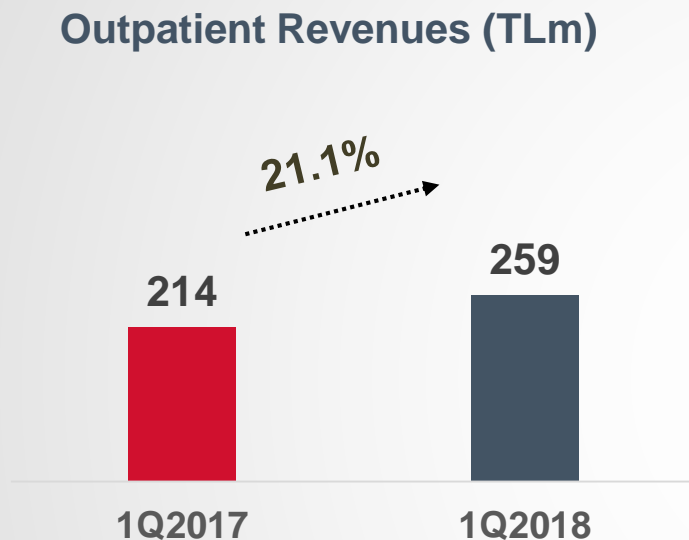
**Ancillary Business**  
 TL 54 m  
**14.4% growth y-o-y**

### **Generating higher revenues**

- ✓ Higher laboratory revenues in line with increased number of hospitals
- ✓ Higher revenues from managed hospitals

## 5 Superior Operational and Financial Performance

Outpatient Revenues (TLm)



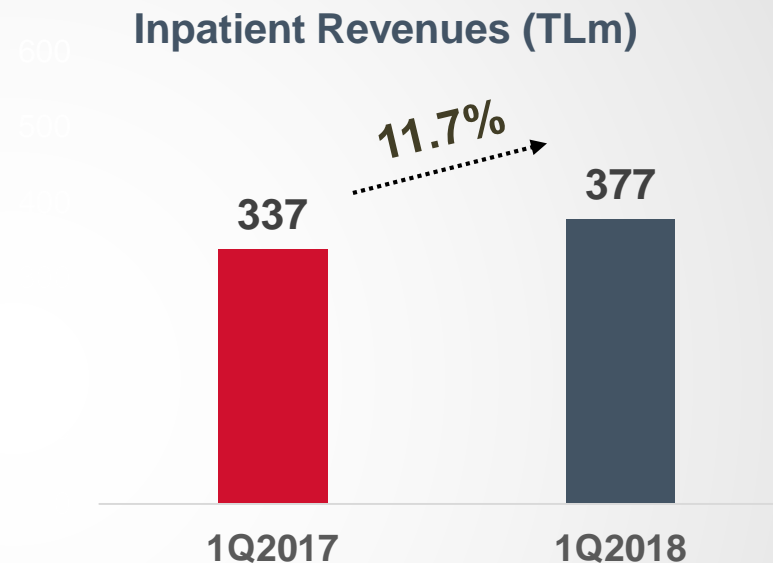
**TL45m (21.1%) Outpatient Revenue Growth Contributed by;**

Volume: (TL31m) ▼ (10.6%)

Price: TL76m ▲ 35.5%

**ARPV: TL227 - up 35.5% -**

Inpatient Revenues (TLm)



**TL40m (11.7%) Inpatient Revenue Growth Contributed by;**

Volume: TL27m ▲ 7.8%

Price: TL13m ▲ 3.7%

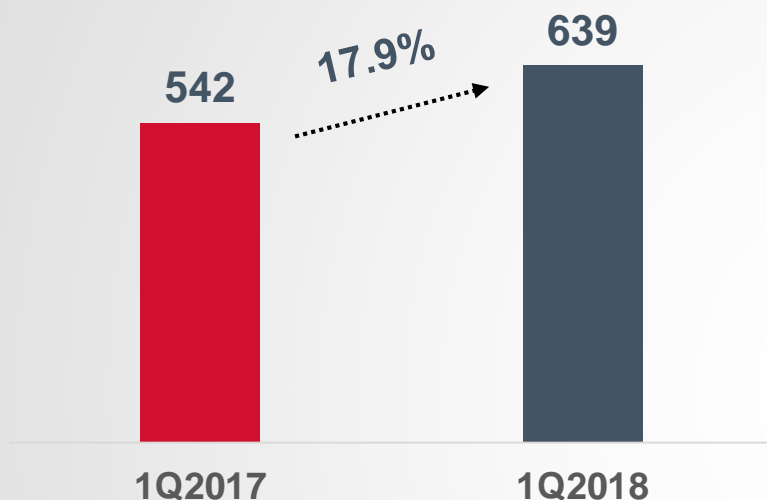
**ARPP: TL2,090 - up 3.7% -**



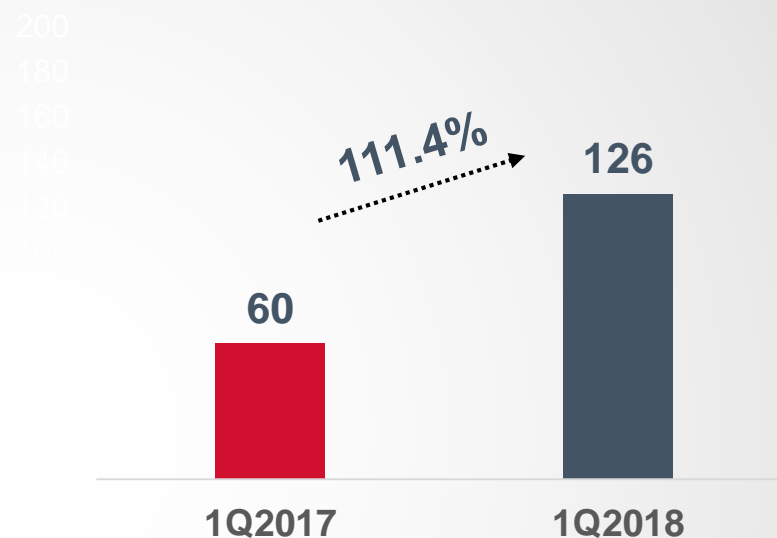
Denotes growth in 1Q2018 over 1Q2017

## 5 Superior Operational and Financial Performance

Mature Hospitals' Revenue<sup>1</sup> (TLm)



Developing Hospitals' Revenue<sup>1</sup> (TLm)



**TL97m (17.9%) Growth in Mature Hospitals' Revenue Contributed by;**

Volume: (TL3m)  (9.1%)

Price: TL100m  18.4%

**TL66m (111.4%) Growth in Developing Hospitals' Revenue Contributed by;**

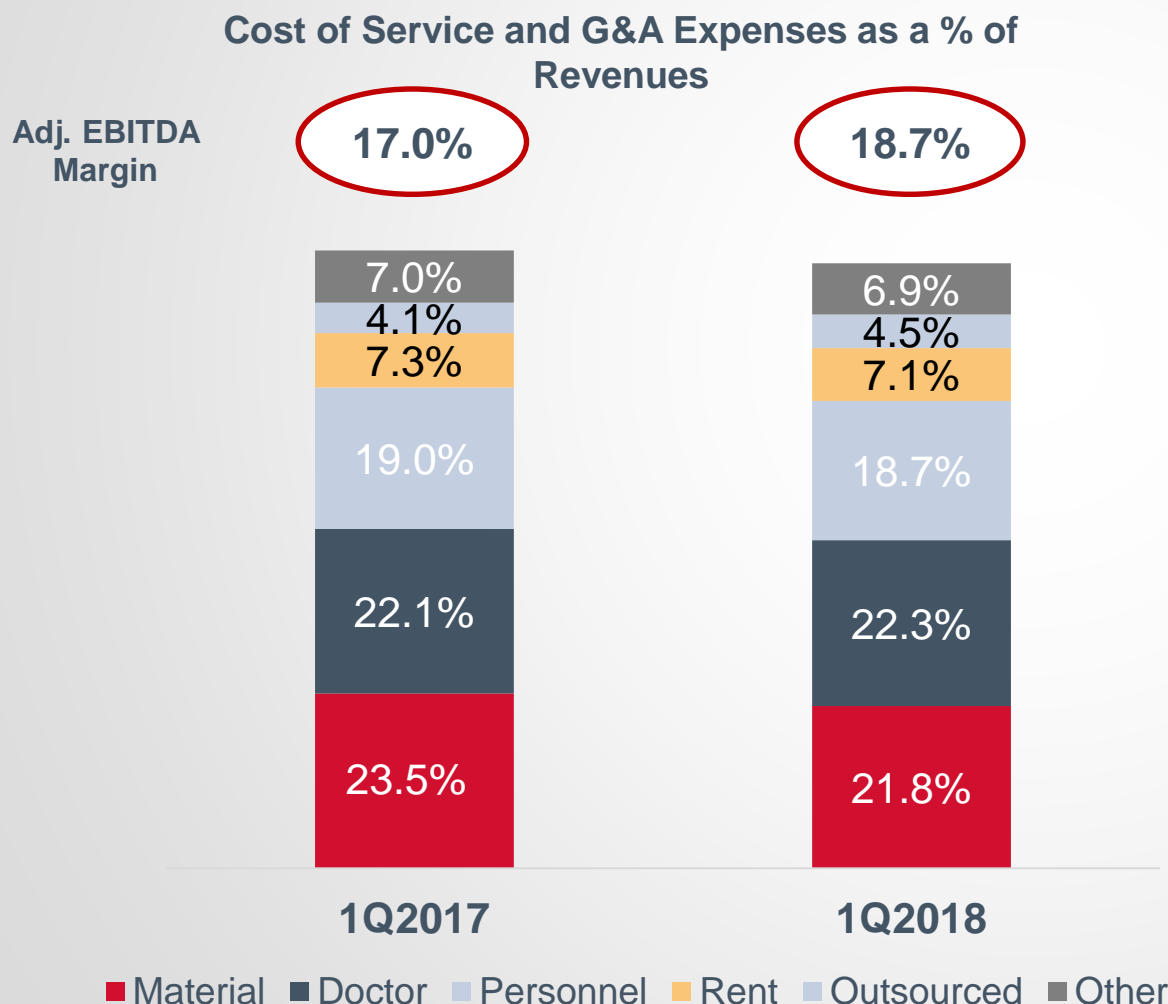
Volume: TL43m  37.6%

Price: TL23m  38.8%

<sup>1</sup> Analysis based on domestic revenues and medical tourism. 1Q2017 and 1Q2018 figures of developing hospitals also include managed university hospitals in order to make the comparison meaningful.

## 5 Superior Operational and Financial Performance

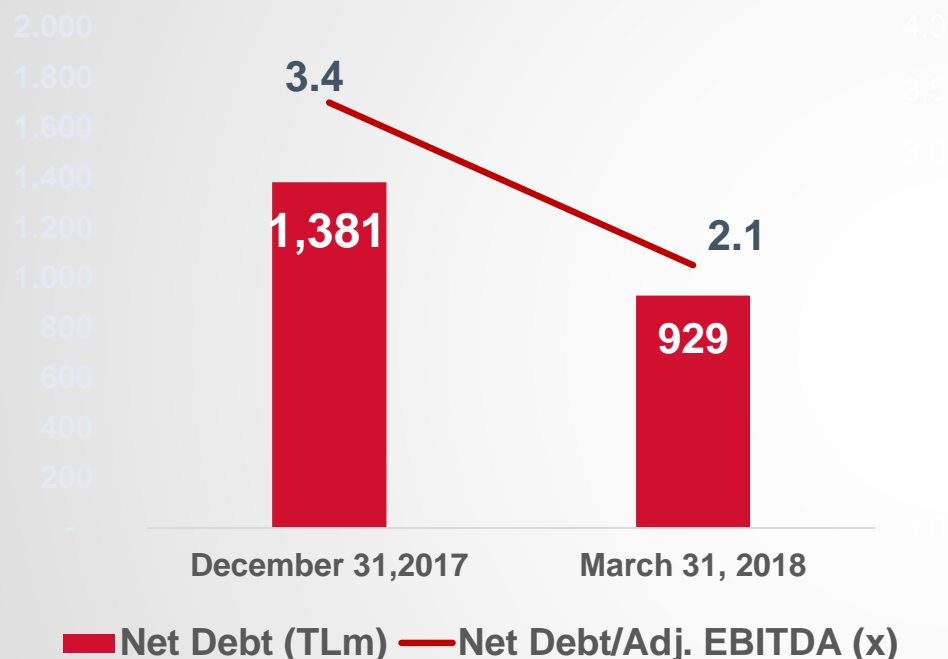
### Cost Savings and Smart Cost Management



- ✓ **Material costs** as a % of revenue declined, helped by the patient mix impact and decline in share of laboratory services business revenues (with higher material costs)
- ✓ **Doctor costs** as a % of revenue were slightly higher due to new hospital openings
- ✓ **Personnel costs** decreased due to operational leverage
- ✓ **Rent expenses** as a % of revenue slightly decreased despite new hospital openings

## 5 Superior Operational and Financial Performance

Leverage Ratio Significantly Declined



### Net Debt Currency Breakdown

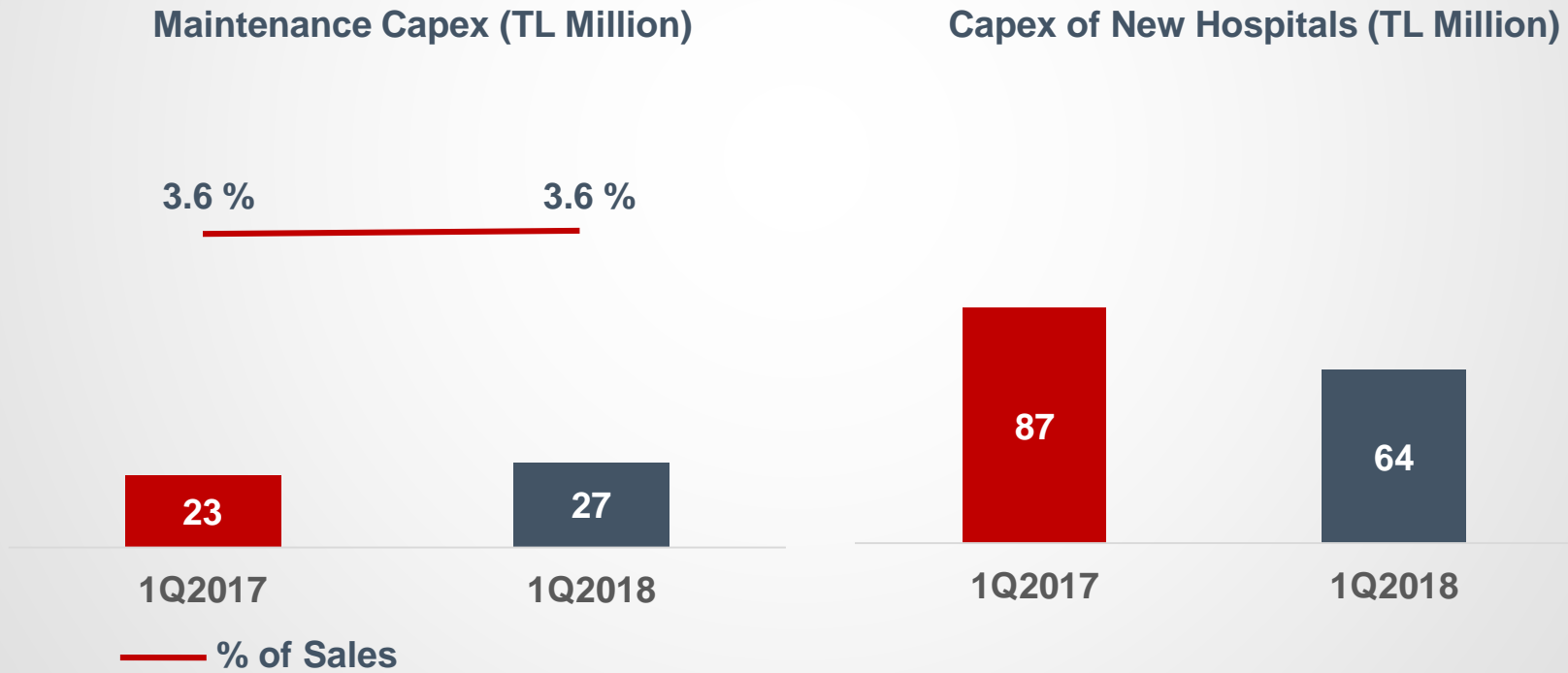
	December 31, 2017	March 31, 2018
EUR + USD	67%	46%
TL	33%	54%

- ✓ TL600m cash injection from IPO was used to lower the net debt, primarily FX debt
- ✓ Net Debt/Adj. EBITDA(\*) declined significantly to 2.1x as of March 31, 2018 compared to 3.4x at December 31, 2017

(\*) Last Twelve Months ("LTM") Adj. EBITDA

## 5 Superior Operational and Financial Performance

Investments Continued in the First Quarter of 2018





# Outstanding Platform for Growth

## 6 Outstanding Platform for Further Growth

Quick and successful ramp up in greenfields as well as acquisitions with typical range of 12-18 months to EBITDA-neutral hospitals

### Example of Greenfield

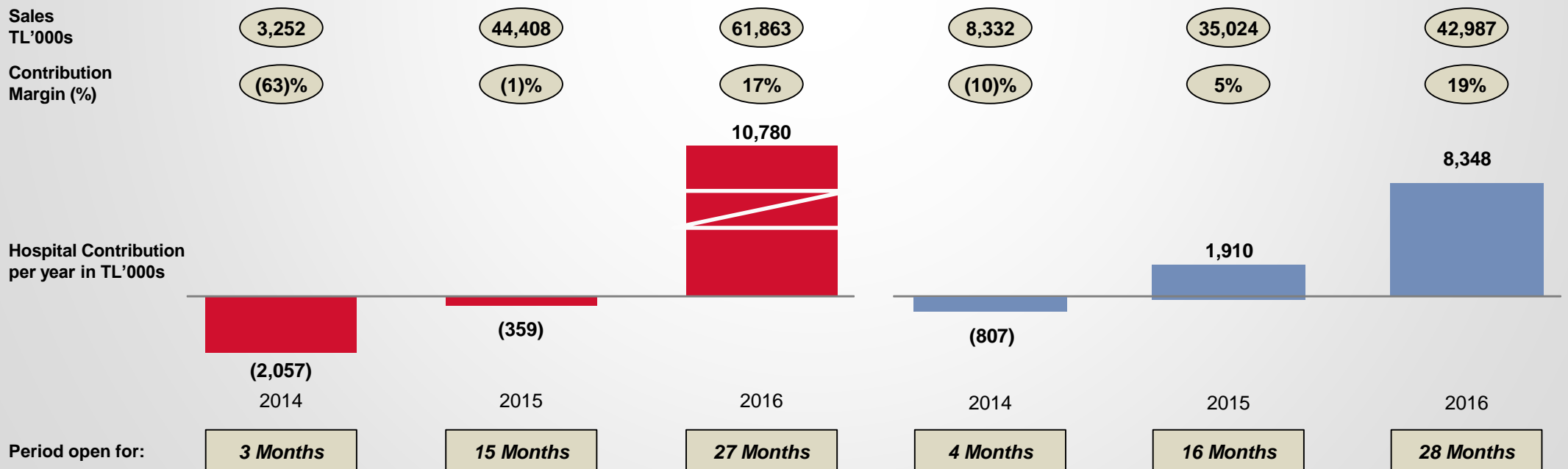
#### Batıkent (Oct-2014)

Total Investment	TL50m
Total Beds at Opening	110
Covered Area (sqm)	22,500

### Example of Acquisition

#### Yıldızlı (Sep-2014)

Total Investment Cost	TL23m
Total Capex	TL8m
<b>Total Costs</b>	<b>TL31m</b>
Total Beds	107
Covered Area (sqm)	12,000



## 6 Outstanding Platform for Further Growth

### Proven track record of greenfield expansions and M&A

Total Hospitals  
At Year End

25

26

27

29

31

33

35

Greenfield

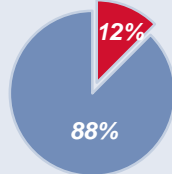
- ✓ MLP Care has added on average c.400 beds p.a.<sup>1</sup> through greenfield projects since 2014
- ✓ Multiple opportunities identified for expanding bed capacity in the near term

M&A

- ✓ MLP Care actively seeks out new opportunities in acquiring existing private hospitals
- ✓ 10 of 31 hospitals acquired
- ✓ Multiple targets identified and in consideration

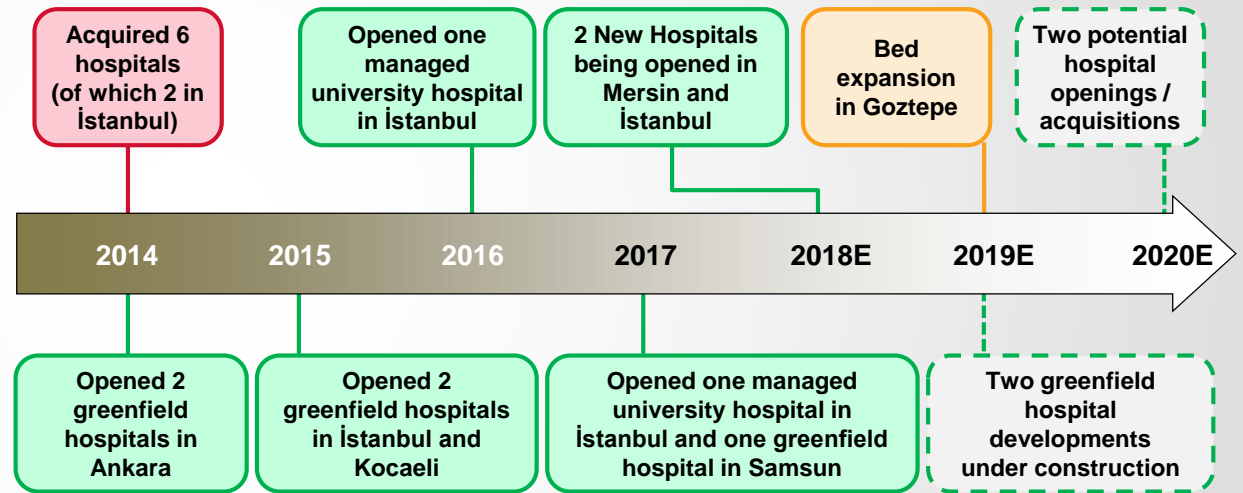
#### Vast amount of potential targets

Remaining private hospitals  
492



Top 5 private players  
70

**Total private hospitals = 562**



	2014	2015	2016	2017	2018E	2019E	2020E
Total Beds Added to Portfolio	745	674	568	708	500+	500+	500+
Cumulative Total Beds	3,380	4,054	4,622	5,330	5,900+	6,330	6,830

Acquisitions

Greenfields

Expansions

Pipeline

Note: Bed counts based on licensed capacity  
<sup>1</sup> 2014-2017 average.

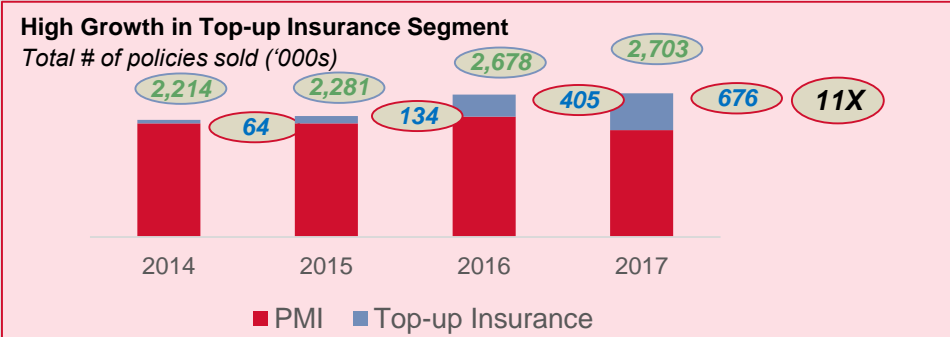
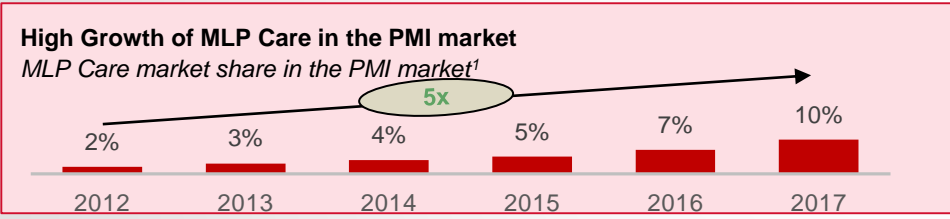
## 6 Outstanding Platform for Further Growth

MLP Care has several avenues to continue its growth trajectory

### MLPCARE

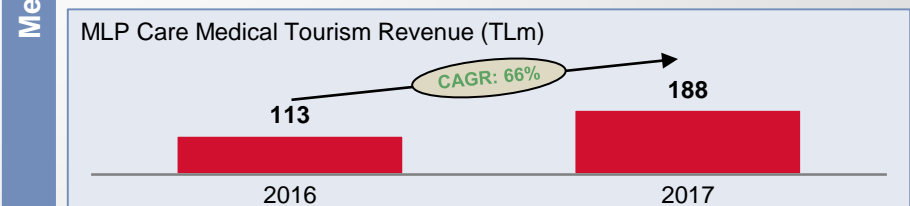
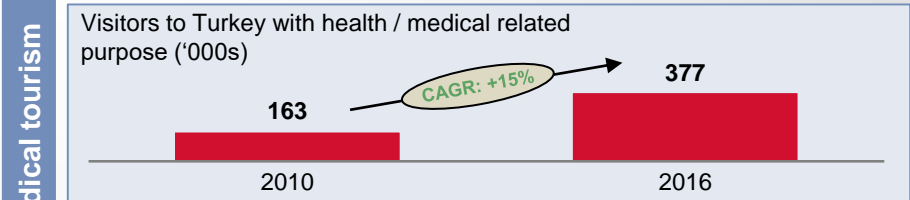
#### 1 Top line growth via the favourable insurance scheme

- ✓ MLP Care has increased its market share in PMI over the years, growing its revenue from private medical insurance by c.52% p.a. from 2012 to 2017
- ✓ Top-up insurance is the fastest growing portion of the PMI market
- ✓ MLP Care has been a pioneer in Top-up insurance



#### 2 Growth through revenue diversification

- Self-Pay**
- ✓ Expand premium service offering (e.g. Liv, VM)
  - ✓ Increase elective procedure offering (e.g. Aesthetics)
  - ✓ Self-Pay share of total pay in MLP Care revenues has risen from c. 25% in 2012 to c. 33% in 2017
- Medical tourism**
- ✓ Outstanding medical quality in line with OECD countries
  - ✓ Comparatively affordable with c. 50-65% in estimated savings compared to US treatment costs



Source: TOBB Report; Insurance Association of Turkey; Medical tourism association; TURKSTAT, Departing Visitors by Purpose of Visit, 2003 - 2017

<sup>1</sup> Calculated as: MLP revenue from private medical insurance (excluding contracted institutions revenue) divided by the total payment made by insurers to healthcare providers

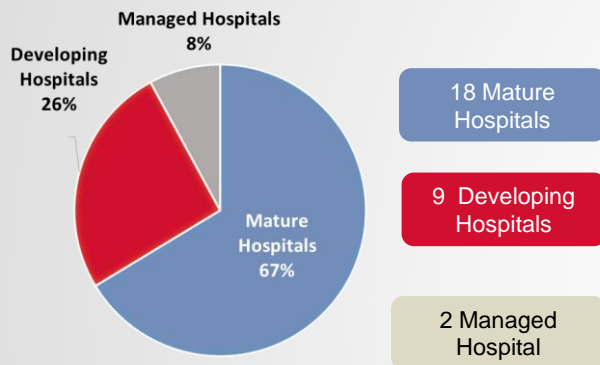
# Appendix

## Superior Operational and Financial Performance

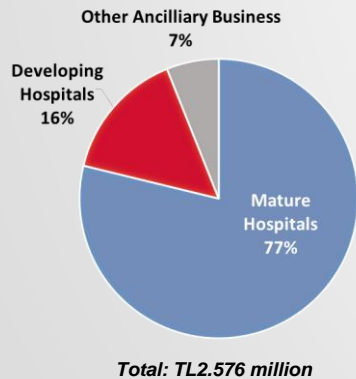
Robust growth and financial performance seen across Mature and Developing hospitals...

### General Overview

#### Breakdown of Beds - 2017



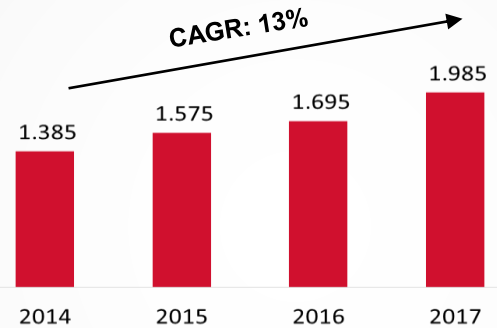
#### Revenue Breakdown - 2017



### Mature Hospitals

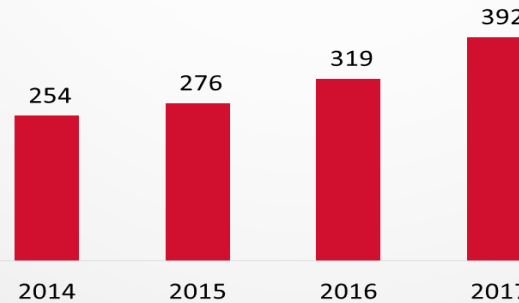
#### Revenue<sup>2</sup> (million TL) / Growth (%)

14% 8% 17%



#### Contribution<sup>2</sup> (million TL) / Margin (%)

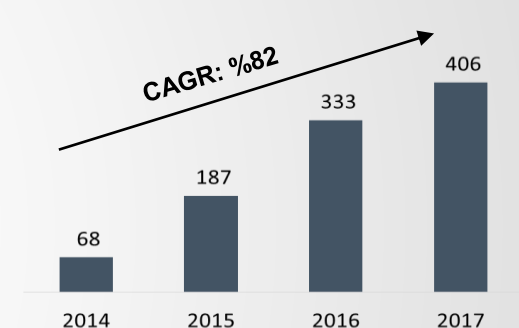
18.4% 17.5% 18.8% 19.7%



### Developing Hospitals

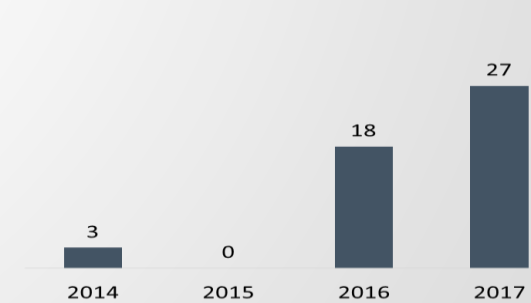
#### Revenue<sup>2</sup> (million TL) / Growth (%)

176% 78% 22%



#### Contribution<sup>2</sup> (million TL) / Margin (%)

4.8% 0.2% 5.5% 6.6%

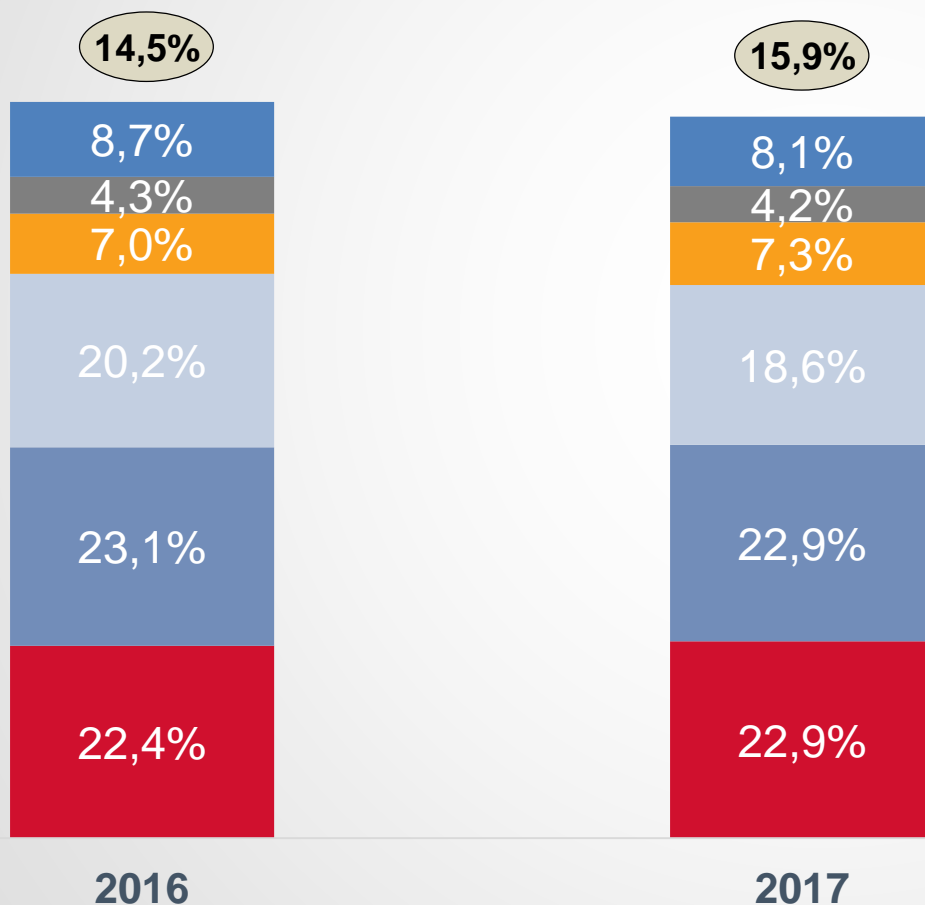


Note: Revenue and Contribution from Managed Hospitals is not consolidated in Hospital Revenues and included as part of Other Ancillary Business. Mature refers to hospitals opened, or acquired as well as integrated in the MLP IT system, prior to 2015, and Developing refers to hospitals opened / acquired / integrated after 2015. <sup>1</sup> Hospital counts by Estate as part of current MLP portfolio as at Dec-2017. <sup>2</sup> Excludes headquarters costs and contribution from Other Ancillary Business.

## Superior Operational and Financial Performance

### Smart Cost Management

Adjusted EBITDA Margin



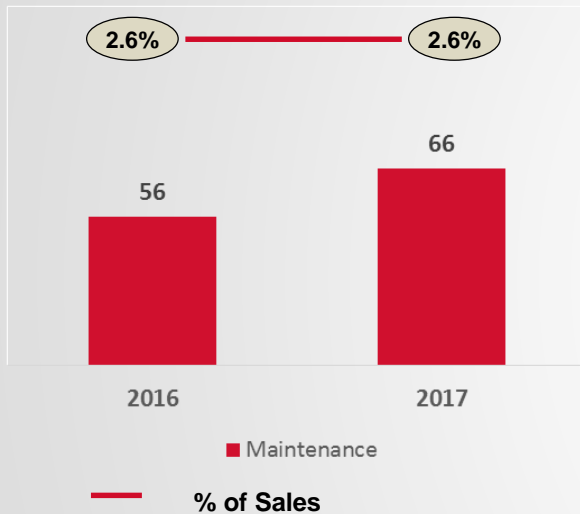
- ✓ **Material:** Slight increase due to change in the revenue mix
- ✓ **Doctor:** Flat as doctor cost is ca. 95% variable
- ✓ **Personnel:** Decline on the back of operational leverage
- ✓ **Rent:** New hospital openings and FX impact

■ Material ■ Doctor ■ Personnel ■ Rent ■ Outsourced Medical Service Purch. ■ Other

## Superior Operational and Financial Performance

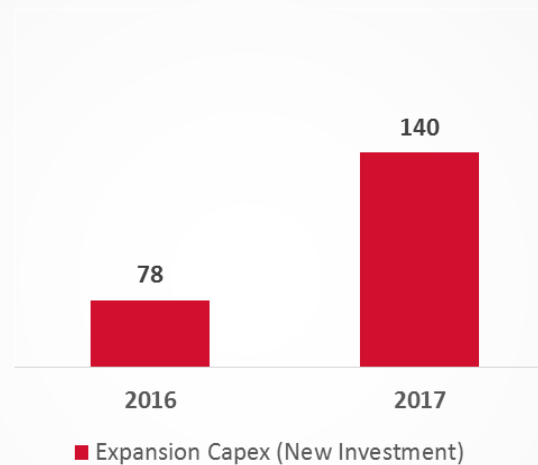
Strong cash flow generation

### Maintenance Capex <sup>1</sup> (TLm)



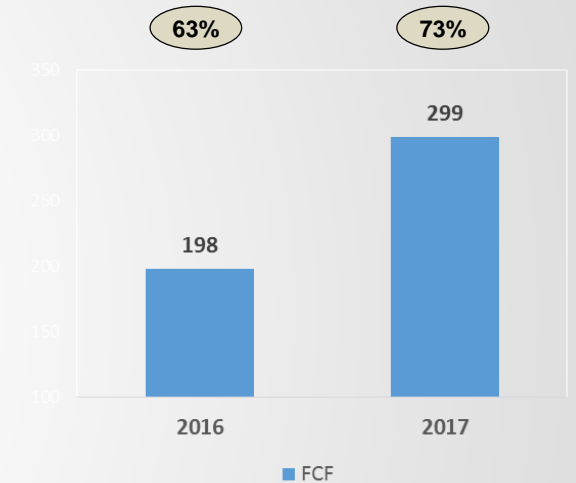
✓ Remained flat as a percentage of revenues at **2.6%**

### Capex of New Hospitals (TLm)



✓ Continued new hospital investments

### Free Cash Flow (TLm)



✓ Strong free cash flow generation maintained

**x%** FCF / EBITDA

<sup>1</sup> Includes expenditure on assets acquired through finance lease.



## Historical P&L Statements

TLm	2016 FY	2017 FY	1Q2017	1Q2018
Revenue	2,160	2,576	634	749
Cost of service (-)	(1,854)	(2,171)	(534)	(611)
<b>Gross Profit</b>	<b>306</b>	<b>405</b>	<b>100</b>	<b>138</b>
General administration expenses (-)	(127)	(215)	(43)	(60)
Other income from operations	198	380	115	67
Other expenses from operations (-)	(169)	(358)	(118)	(49)
<b>Operating Income</b>	<b>210</b>	<b>213</b>	<b>54</b>	<b>96</b>
Finance expenses (-)	(271)	(383)	(80)	(127)
<b>Net profit / (loss) before tax</b>	<b>(62)</b>	<b>(171)</b>	<b>(26)</b>	<b>(31)</b>
Tax income / (expense) from operations	14	38	9	32
<b>Net profit / (loss)</b>	<b>(49)</b>	<b>(133)</b>	<b>(17)</b>	<b>2</b>

# Historical Balance Sheet

TLM	2016 Dec 31	2017 Dec 31	2018 Mar 31
Cash and cash equivalents	111	218	247
Trade receivables	724	750	791
Inventory	45	51	69
Short term other assets	136	142	161
<b>Current assets</b>	<b>1,016</b>	<b>1,161</b>	<b>1,268</b>
Fixed assets	1,173	1,220	1,275
Deferred tax assets	146	197	233
Long term other assets	101	143	151
<b>Non-current assets</b>	<b>1,420</b>	<b>1,560</b>	<b>1,659</b>
<b>Total Assets</b>	<b>2,435</b>	<b>2,721</b>	<b>2,927</b>
Trade payables	449	670	699
Short term other liabilities	175	168	178
Short term financial liabilities (incl. leases)	408	423	340
<b>Current liabilities</b>	<b>1,031</b>	<b>1,261</b>	<b>1,217</b>
Long term other liabilities	53	55	55
Deferred tax liabilities	124	124	125
Long term financial liabilities (incl. leases)	962	1,176	836
<b>Non-current liabilities</b>	<b>1,139</b>	<b>1,355</b>	<b>1,016</b>
Shareholders' equity	175	16	614
Non-controlling interest	90	88	80
<b>Total liabilities &amp; equity</b>	<b>2,435</b>	<b>2,721</b>	<b>2,927</b>

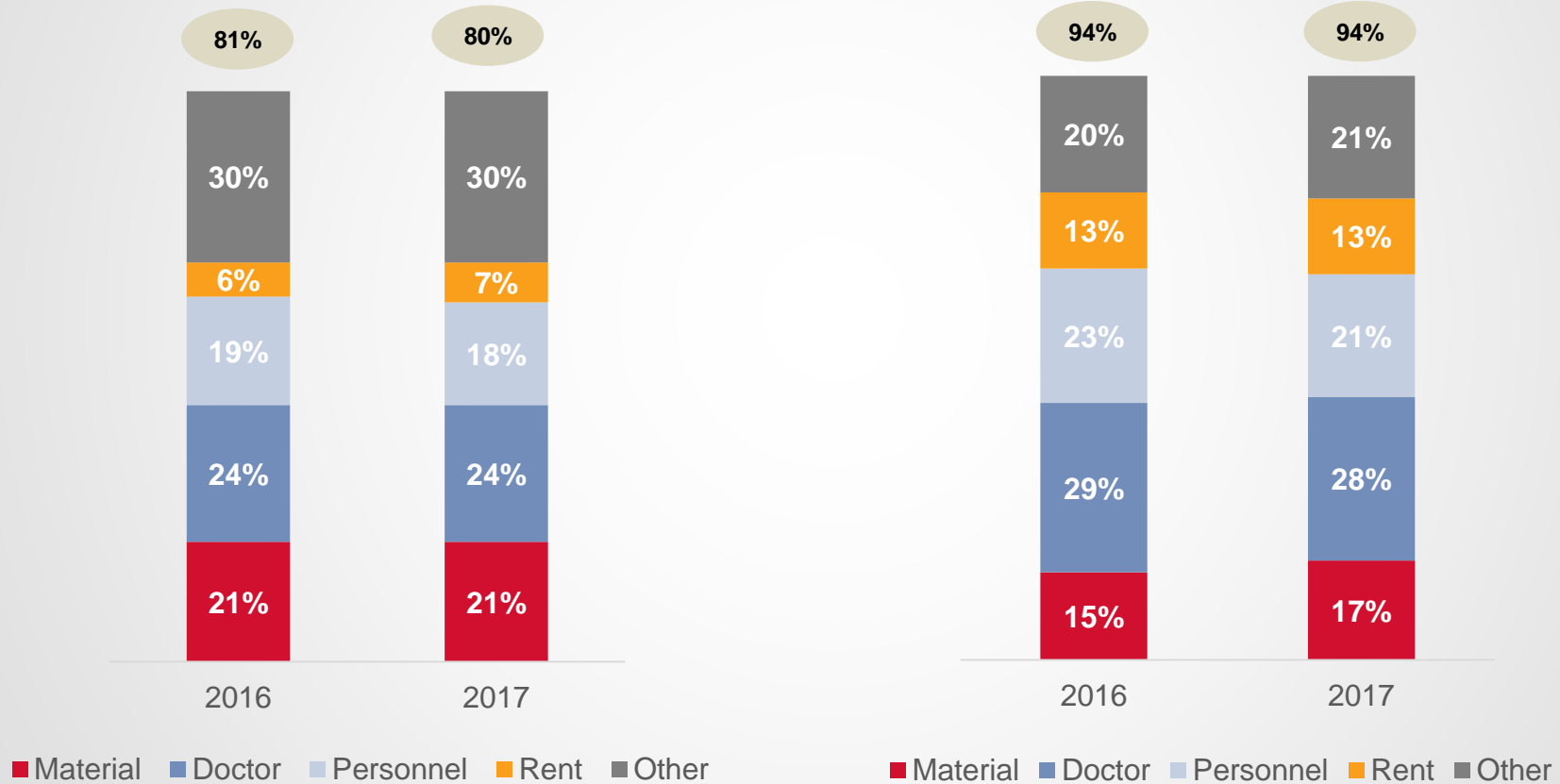
## Reconciliation from Reported EBITDA to Adjusted EBITDA

TLm	2016	2017	1Q2017	1Q2018
<b>Net Profit / (Loss)</b>	<b>(49)</b>	<b>(133)</b>	<b>(17)</b>	<b>2</b>
Tax Income from Operations	(14)	(38)	(9)	(32)
Depreciation and Amortization of Tangible and Intangible Fixed Assets	153	175	41	44
Total Interest Expenses, Net of Interest Income and Gain on Financial Derivatives	263	374	79	120
Net (Gains) / Losses from the Disposal of Tangible and Intangible Assets and Income from Negative Goodwill	1	0	(0)	(0)
<b>Reported EBITDA</b>	<b>354</b>	<b>379</b>	<b>95</b>	<b>133</b>
Net One-off (Gains) / Losses	(47)	19	6	2
Non-cash GAAP Provision Expenses	5	11	7	5
<b>Adjusted EBITDA</b>	<b>312</b>	<b>409</b>	<b>108</b>	<b>140</b>

## Cost Comparison as a % of Sales

Mature Hospitals

Developing Hospitals



## Reconciliation from Contribution to Adjusted EBITDA

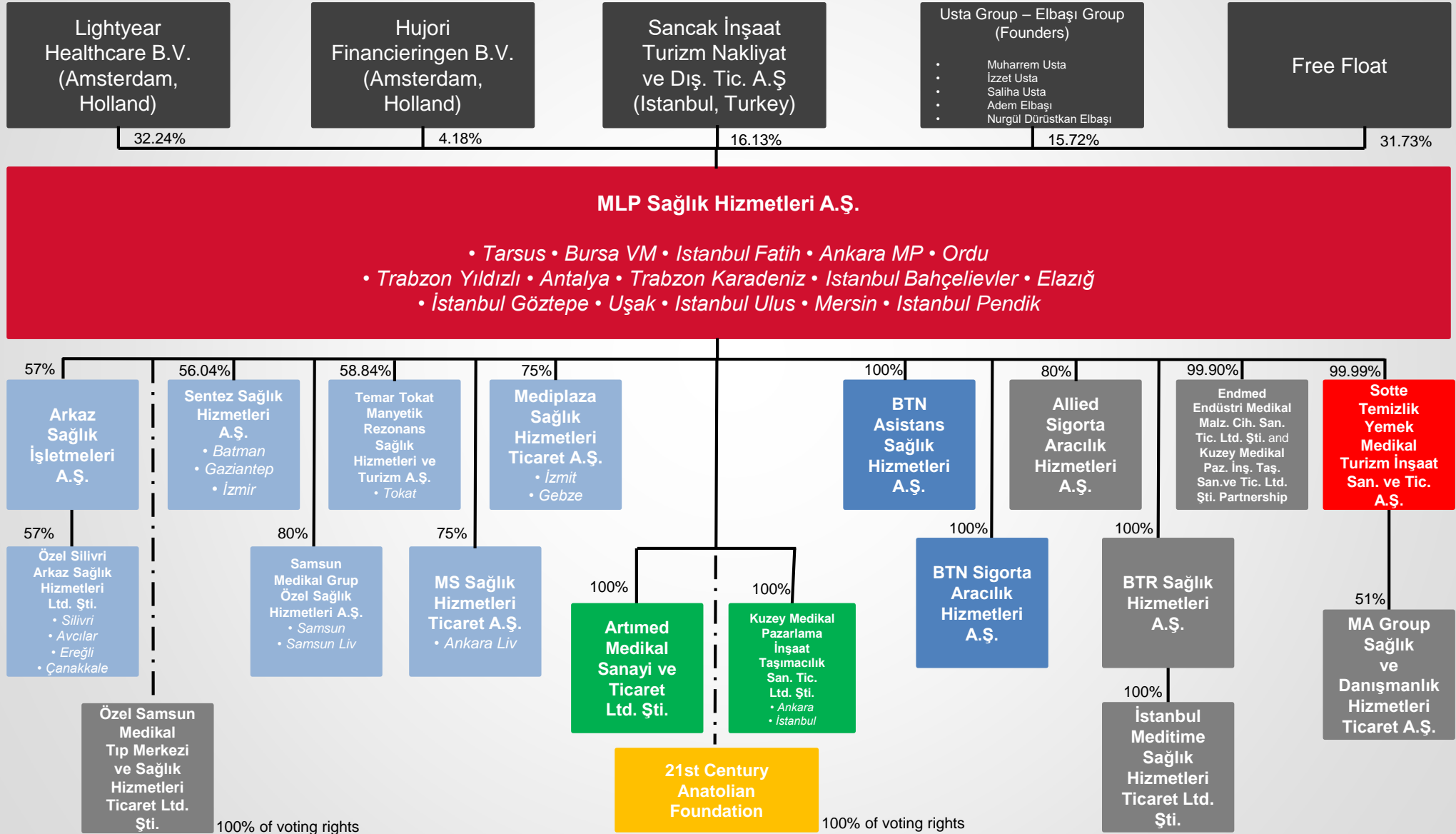
TLm	2016	2017
<b>Hospital Contribution</b>		
Mature	319	392
Developing	18	27
<b>A Total Hospital Contribution</b>	<b>337</b>	<b>418</b>
<b>Other Ancillary Business Contribution<sup>1</sup></b>		
Other Ancillary Business Revenues	133	185
Other Ancillary Business Costs	(114)	(149)
<b>B Total Other Ancillary Business Contribution</b>	<b>18</b>	<b>36</b>
<b>C HQ Expenses</b>	<b>(43)</b>	<b>(46)</b>
<b>Adjusted EBITDA</b> <b>A + B + C</b>	<b>312</b>	<b>409</b>

Note: Revenue and Contribution from Managed Hospitals is not consolidated in Hospital Revenues and included as part of Other Ancillary Business

<sup>1</sup> Other Ancillary business includes Laboratory, Imaging and Management service income from university hospital management operations

## Capital, Shareholder Structure\* & Subsidiaries

\*Shareholding structure after public offering



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