



# Investor Presentation

September 2018

# MLPCARE

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



## 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  
**17.500+** Staff  
**2.100+** 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>

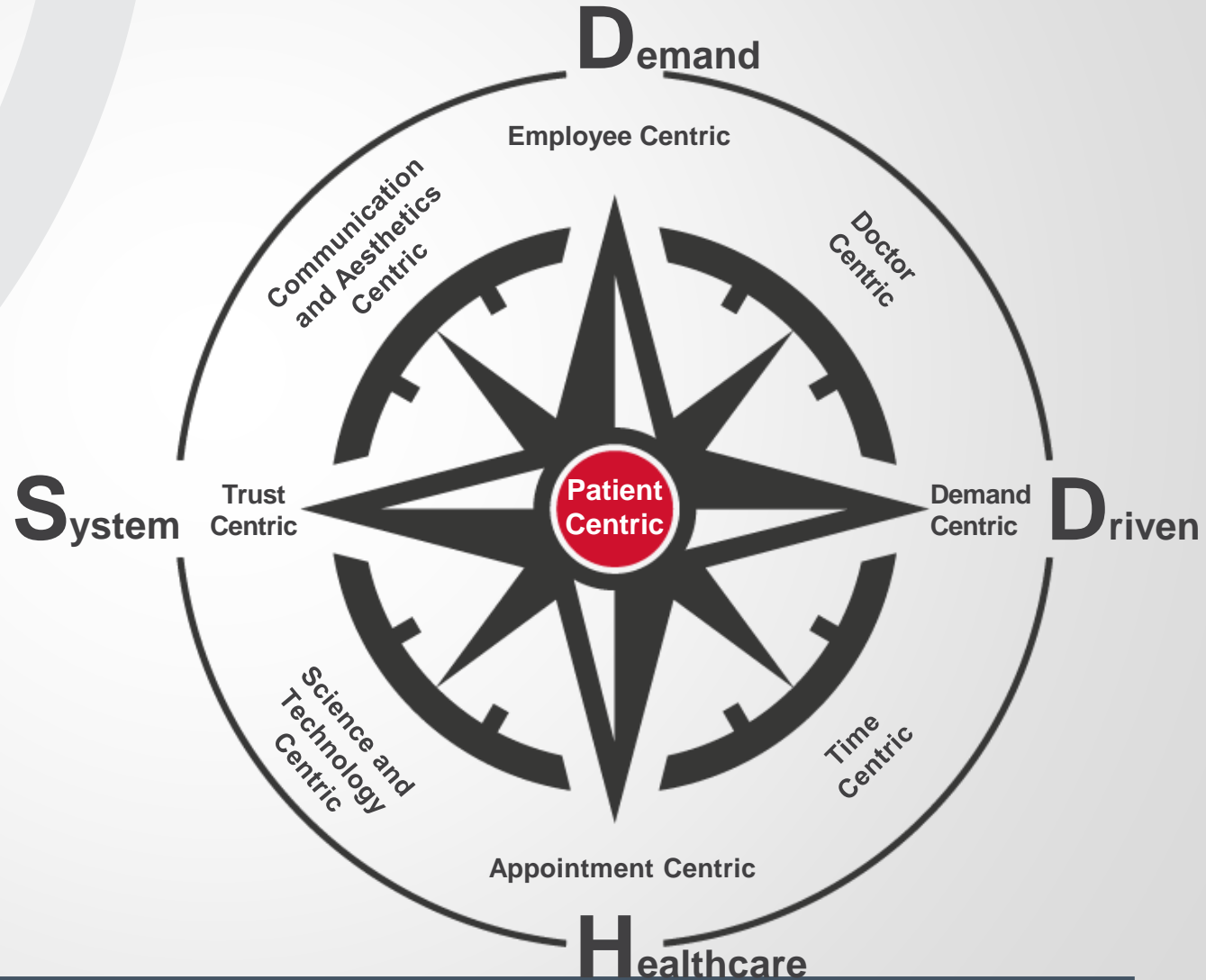
<sup>1</sup> 2017 Revenues

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

## Strategic Priorities

Our strategic priorities are in line with the Demand-Driven Healthcare System

- PERFORMANCE BASED ORGANIZATION**
- Revenue Group
  - Costs Group
  - Patient Satisfaction Group
  - Revenue, Invoicing and Collection Group
  - Medical Outcomes Group
  - Human Resources Group
  - Cost Analysis Group



# Content

## 1. Recent Developments & Outlook

- Regulatory changes, operational and financial updates
- Outlook & Prospects

## 2. Why Invest in MLP Care?

- Operates in the Attractive Turkish Healthcare Market
- Clear Leader in Private Healthcare Provision
- Strong Brand Recognition and Unique Business Model Addressing All Price Points
- Clinical Excellence and World Class Service Offering
- Superior Financial Performance
- Outstanding Platform for Further Growth

## 3. Appendix

- Historical Financial Statements
- Cost Breakdown - 2017
- Cash Flow Generation - 2017
- Capital, Shareholder Structure\* & Subsidiaries
- Key Historic Milestones

# 1. Recent Developments & Outlook

- **Regulatory Changes**

- Positive effects of the amendment of SUT prices

- **Operational Updates**

- Two new openings: Pendik and Mersin were completed on budget and schedule
- Medical tourism and top-up continued to post high growth

- **Financial Updates**

- Revenue and comparable EBITDA growth were 18% and 25% in H1 2018, respectively despite the global headwinds and early presidential elections
- All revenue segments posted strong growth in H1 2018
- FX Exposure was mitigated by hedging

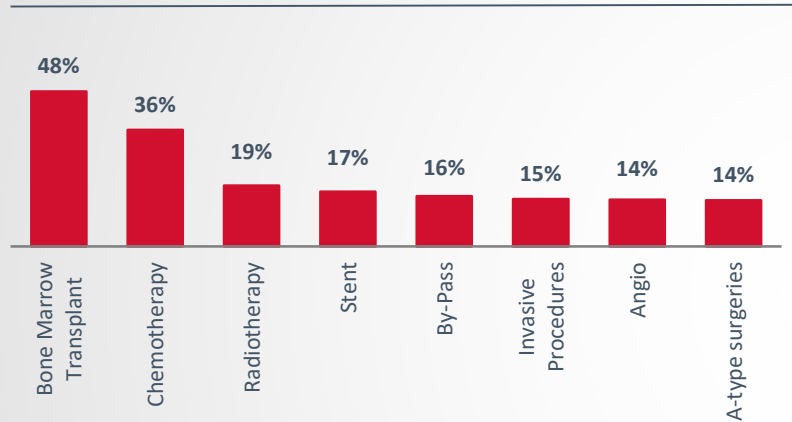
- **Outlook & Prospects**

- Strong results are expected despite the macroeconomic headwinds in 2018

## Regulatory Changes

**SUT price amendments have positive impact on our numbers**

**Complex surgeries in private sector <sup>1</sup>**

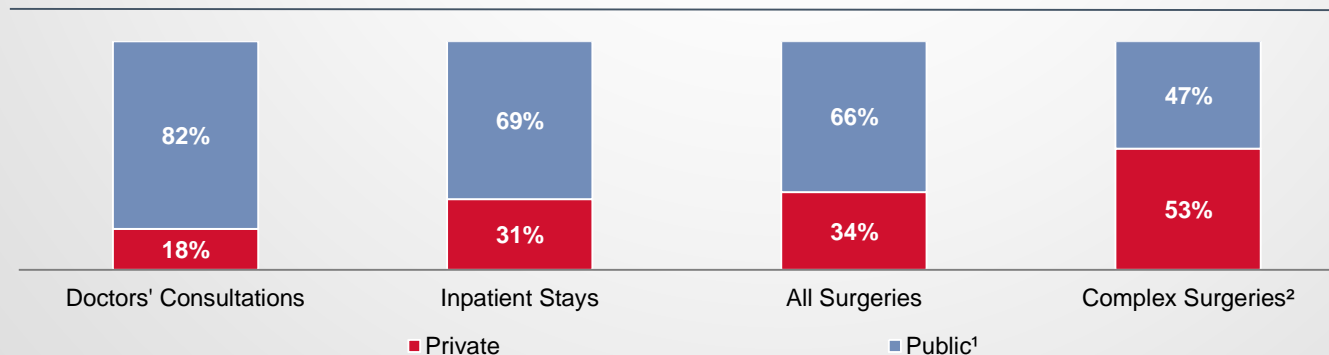


✓ As of July 5, 2018, Healthcare Applications Comminuque of the Social Security Institution («SUT») prices are amended.

- The prices of inpatient procedures especially more **complex procedures** were **increased** up to **225%**.
- The prices of **laboratory** and **radiological** procedures were **reduced** by around **5%**.

The expected impact of the price amendments on the **private sector** will be mainly on the **complex procedures** in the **inpatient** segment.

**Provision of Healthcare Services (2015)**



<sup>1</sup> Turkish Ministry of Health <sup>2</sup> A1 type surgeries e.g., organ transplants, 2014 numbers due to data availability

## Operational Update

Two new hospitals added to our hospital network

Pendik



Mersin

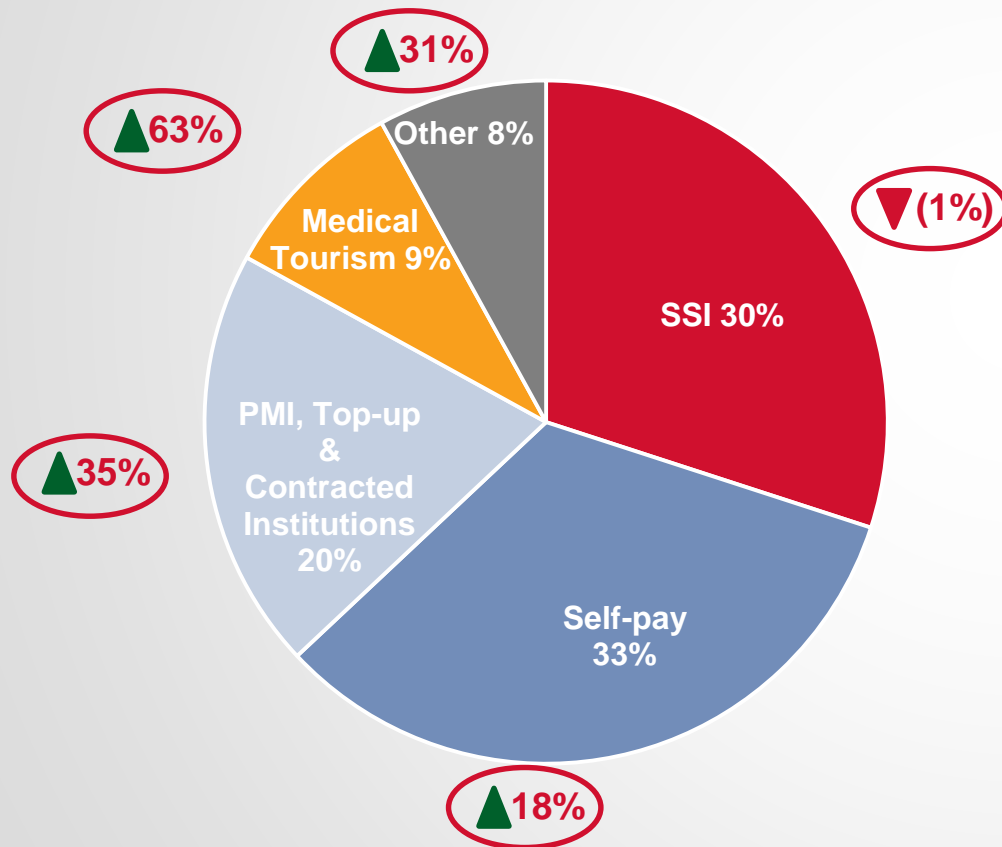


<b>Location</b>	<ul style="list-style-type: none"> <li>▪ İstanbul</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mersin</li> </ul>
<b>Opening Date</b>	<ul style="list-style-type: none"> <li>▪ March 2018</li> </ul>	<ul style="list-style-type: none"> <li>▪ May 2018</li> </ul>
<b>Key Statistics</b>	<ul style="list-style-type: none"> <li>▪ 62,000 m2</li> </ul>	<ul style="list-style-type: none"> <li>▪ 35,000 m2</li> </ul>

- ✓ New hospitals were opened on budget and schedule
- ✓ The ramp up of the hospitals is in accordance with the plan

## Operational Update


Medical tourism and top-up continued to post high growth



Revenue Breakdown by Payor Type – H1 2018

- ✓ Revenue from **PMI, Top-up & Contracted Institutions** grew by **6x** in the last five years
  - **Top-up Insurance** continue to lead the growth (96% growth in H1 2018)
- **Medical Tourism** growing 63% y-o-y
- **SSI Insurance** allows for a wide addressable market (c.98% of the total population)
- ✓ Share of **self pay** continues to increase in total (2014: 27%)

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.

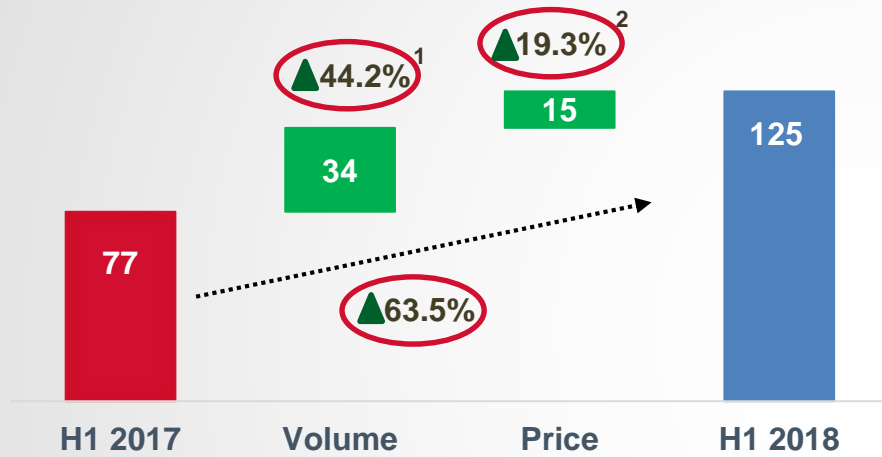
  Denotes growth/decrease vs. the same period of the last year



## Operational Update

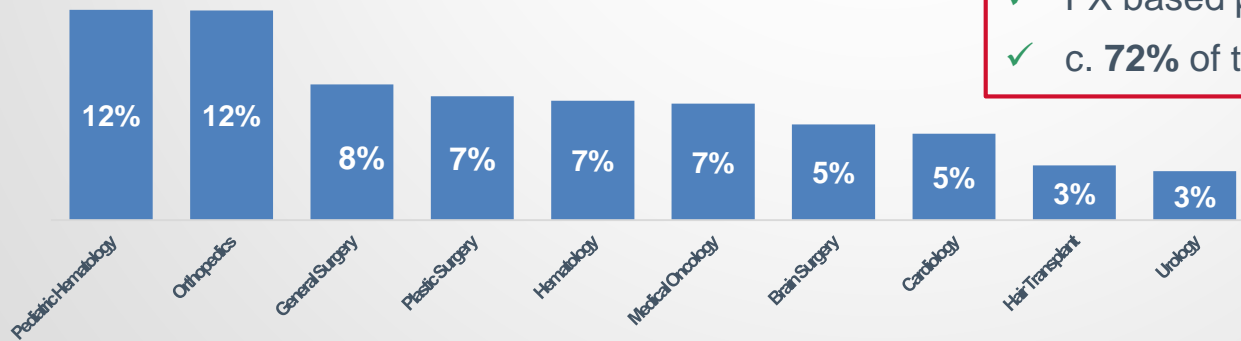
**Medical tourism revenue grew above 60% in H1 2018**

Medical Tourism Revenue Volume & Price (TLm)



- ✓ One of the top medical tourism service providers in Turkey
- ✓ Istanbul is one of the top destinations for medical tourism (MLP Care has 10 hospitals in Istanbul)
- ✓ Diversified and Balanced Geography:
  - Europe **40%**
  - Middle East and Africa **30%**
  - Former CIS and the rest **30%**
- ✓ Strong marketing through offices / affiliations in **15** countries with Medical Park and in **7** countries with Liv brands
- ✓ FX based pricing adding to EBITDA growth
- ✓ c. **72%** of total collected in cash

% by Department



Denotes growth vs. the same period of the last year.

<sup>1</sup> Growth in TL. The growth of inpatient protocol number and outpatient visit number in total was **23.8%**.

<sup>2</sup> Includes price and FX growth.

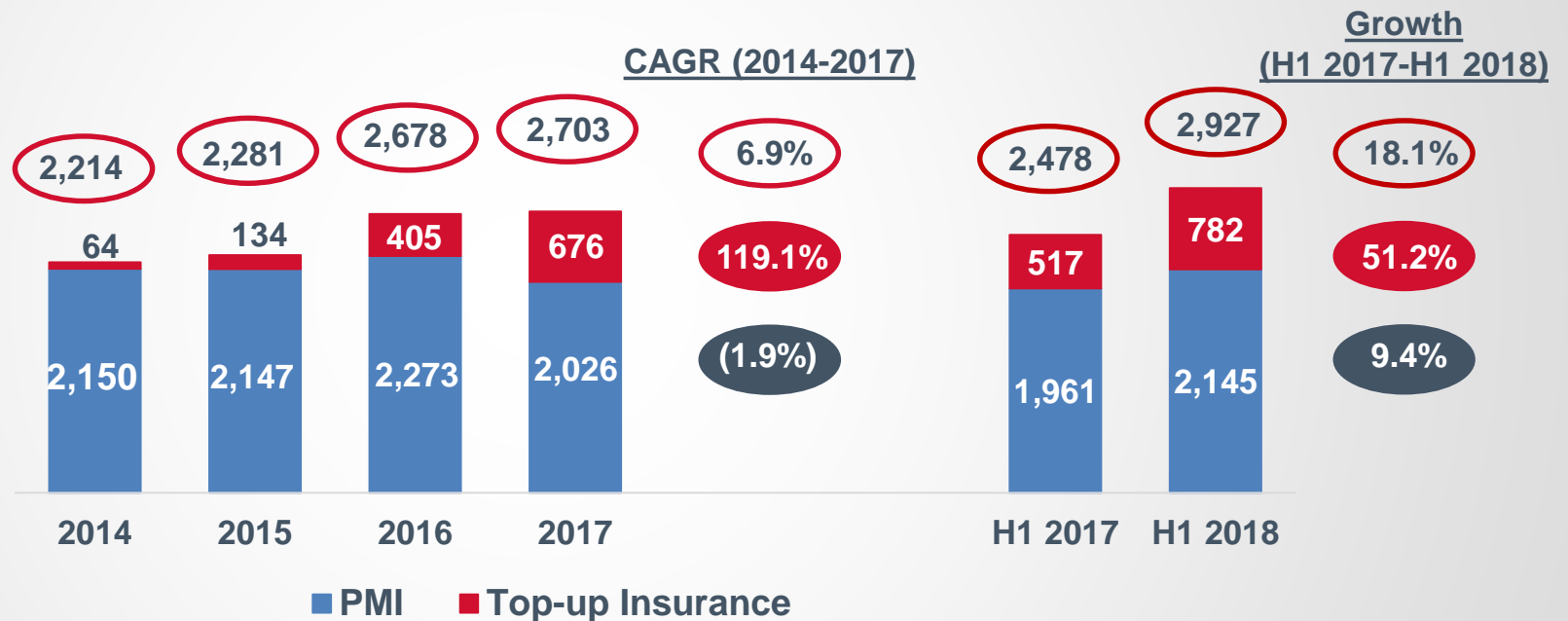
## Operational Update

MLP Care benefits from the fast growth of Top-up Insurance Market

### # of People With Insurance (PMI and Top-up) in Turkey – 000s

#### 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>

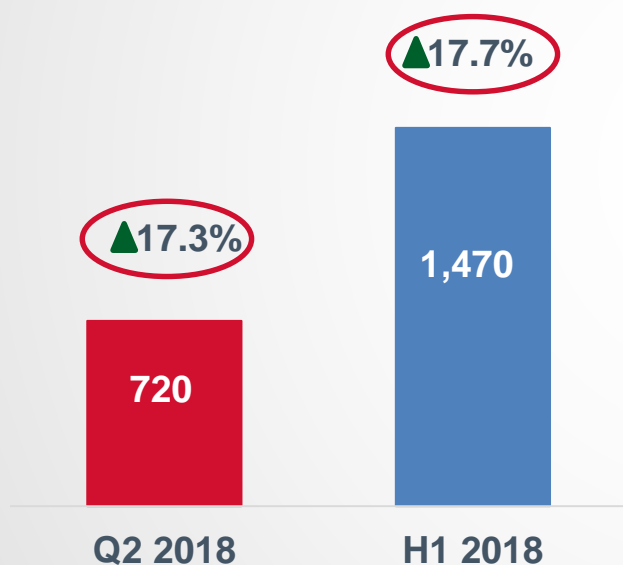


- ✓ The number of people with Top-up insurance was up by 51% in H1 2018.
- ✓ MLP Care's revenue from Top-up segment grew by 96% in H1 2018.

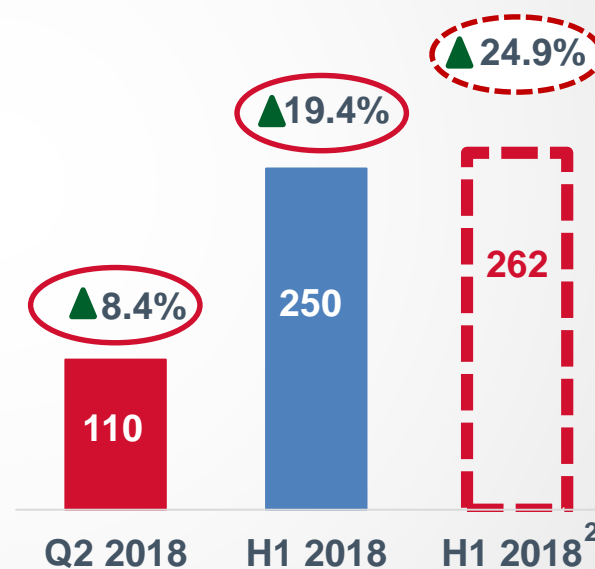
## Financial Update

Comparable Adj. EBITDA grew by 25%

### Revenue (TLm)




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



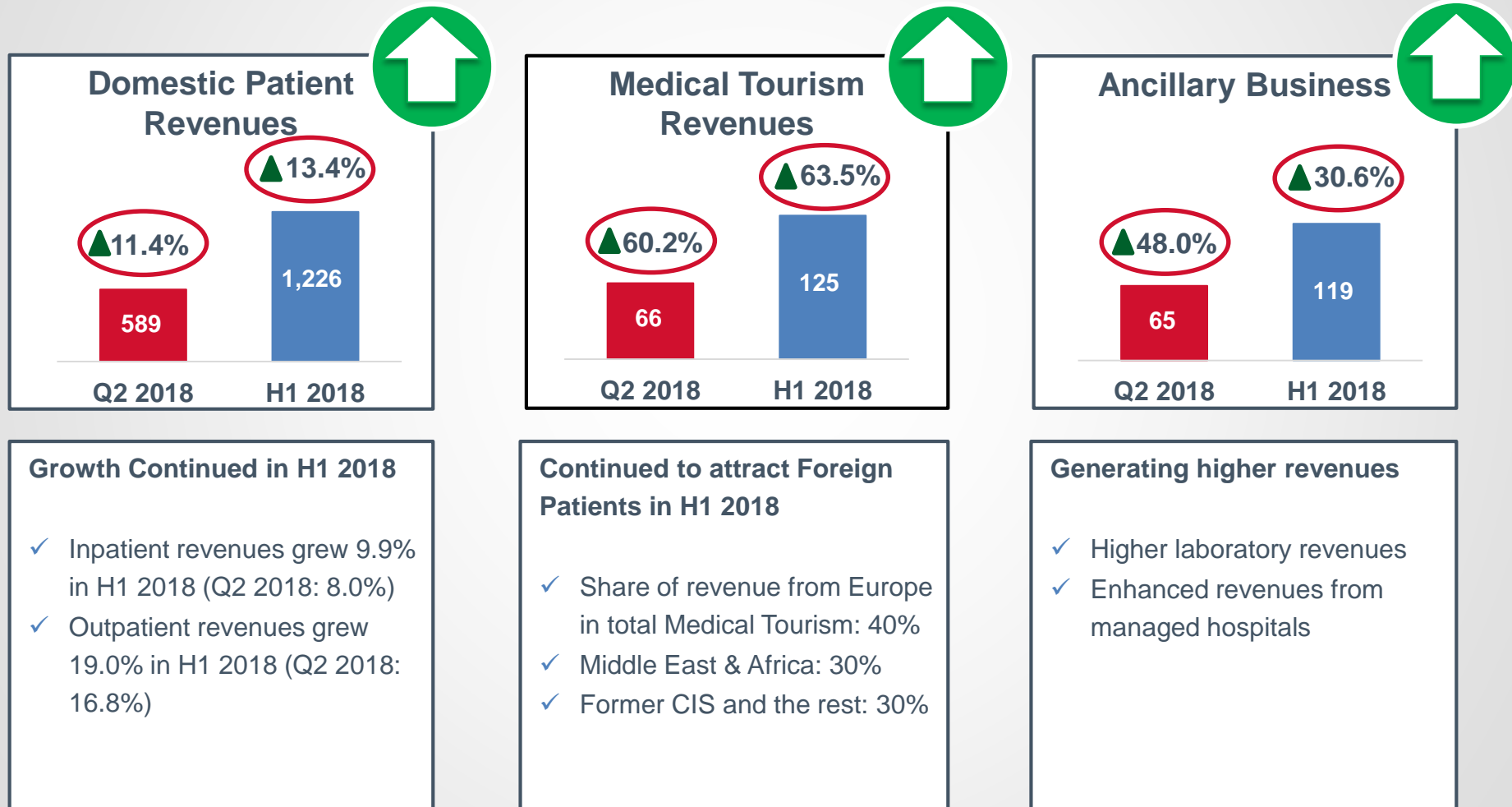
(1) EBITDA has been adjusted for TFRS adjustments that have no cash impact on relevant period and one-off income/expense figures.

(2) Comparable EBITDA without the negative EBITDA of new hospital openings in 2018 including Mersin and Pendik has been adjusted for TFRS adjustments that have no cash impact on relevant period and one-off income/expense figures.

 Denotes growth vs. the same period of the last year

## Financial Update

All revenue segments posted strong growth in H1 2018



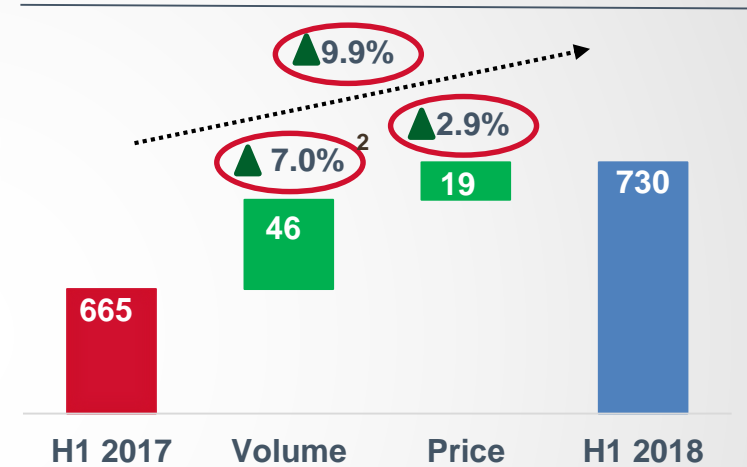
## Financial Update

Domestic hospital business revenue up 13.4%

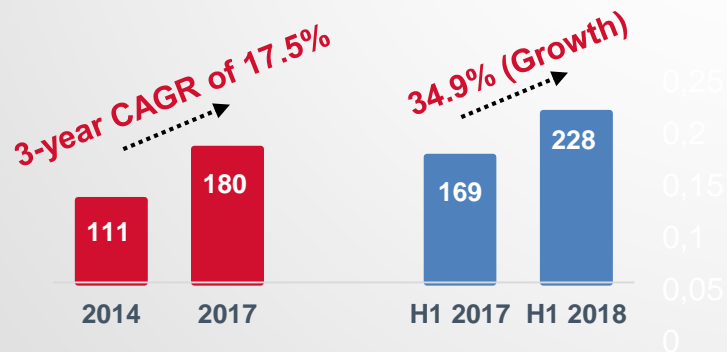
### Outpatient Revenues (TLm)



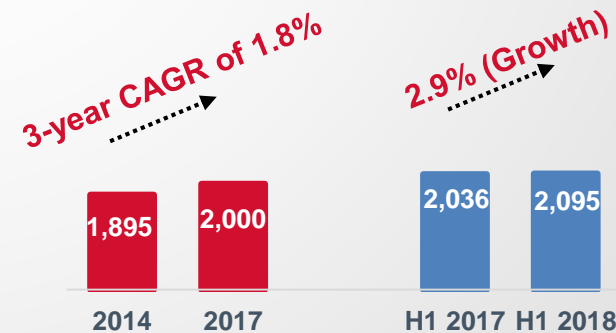
### Inpatient Revenues (TLm)



### Average Revenue Per Visit (ARPV)



### Average Revenue Per Protocol (ARPP)



✓ Outpatient and Inpatient revenues made up 40% and 60% of total Domestic Hospital Business Revenues in H1 2018.



Denotes growth/decrease vs. the same period of the last year

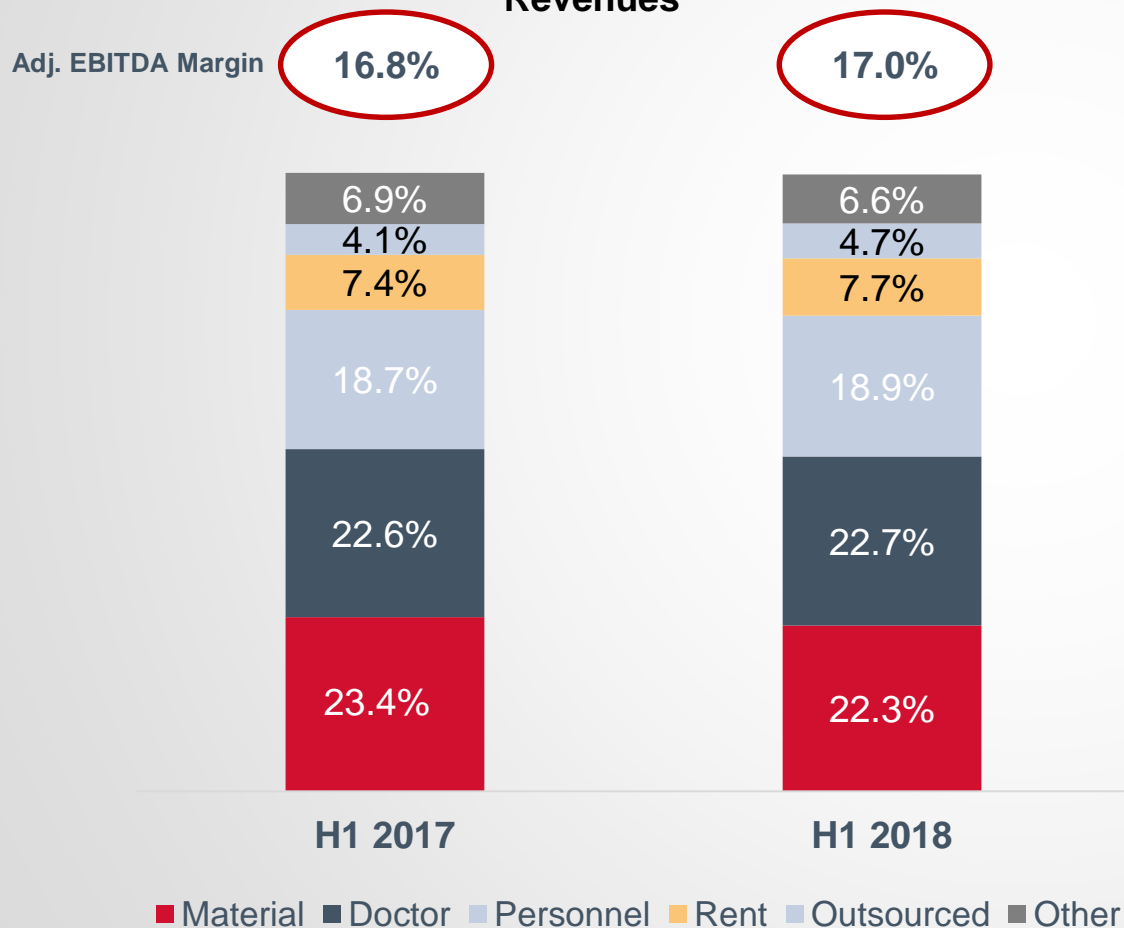
<sup>1</sup> Growth in TL. The decrease of outpatient visit number was (11.8%).

<sup>2</sup> Growth in TL. The growth of inpatient protocol number was 6.8%

## Financial Update

**Adj. EBITDA improves on the back of smart cost management and savings**

**Cost of Service and G&A Expenses as a % of Revenues**

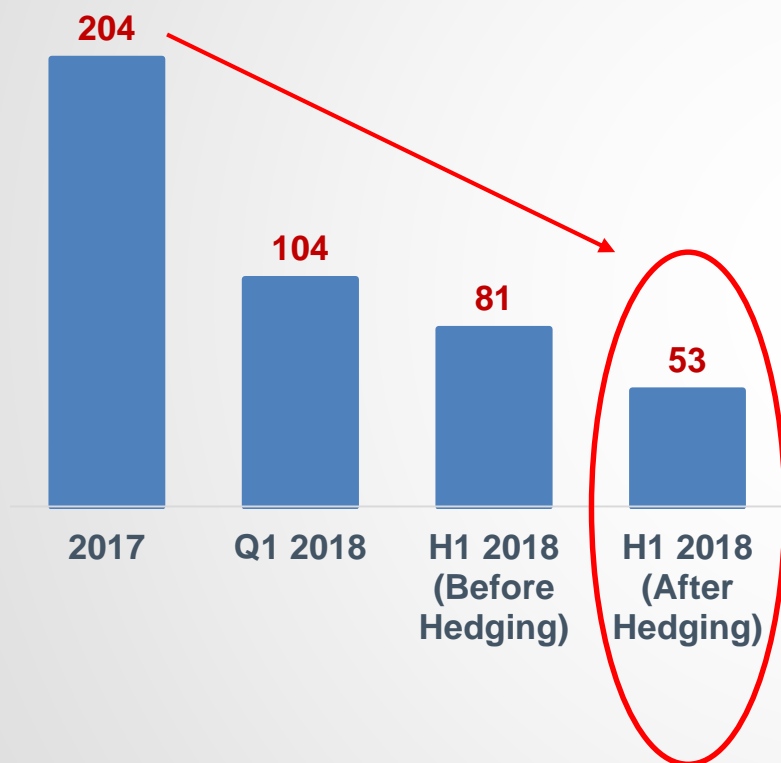


- ✓ **Material costs** as a % of revenue declined, helped by the patient mix impact and decline in share of laboratory services business revenues (with higher material costs)
- ✓ **Doctor costs** as a % of revenue were slightly higher due to new hospital openings
- ✓ **Personnel costs** as a % of revenue were slightly higher due to new hospital openings
- ✓ **Rent expenses** as a % of revenue slightly increased due to FX impact (c.39% of rent expenses are FX based) and new hospital openings

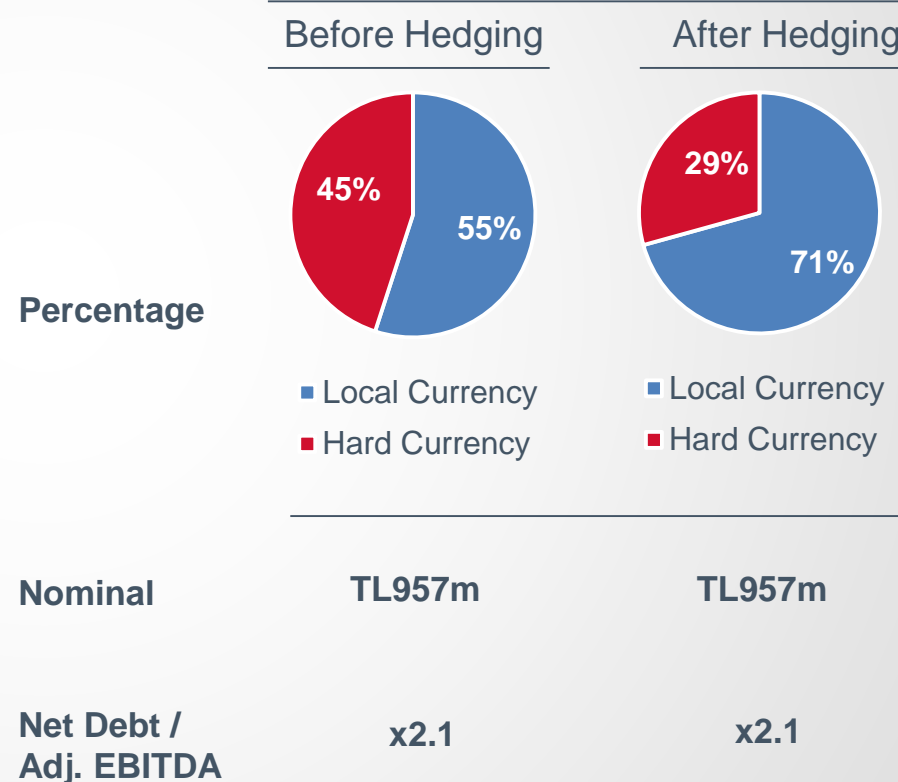
## Financial Update

### FX exposure mitigated by hedging

**FX BASED NET DEBT (in EUR m)**



**NET DEBT**



✓ EUR 35.6m of the total EUR98.7m loan (total principal and interest payments) for the 2018-2024 period was hedged using cross currency swap transaction

## Financial Update

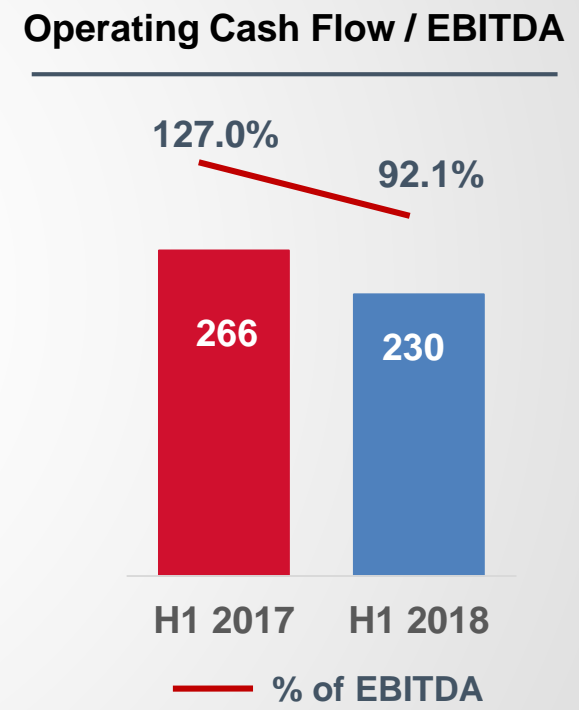
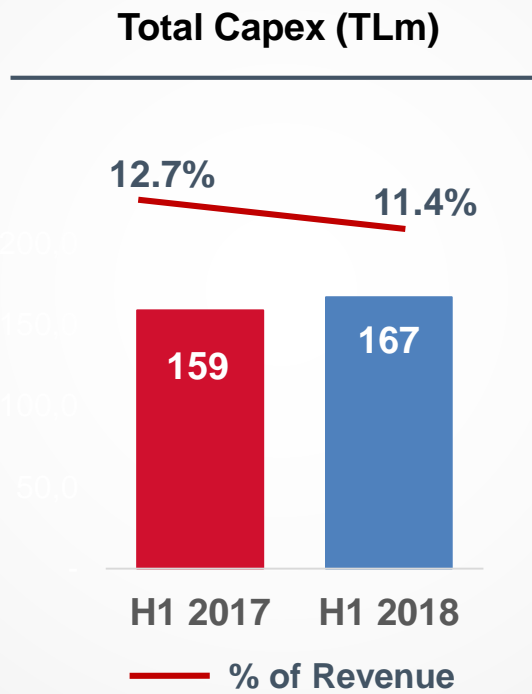
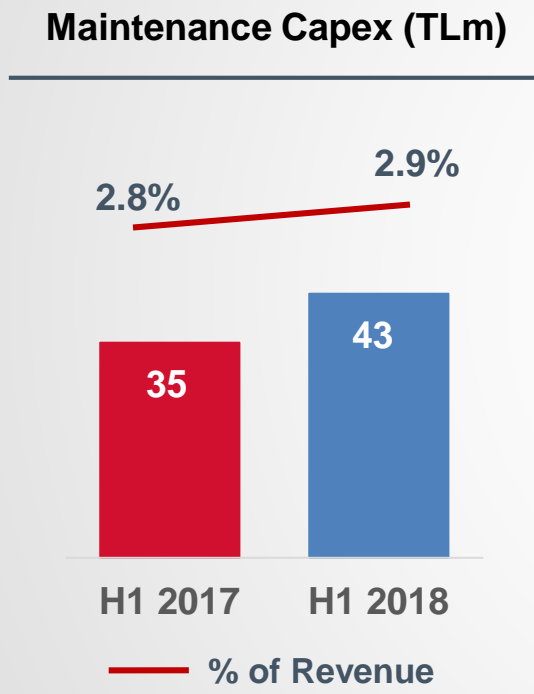
**After the hedging transaction w/o the impact of non-cash FX losses,  
net income is fully hedged against FX changes**

TLm	H1 2018	Hard Currency	Hard Currency as % of Total Revenues	After Hedging Transaction
Domestic Hospital Revenue	1,226	-	-	-
Foreign Medical Tourism	125	125	9%	9%
Ancillary	119	-	-	-
<b>Total revenues</b>	<b>1,470</b>	<b>125</b>	<b>9%</b>	<b>9%</b>
Material	(328)	(33)	(2%)	(2%)
Doctor	(334)	-	-	-
Personnel	(278)	-	-	-
Rent	(113)	(45)	(3%)	(3%)
All other exp.	(167)	(24)	(2%)	(2%)
<b>Total costs</b>	<b>(1,220)</b>	<b>(102)</b>	<b>(7%)</b>	<b>(7%)</b>
<b>EBITDA</b>	<b>250</b>	<b>28</b>	<b>2%</b>	<b>2%</b>
Amortisation	(90)	-	-	-
Extraordinary income / (expense), net	(15)	-	-	-
Finance expenses, net of interest income	(89)	(26)	(2%)	(1%)
Non cash - FX gain / (loss), net	(110)	(110)	(7%)	(6%)
<b>Income / (expense), net before tax</b>	<b>(54)</b>	<b>(112)</b>	<b>(8%)</b>	<b>(5%)</b>
Taxation income / (expense), net	46	-	-	-
<b>Net Profit / (loss), net</b>	<b>(8)</b>	<b>(112)</b>	<b>(8%)</b>	<b>(5%)</b>
<b>Net Profit / (loss), net -w/o Non cash FX gain / (loss)</b>	<b>102</b>	<b>(2)</b>	<b>(0%)</b>	<b>1%</b>



## Financial Update

Intelligent capex spending during strong headwinds



## Outlook & Prospects

**2018 is expected to be a challenging environment due to currency volatility and increasing inflation.**

**Our targets are:**

### **Operational**

- ✓ Increase operational excellence and adjust our targets upwards
- ✓ Enhance patient satisfaction
- ✓ Improve the mix on higher revenue and EBITDA generating procedures
- ✓ Continually review every the operational step to optimize process and further improvement

### **Financial**

- ✓ Actively mitigate FX risk by hedging and increasing hard currency revenue and decreasing FX based costs
- ✓ Tight controls of costs
- ✓ Ramp up of new hospitals

**We believe that we can manage the challenging environment with our strengths:**

- ✓ Experienced management team with a track record of success
- ✓ Strengthened balance sheet with IPO and hedging
- ✓ Largest hospital network by far in Turkey (with 5 university affiliations)

## 2. Why Invest in MLP Care?

1 Operates in the Attractive Turkish Healthcare Market

2 Clear Leader in Private Hospital Provision

3 Strong Brand Recognition and Unique Business Model

4 Clinical Excellence and World Class Service Offering

5 Superior Historical Financial Performance

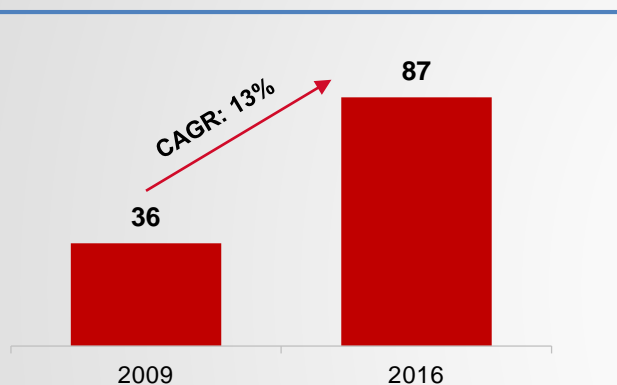
6 Outstanding Platform for Further Growth



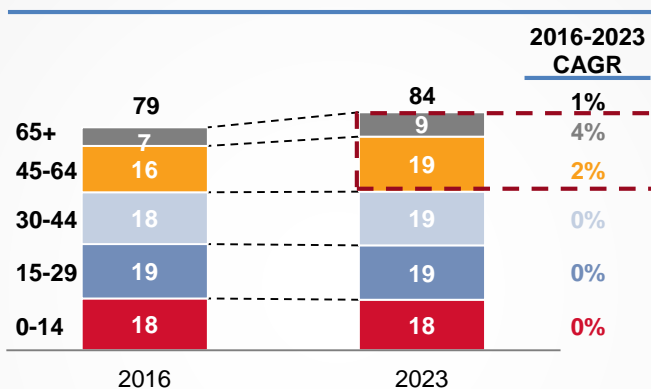
## 1 Operates in the Attractive Turkish Healthcare Market

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

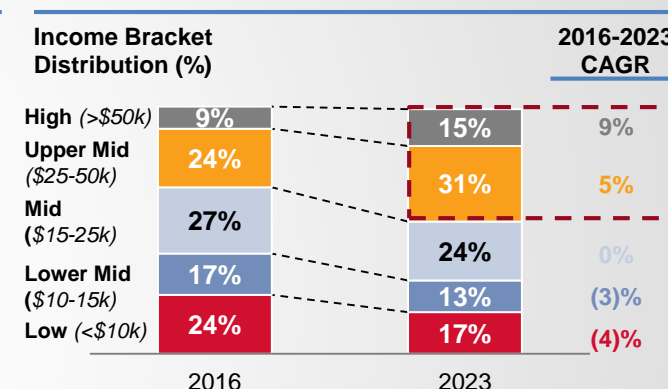
Turkish Healthcare Spending to Providers<sup>1</sup> (TLbn)



Growth in Aging Turkish Population (millions)

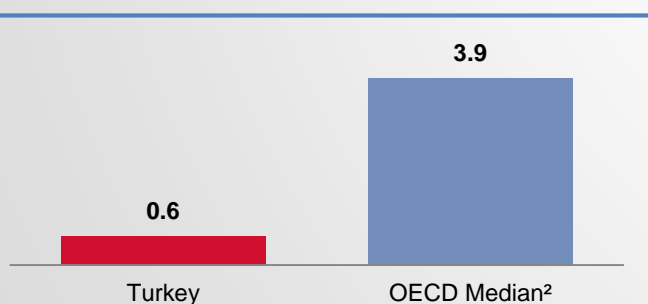


Growing Levels of Affluence in Turkey

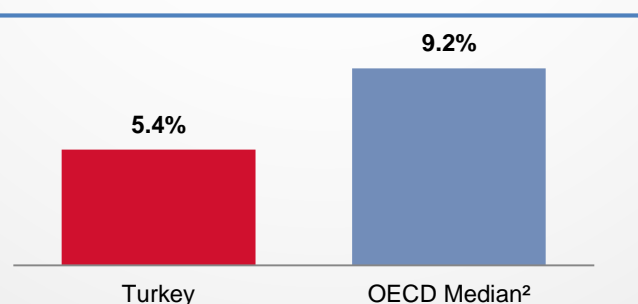


### Significant Scope For Expansion Compared to OECD<sup>2</sup> Peers

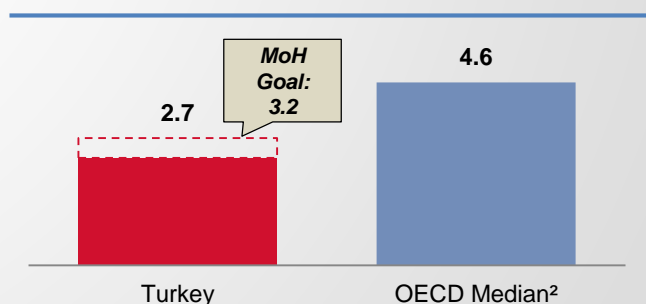
Healthcare Spending Per Capita (\$'000)



Healthcare Spending % of GDP



Hospital Beds Per Capita ('000)<sup>3</sup>

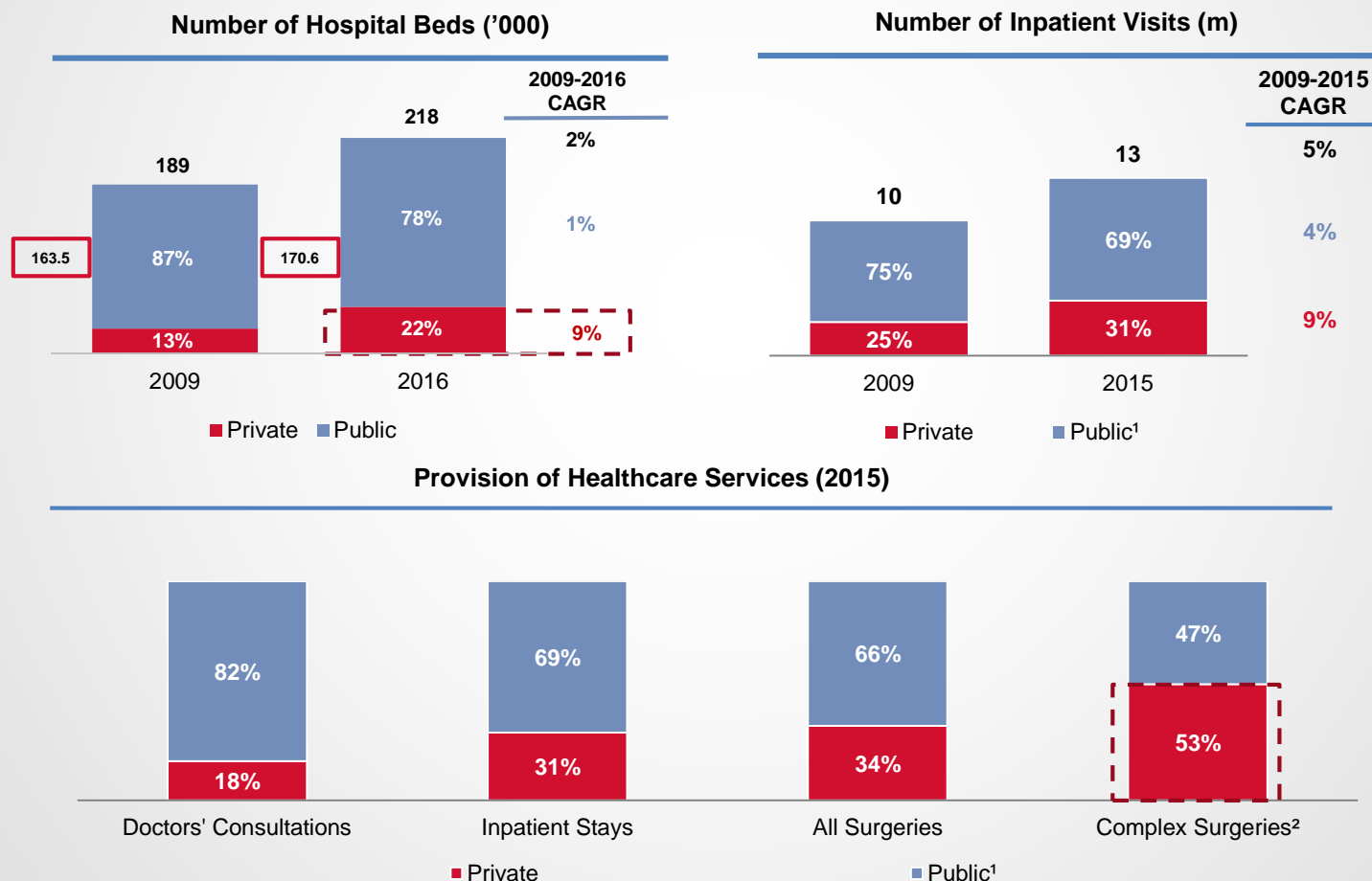


Source: IMS Health, Euromonitor International, OECD, Espicom Business Intelligence, MoH Statistics 2015 (published in Dec-2016), Turkish Statistical Institute, TOBB Report

<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 22% of beds, but provide 53% of complex surgeries.



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

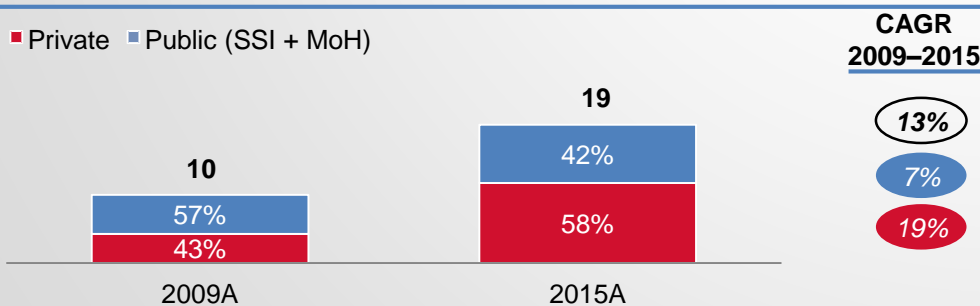
Supportive government policies have underpinned the expansion of private hospital groups

### Healthcare system and key participants



<b>Regulator</b>	<ul style="list-style-type: none"> <li>● <b>Monitors 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)



### 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>. Price adjustment made in July 2018 in favor of complex treatments which was 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>**

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

## 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%
- Medicana: 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	-	-	-	-	2mm – 5mm
Konya	-	-	-	-	-	-	1	201	
Gaziantep	1	243	-	-	-	-	-	-	1mm-2mm
Kocaeli	2	300	1	61	-	-	-	-	
Diyarbakır	-	-	-	-	2	276	-	-	
Kayseri	-	-	1	104	1	119	-	-	1mm-2mm
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>	

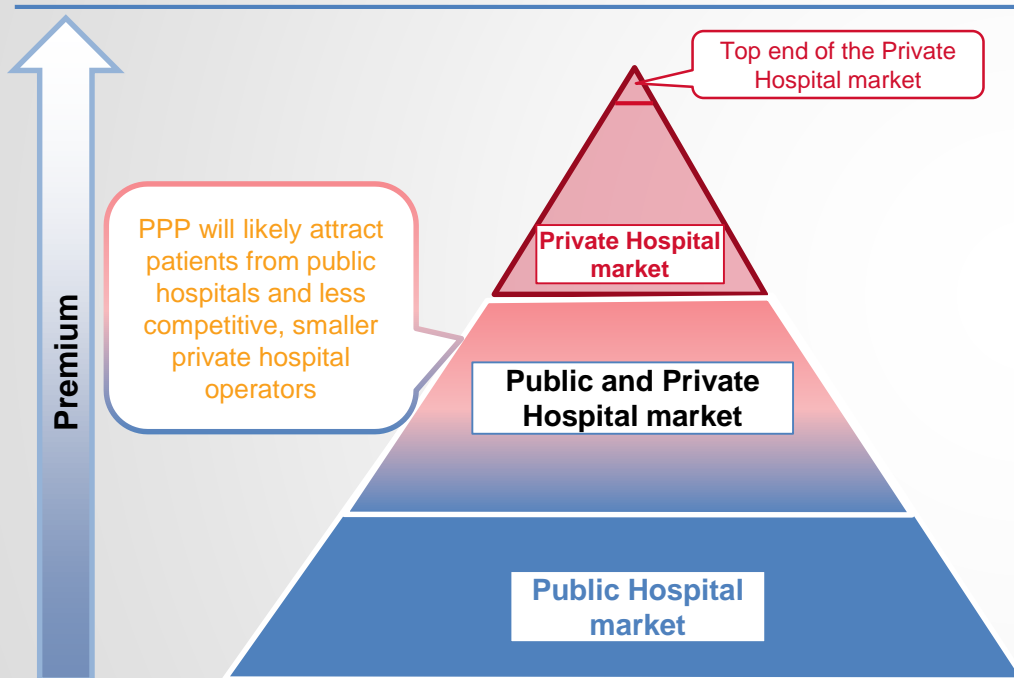
Source: Source: Latest information from company websites, Company Analysis, Turkstat (population estimates 2016)

<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

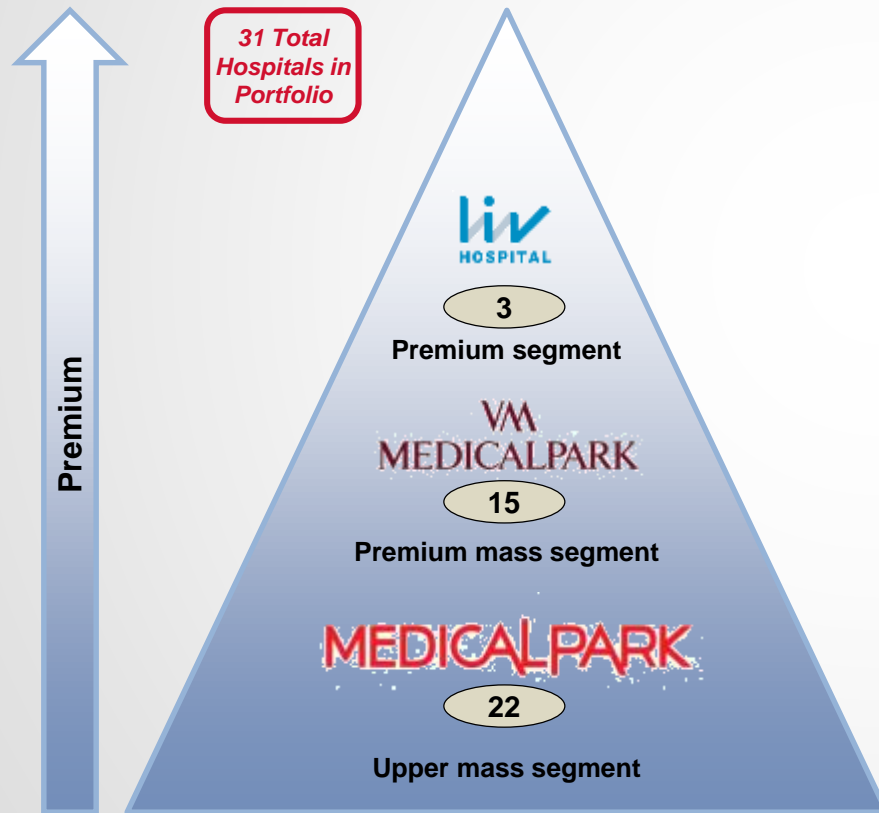
<sup>1</sup> Ministry of Health, Health statistics yearbook 2015, as of 2015



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

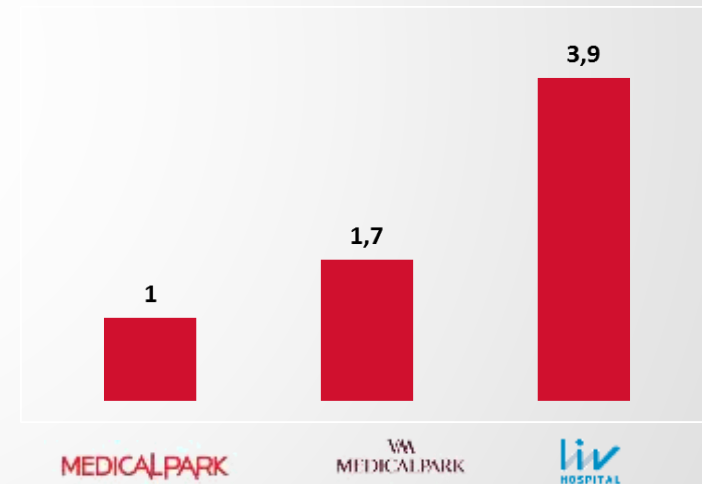
Three concepts targeting three different price points with consistently outstanding medical service quality

Concept Overview and Positioning



Number of hospitals including a particular concept

Relative Average Price per Payor Type<sup>1</sup>

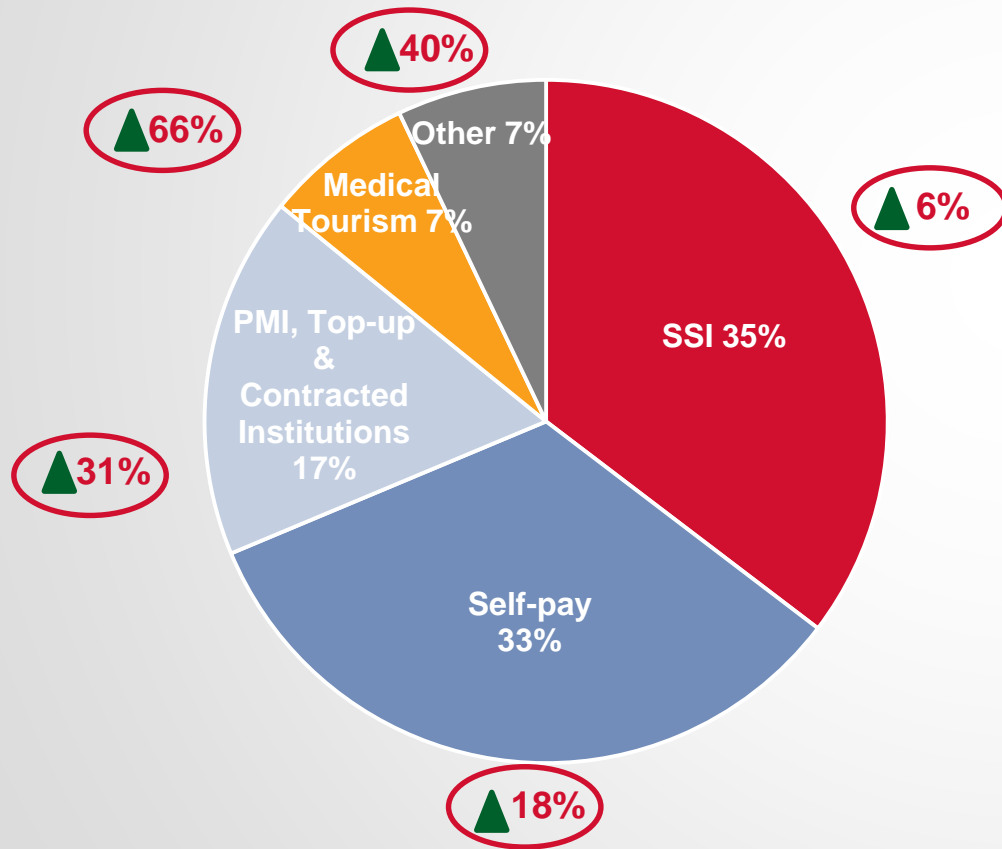


Note: Three acquired hospitals (Ereğli, Avcılar and Çanakkale) are operated under the name of "Anadolu Hastanesi", instead of Medical Park

<sup>1</sup> Inpatient numbers

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



Double Digit Growth in Majority of Payor Types



- ✓ **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

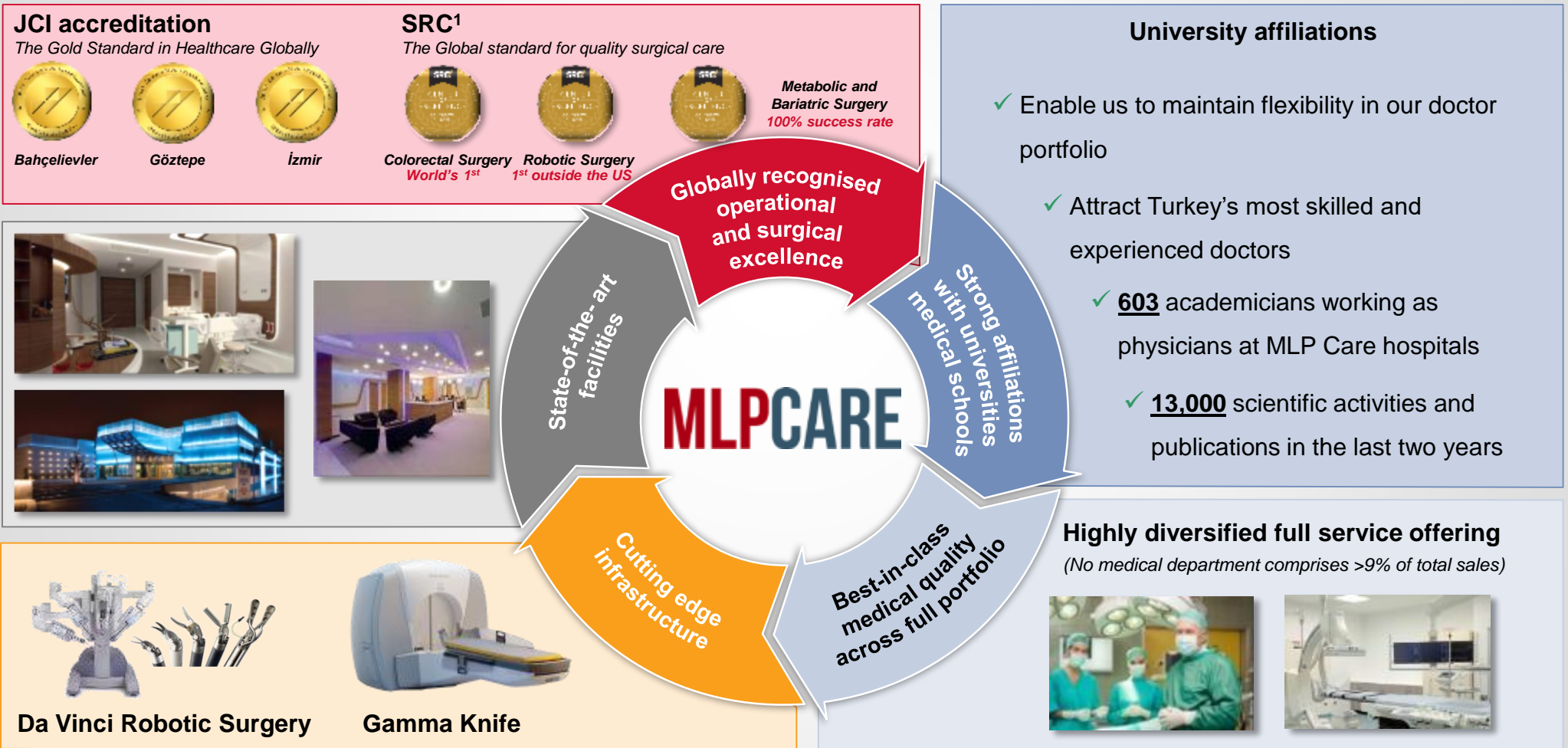
2017 Revenue Breakdown by Payor Type

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/decrease vs. the same period of the last year

## 4 Clinical Excellence and World Class Service Offering

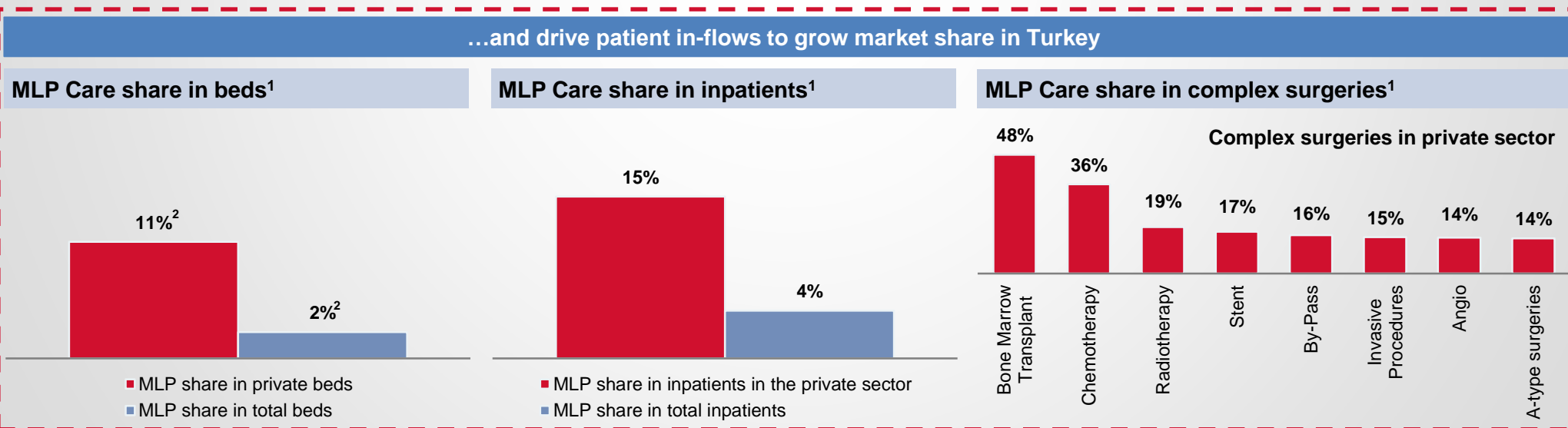
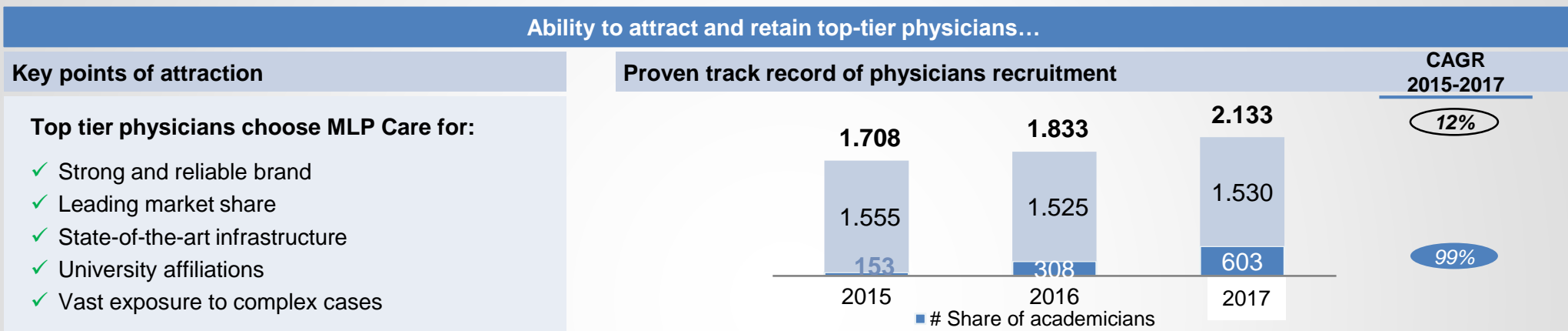
MLP Care benefits from a “Virtuous Circle” of best-in-class service, infrastructure and academic affiliations



<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



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.

## 5 Superior Historical Financial Performance

EBITDA Growth > Net Sales > CPI (Consumer Price Index)

Net Sales (TLm)

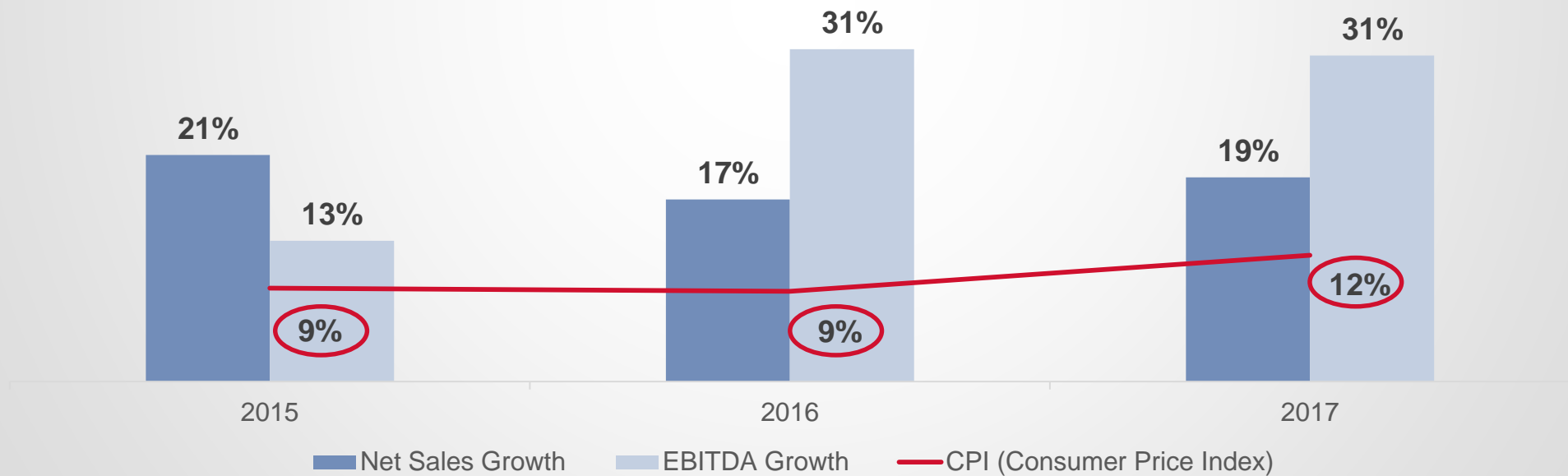
**%19**

CAGR 2014-2017

EBITDA (TLm)

**%25**

CAGR 2014-2017



## 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

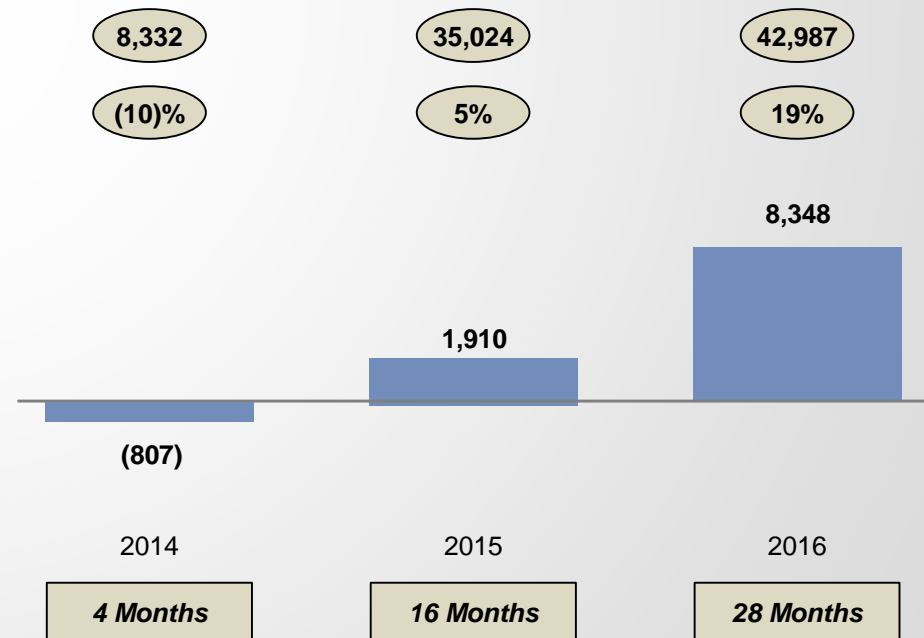
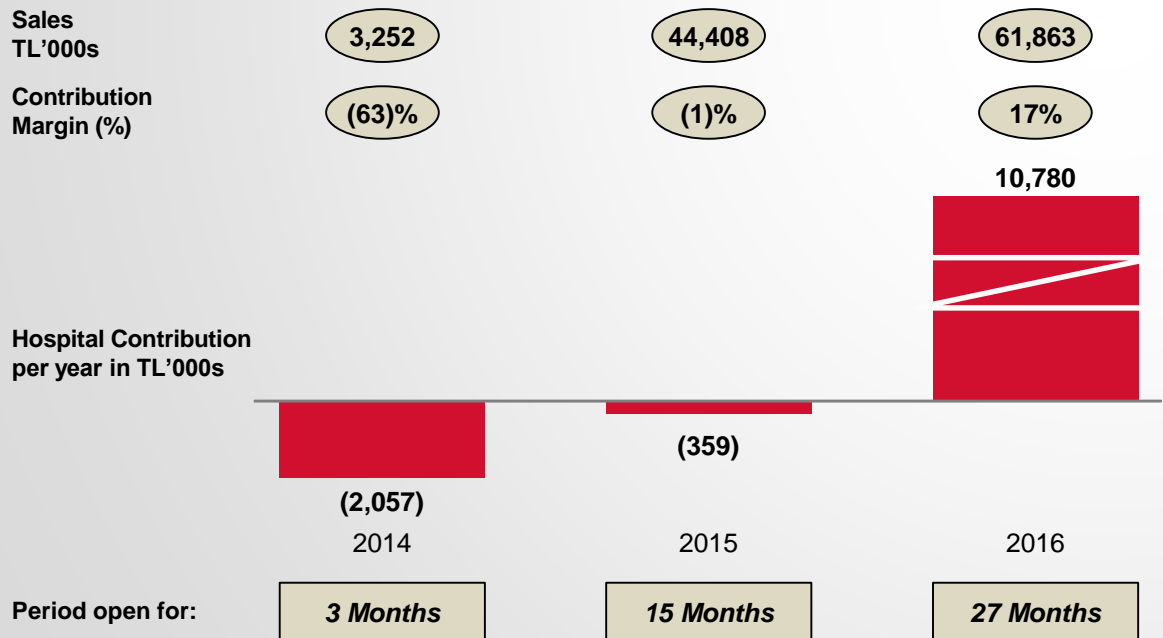
**Batıkent (Oct-2014)**

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

### Example of Acquisition

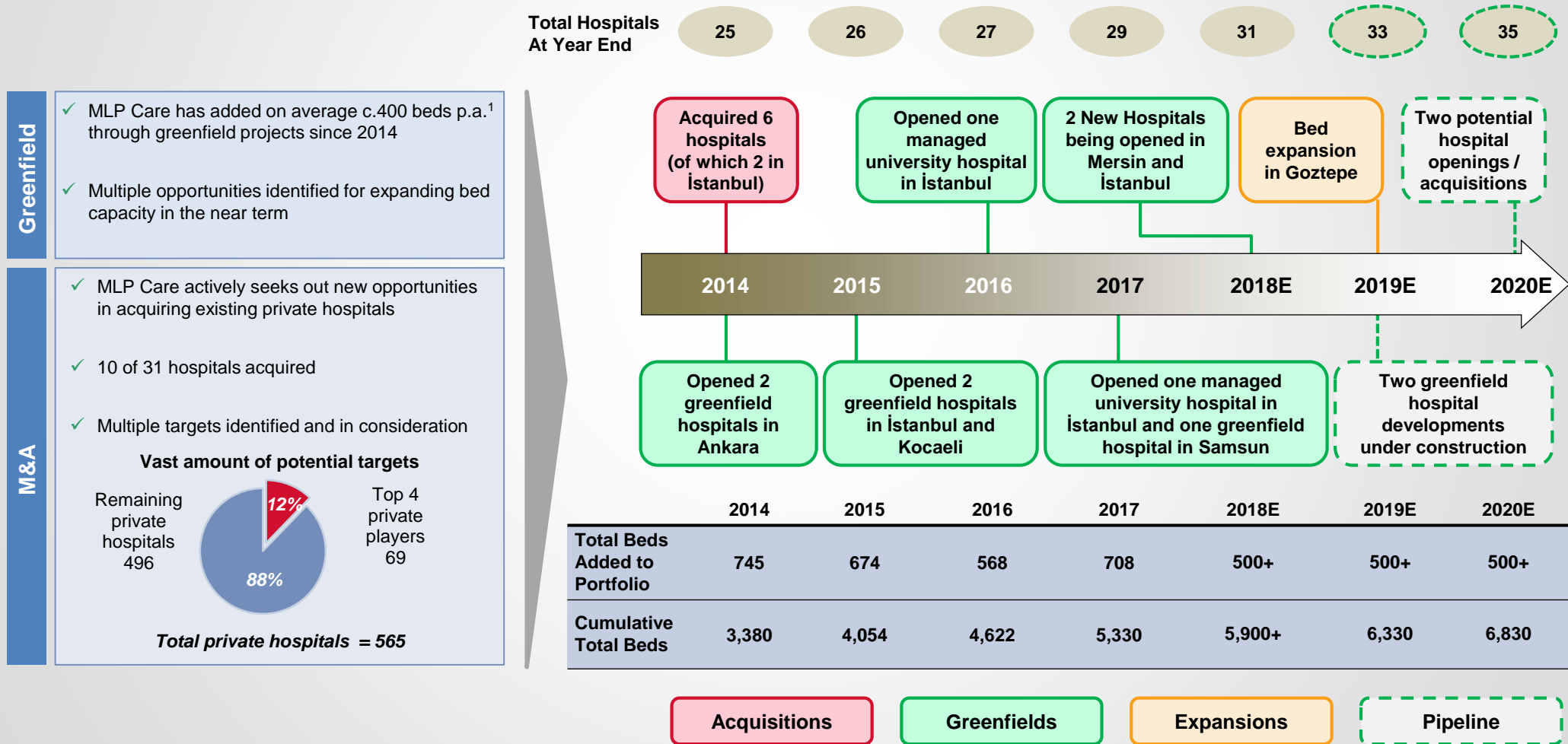
**Yıldızlı (Sep-2014)**

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**



**Greenfield**

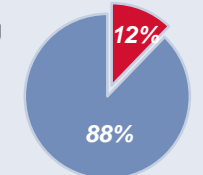
- MLP Care has added on average c.400 beds p.a.<sup>1</sup> through greenfield projects since 2014
- Multiple opportunities identified for expanding bed capacity in the near term

**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  
496



88%

Top 4 private players  
69

**Total private hospitals = 565**

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



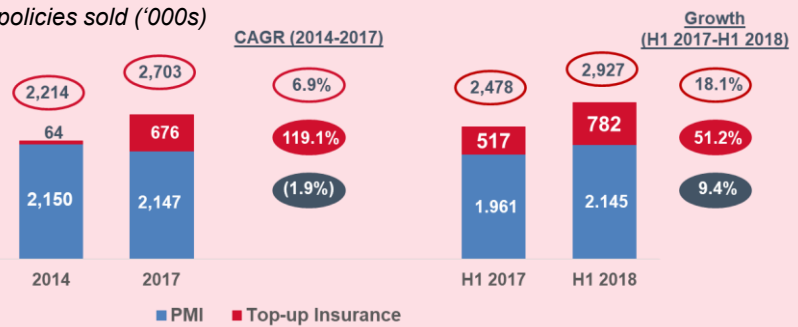
### 1 Top line growth via the favourable insurance scheme

- ✓ MLP Care has increased its market share in PMI (private medical insurance) (including Top-up Insurance) over the years, growing its revenue from PMI by 3x from 2014 to 2017
- ✓ Top-up insurance is the fastest growing portion of the PMI market as MLP Care has been a pioneer in the Top-up insurance

**High Growth of MLP Care in the PMI (including Top-up Insurance) market**  
MLP Care market share in the PMI market<sup>1</sup>



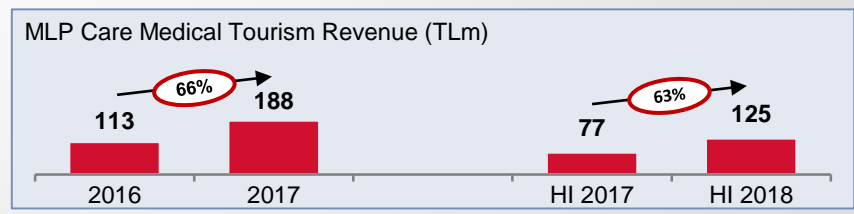
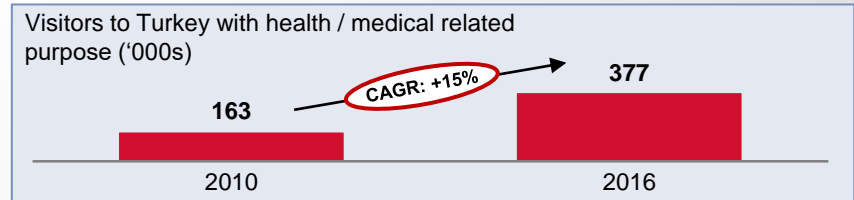
**Top-up Insurance's total policies sold grew by 11x in 2014 and 2017**  
Total # of policies sold ('000s)



### 2 Growth through revenue diversification

- Self-Pay**
- ✓ Self-Pay share of total pay in MLP Care revenues has up from c. 27% in 2014 to c. 33% in 2017
    - Driven by increased share of Istanbul Hospitals in total revenue
    - Increased offerings for elective procedures
    - Expended premium

- 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



## 3. Appendix

- Historical Financial Statements
- Cost Breakdown - 2017
- Cash Flow Generation - 2017
- Capital, Shareholder Structure\* & Subsidiaries
- Key Historic Milestones

## Historical Balance Sheet

TLm	2016 Dec 31	2017 Dec 31	2018 June 30
Cash and cash equivalents	111	218	372
Trade receivables	724	750	787
Inventory	45	51	75
Short term other assets	136	142	171
<b>Current assets</b>	<b>1,016</b>	<b>1,161</b>	<b>1,404</b>
Fixed assets	1,173	1,220	1,290
Deferred tax assets	146	197	257
Long term other assets	101	143	158
<b>Non-current assets</b>	<b>1,420</b>	<b>1,560</b>	<b>1,706</b>
<b>Total Assets</b>	<b>2,435</b>	<b>2,721</b>	<b>3,110</b>
Trade payables	449	670	701
Short term other liabilities	175	168	223
Short term financial liabilities (incl. leases)	408	423	457
<b>Current liabilities</b>	<b>1,031</b>	<b>1,261</b>	<b>1,380</b>
Long term other liabilities	53	55	56
Deferred tax liabilities	124	124	130
Long term financial liabilities (incl. leases)	962	1,176	872
<b>Non-current liabilities</b>	<b>1,139</b>	<b>1,355</b>	<b>1,059</b>
Shareholders' equity	175	16	579
Non-controlling interest	90	88	92
<b>Total liabilities &amp; equity</b>	<b>2,435</b>	<b>2,721</b>	<b>3,110</b>

## Historical P&L Statements

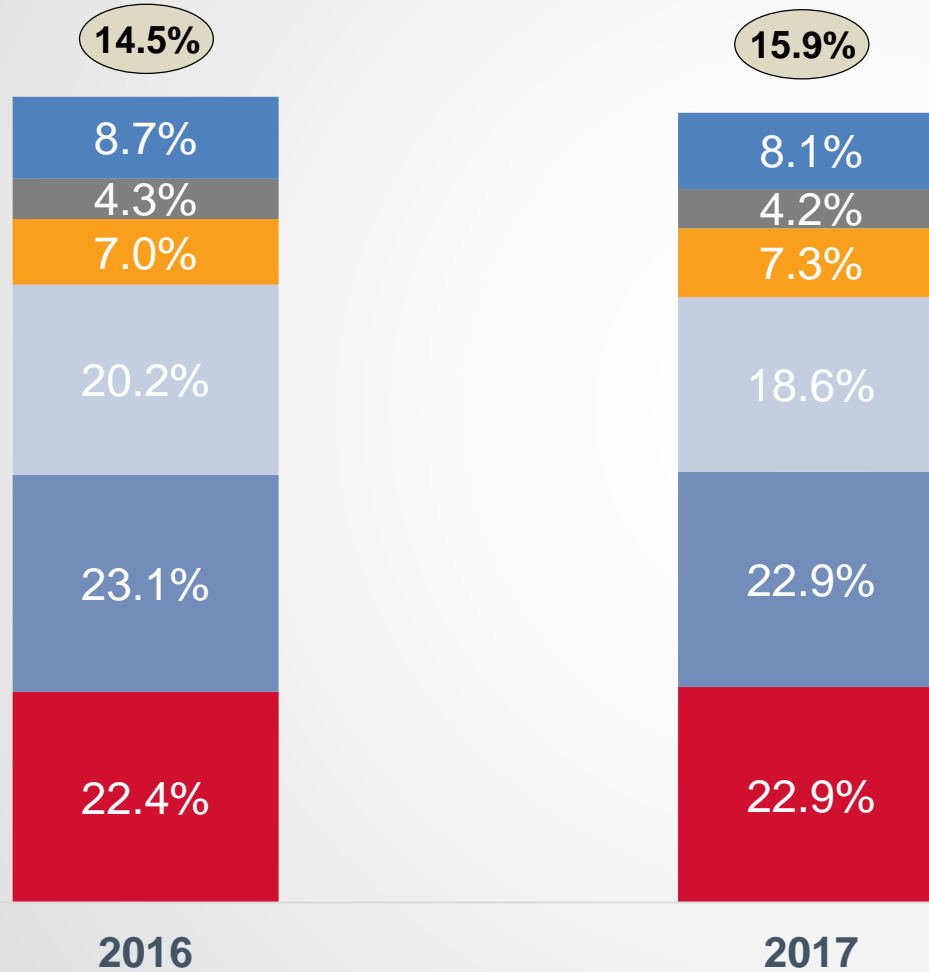
TLm	FY 2016	FY 2017	H1 2017	H1 2018
Revenue	2,160	2,576	1,248	1,470
Cost of service (-)	(1,854)	(2,171)	(1,055)	(1,231)
<b>Gross profit</b>	<b>306</b>	<b>405</b>	<b>193</b>	<b>239</b>
General administration expenses (-)	(127)	(215)	(83)	(123)
Other income from operations	198	380	162	157
Other expenses from operations (-)	(169)	(358)	(158)	(116)
<b>Operating income</b>	<b>210</b>	<b>213</b>	<b>114</b>	<b>157</b>
Finance expenses (-)	(187)	(215)	(91)	(101)
Net foreign exchange (loss)/gain	(85)	(168)	(51)	(110)
<b>Net profit / (loss) before tax</b>	<b>(62)</b>	<b>(171)</b>	<b>(28)</b>	<b>(54)</b>
Tax income / (expense) from operations	14	38	8	46
<b>Net profit / (loss)</b>	<b>(49)</b>	<b>(133)</b>	<b>(20)</b>	<b>(8)</b>

## Reconciliation from Reported EBITDA to Adjusted EBITDA

TLm	2016	2017	H1 2017	H1 2018
<b>Net profit / (loss)</b>	<b>(49)</b>	<b>(133)</b>	<b>(20)</b>	<b>(8)</b>
Tax income from operations	(14)	(38)	(8)	(46)
Depreciation and amortization of tangible and intangible fixed assets including non-cash provisions related to assets such as goodwill	153	175	84	90
Total interest expenses, net of interest income and gain on financial derivatives	263	374	139	199
(Income)/ expenses from investment operations	1	0	(0)	(0)
<b>Reported EBITDA</b>	<b>354</b>	<b>379</b>	<b>194</b>	<b>235</b>
Net one-off (gains) / losses	(47)	19	7	11
Non-cash GAAP provision expenses	5	11	9	4
<b>Adjusted EBITDA</b>	<b>312</b>	<b>409</b>	<b>209</b>	<b>250</b>

## Cost Breakdown - 2017

Adjusted  
EBITDA  
Margin

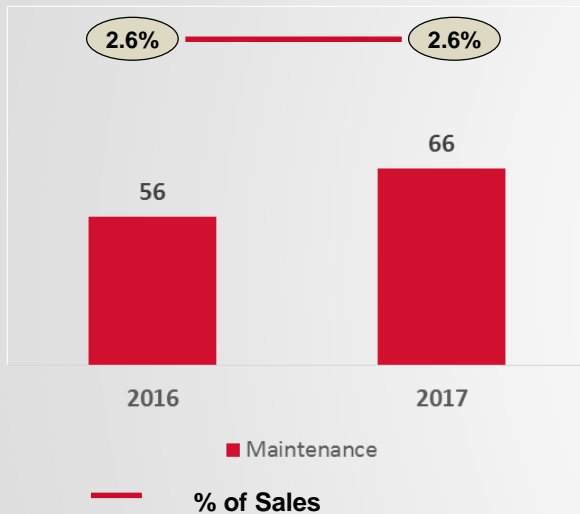


- ✓ **Material:** Slight increase due to change in the revenue mix
- ✓ **Doctor:** Flat as doctor cost is ca. 95% variable
- ✓ **Personnel:** Decline on the back of operational leverage
- ✓ **Rent:** New hospital openings and FX impact

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

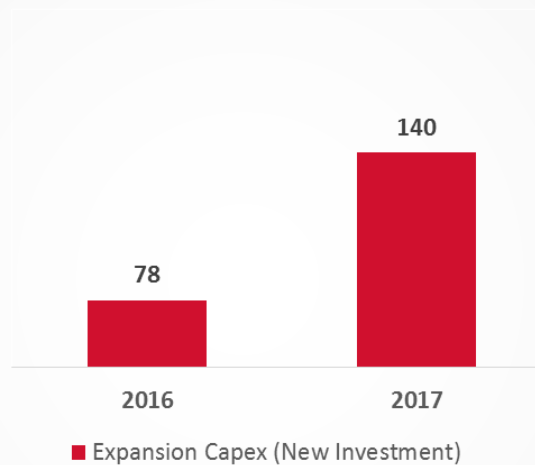
## Cash Flow Generation - 2017

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



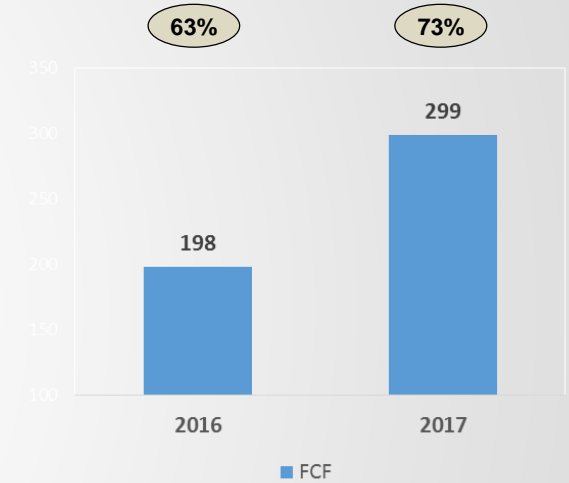
✓ Remained flat as a percentage of revenues at **2.6%**

### Capex of New Hospitals (TLm)



✓ Continued new hospital investments

### Free Cash Flow (TLm)



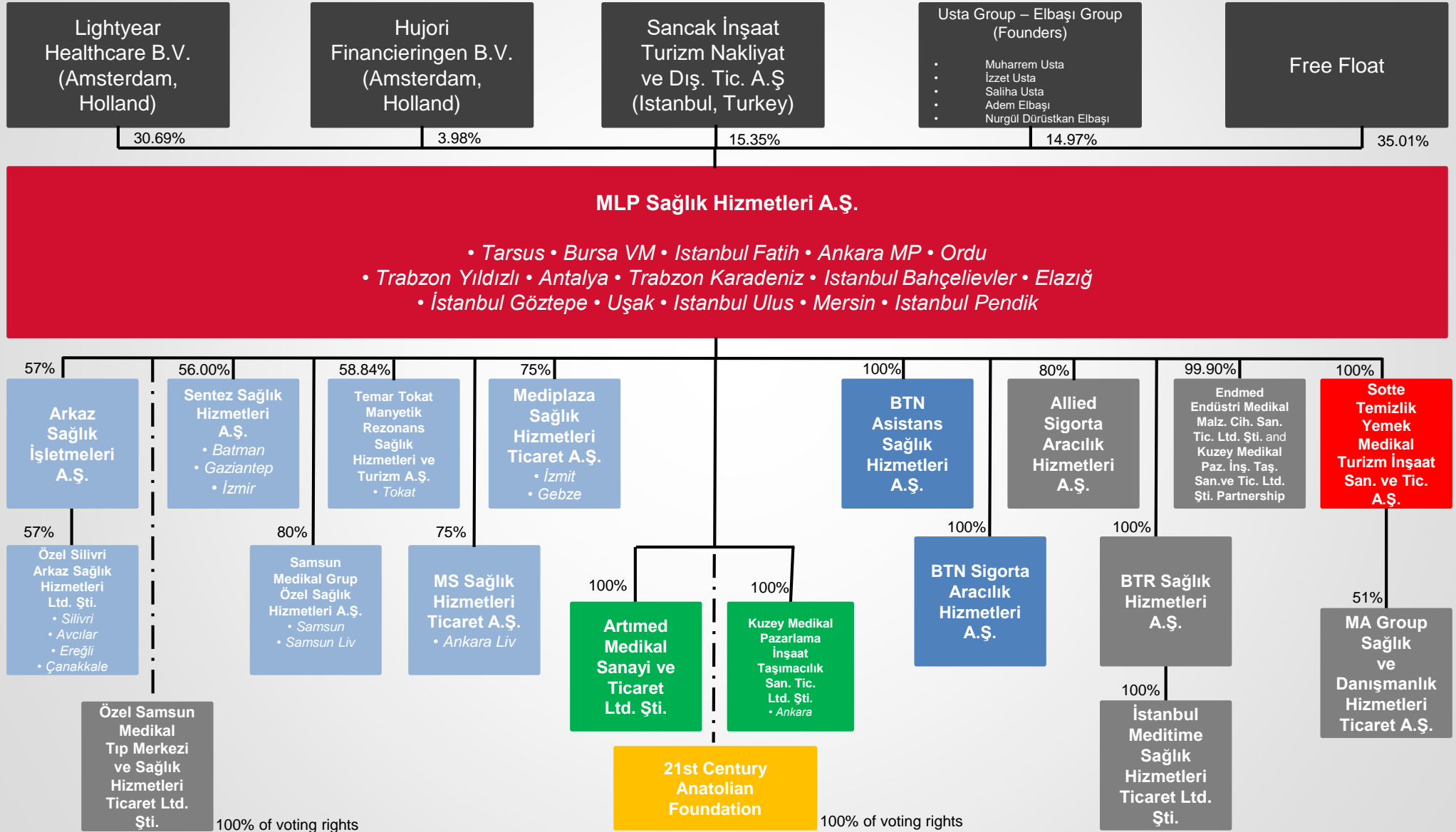
✓ Strong free cash flow generation maintained

**x%** FCF / EBITDA

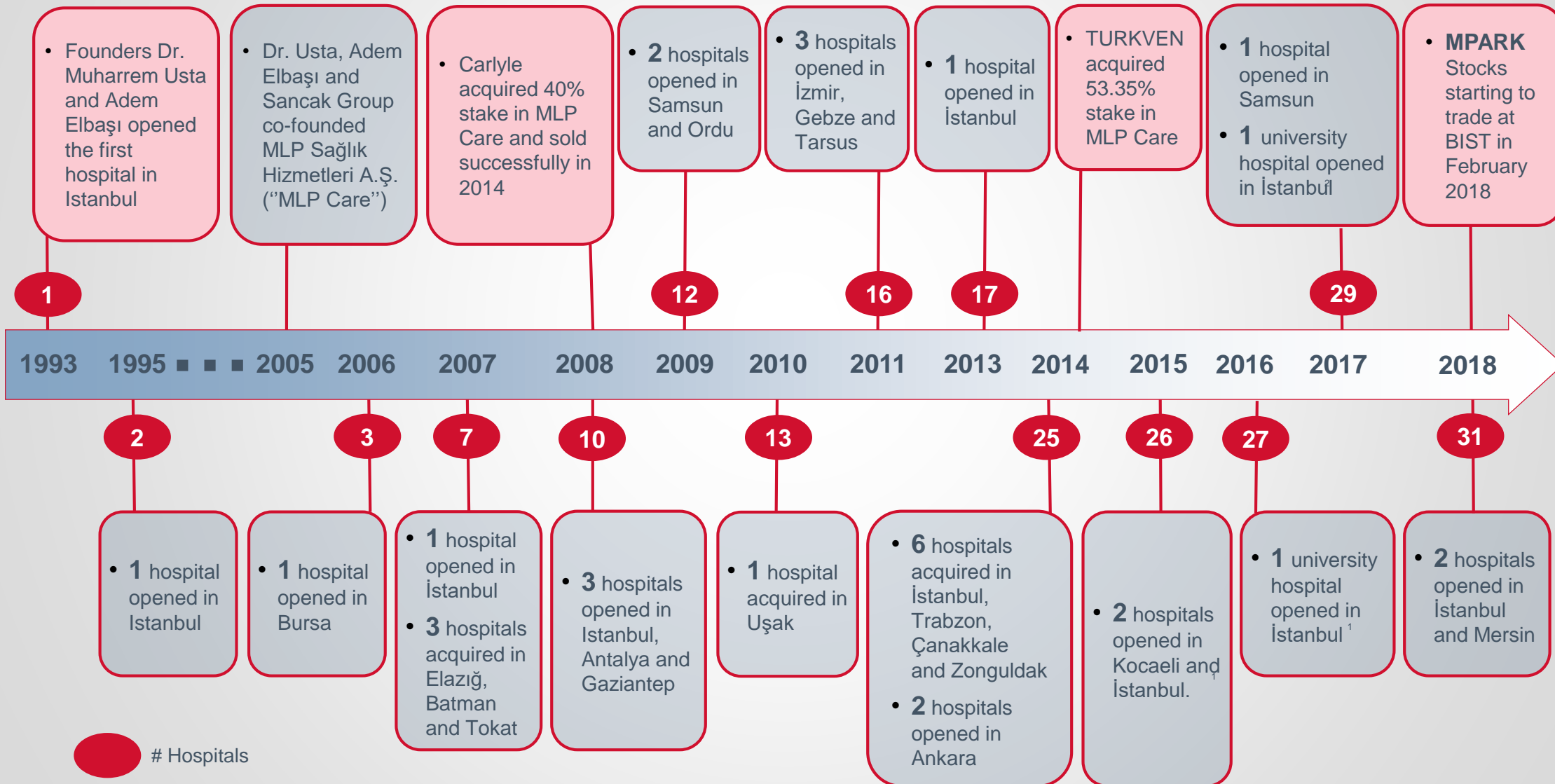
<sup>1</sup> Includes expenditure on assets acquired through finance lease.

## Capital, Shareholder Structure\* & Subsidiaries

\*Shareholding structure after public offering (excluding the 6,827k shares purchased by shareholders from publicly traded portion)



## Key Historic Milestones



<sup>1</sup> Managed 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.

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