

MLPCARE

MEDICALPARK | VM MEDICALPARK | **liv**HOSPITAL



Goldman Sachs CEEMEA Consumer & Retail Day
London
April 4, 2019

MLP Care: The #1 Private Hospital Group in Turkey

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

6.000+ Beds;
2x the size of 2nd Largest
Competitor

17 Cities
20.000+ Staff
2.200+ Doctors

Addresses All Price
Segments
in the Turkish Market

3 JCI Accredited Hospitals
3 Centers of Excellence

Revenues: TL **3.1** billion¹
EBITDA: TL **505** million²

¹ 2018 Revenues

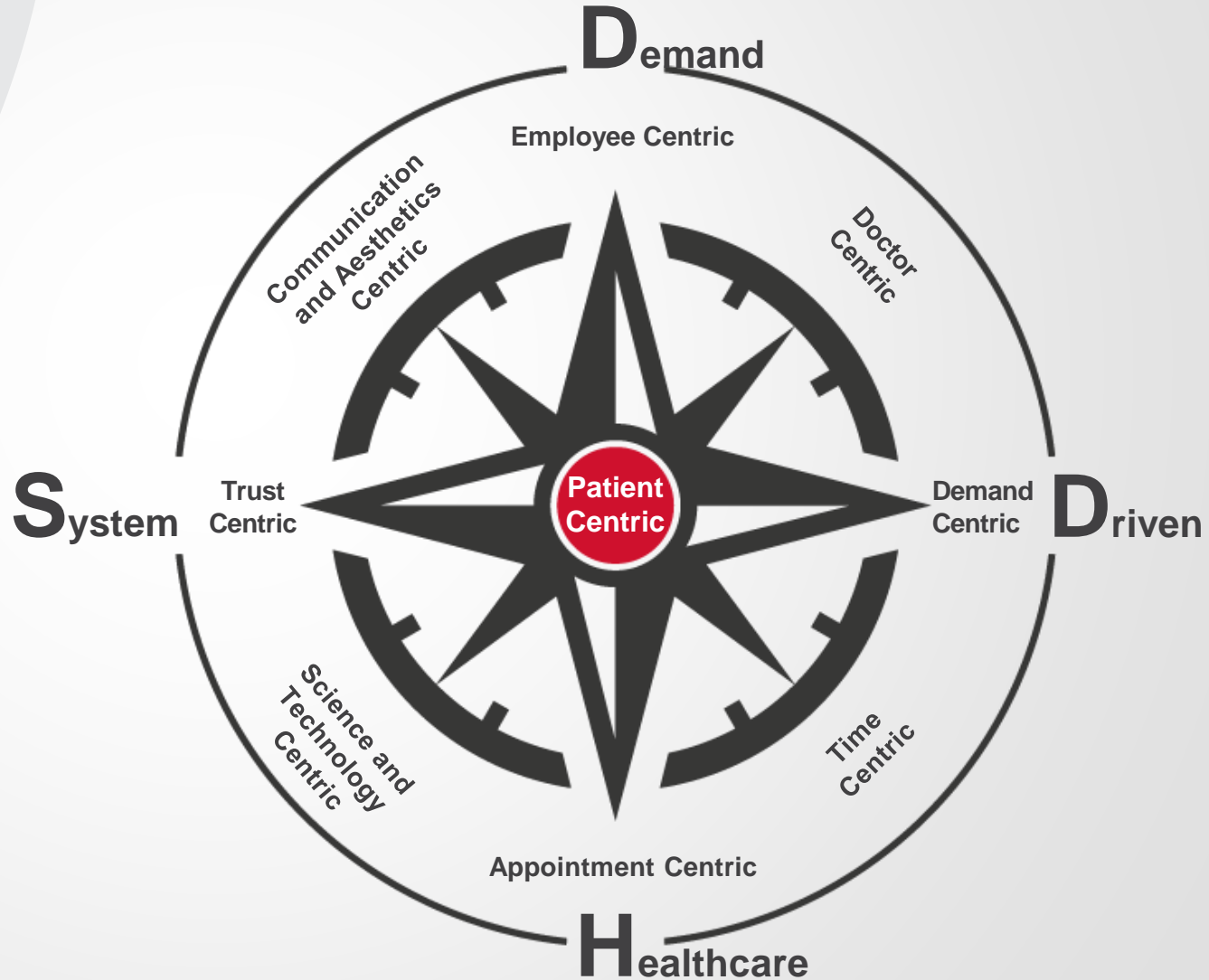
² 2018 Adjusted EBITDA figure

Strategic Priorities and Institutional Performance Management

Our Strategic Priorities Are In Line With The Demand-driven Healthcare System

INSTITUTIONAL PERFORMANCE MANAGEMENT (IPM's)

- Revenue Group
- Costs Group
- Patient Satisfaction Group
- Revenue, Invoicing and Collection Group
- Medical Outputs Group
- Human Resources Group



Content

1. Recent Developments & Outlook

- 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
- Organizational Chart
- Capital, Shareholder Structure* & Subsidiaries
- Key Historic Milestones

1. Recent Developments & Outlook

• Operational Updates

- New openings in 2018: The ramp up of Pendik and Mersin hospitals are in line with the plan
- Medical tourism and top-up continued to post high growth in Q4 2018

• Financial Updates

- Revenue up 22%, Revenue Incl. Managed Hospitals¹ up 28%, Adj EBITDA¹ up 23% and Comparable Adj. EBITDA² up 30% in 2018
- All revenue segments posted strong growth in 2018
- FX Exposure was mitigated by hedging

• Outlook & Prospects

- Strong results are expected despite the macroeconomic headwinds

¹ Revenue Including Managed Hospitals: Revenues of Florya, ISU Gaziosmanpaşa and ISU Bahçeşehir were included

² Comparable Adjusted EBITDA: Without the negative EBITDA of new hospital openings in 2018

Operational Update

Two new hospitals added to our hospital network in 2018

Pendik



Mersin



Location

- İstanbul

- Mersin

Opening Date

- March 2018

- May 2018

Key Statistics

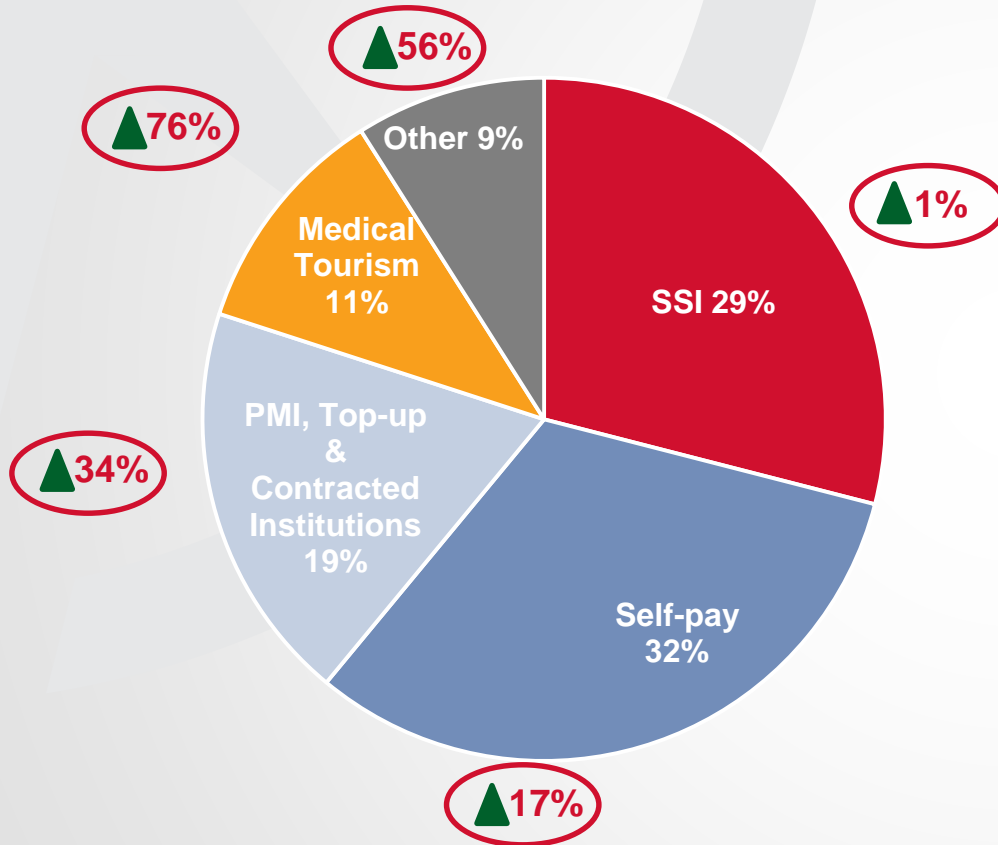
- 62,000 m2

- 35,000 m2

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

Operational Update

Double digit growth in majority of payor types



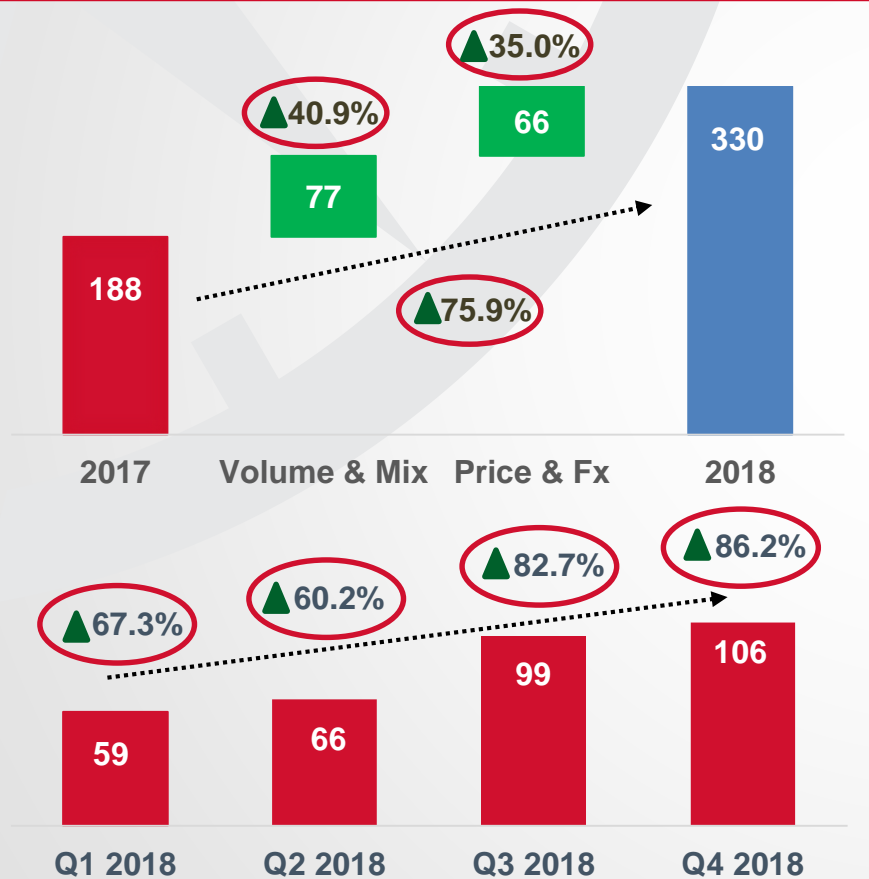
Revenue Breakdown by Payor Type – 2018

- ✓ Revenue from PMI, Top-up & Contracted Institutions grew by 34% in 2018
- ✓ Medical Tourism grew by 76% in 2018 and 86% in 4Q 2018 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%)

Operational Update

Medical tourism revenue grew by 86% in Q4 2018

Medical Tourism Revenue Volume & Price (TLm)

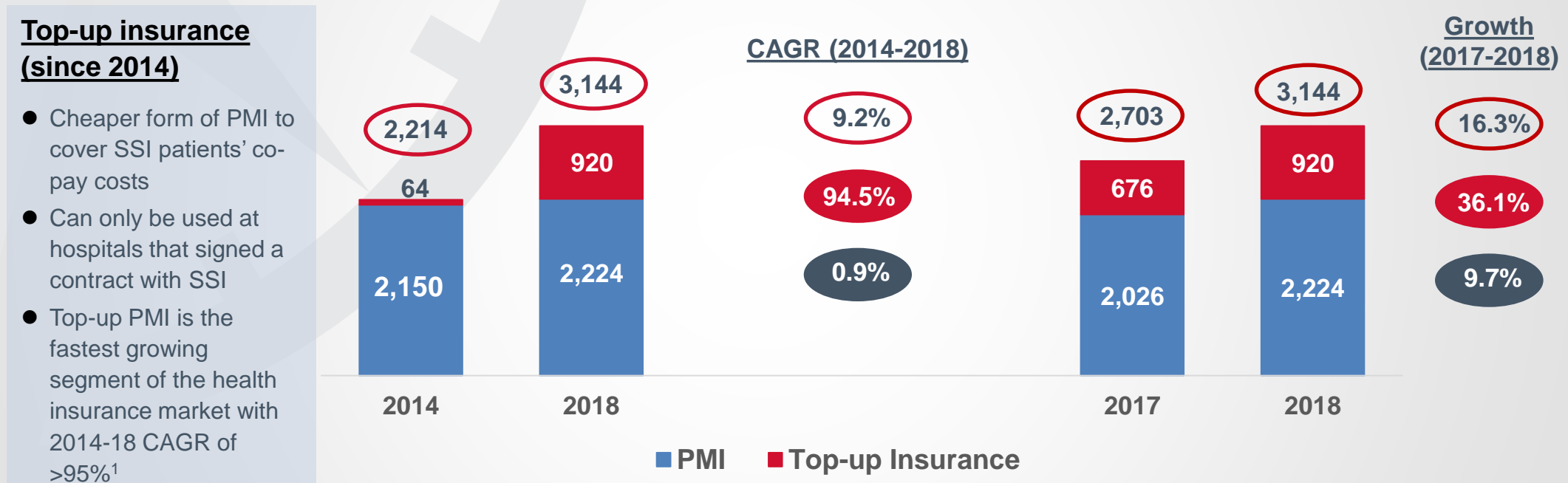


- ✓ Diversified and Balanced Geography. Patients comes from:
 - Europe **37%**
 - Middle East and Africa **31%**
 - Former CIS and the rest **32%**
- ✓ Strong marketing through offices / affiliations in **15** countries with Medical Park and in **7** countries with Liv brands
- ✓ FX based pricing adding to EBITDA growth
- ✓ c. **73%** of total collected in cash

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



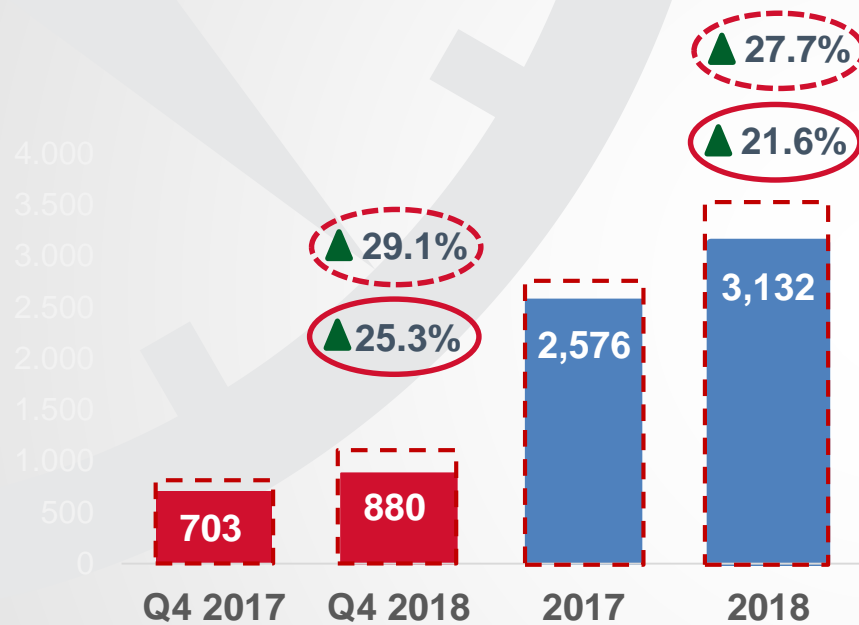
✓ The number of people with Top-up insurance was up by 36% in 2018

¹ Based on number of policies sold

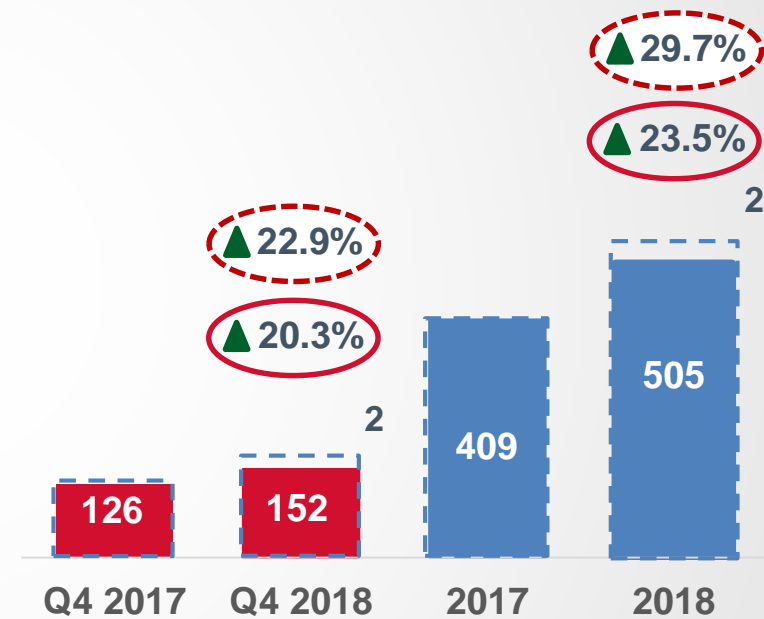
Financial Update

Revenue and EBITDA grew above expectations

Revenue (TLm)



Adj. EBITDA¹ (TLm)



✓ Comparable Adj. EBITDA is at TL530m without the negative impact of new hospital openings.

¹ Adj. EBITDA: EBITDA TFRS adjustments that have no cash impact on relevant period and one-off income/expense figures

² Comparable Adjusted EBITDA: Without the negative EBITDA of new hospital openings in 2018

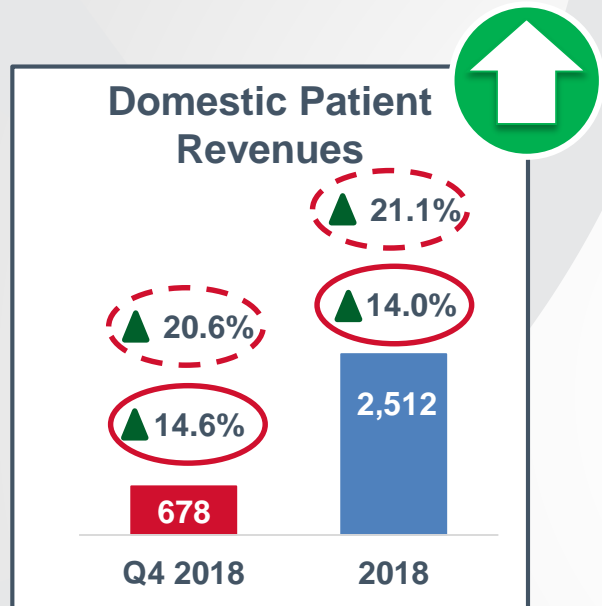
Revenue Including Managed Hospitals: Revenues of Florya, ISU Gaziosmanpaşa and ISU Bahçeşehir were included

▲ Denotes growth of Revenue and Adj. EBITDA vs. the same period of the last year

▲ Denotes growth of Revenue Including Managed Hospitals and Comparable Adj. EBITDA vs. the same period of the last year

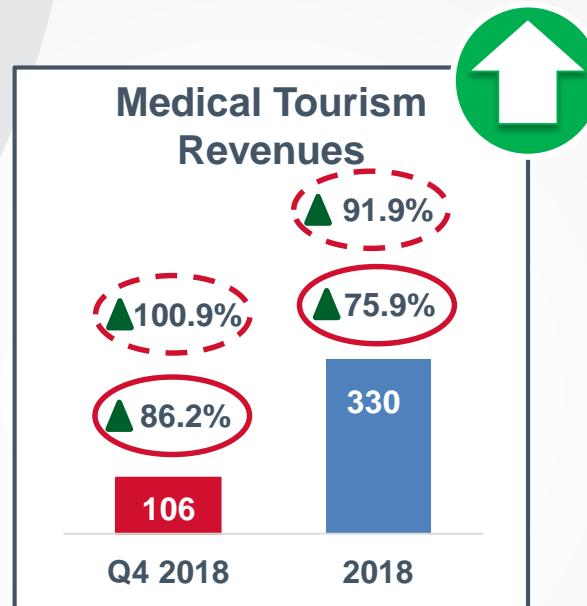
Financial Update

All revenue segments posted strong growth in 2018



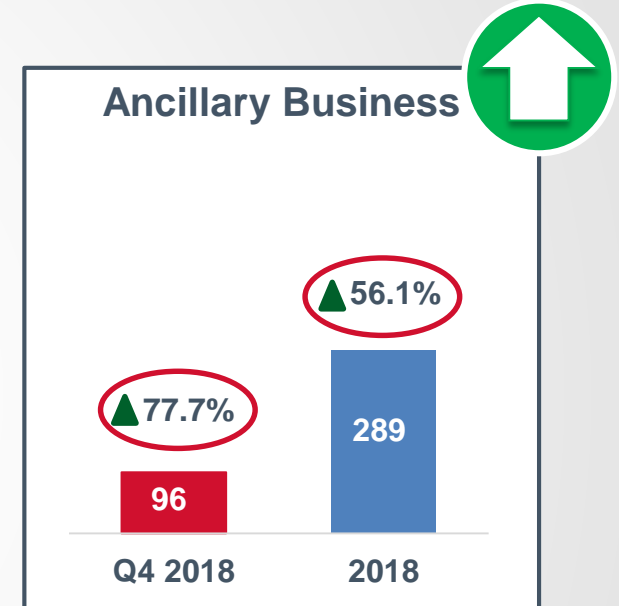
Growth Continued in 2018

- ✓ Inpatient revenues grew 11.9% in 2018 (Q4 2018: 13.6%)
- ✓ Outpatient revenues grew 17.3% in 2018 (Q4 2018: 16.1%)



Continued to Attract Foreign Patients in 2018

- ✓ Share of revenue from Europe in total Medical Tourism: 37%
- ✓ Middle East & Africa: 31%
- ✓ Former CIS and the rest: 32%



Strong Growth in Managed University Hospital Revenues

- ✓ Laboratory revenues grew by 59.6mTL with a growth rate of 37.0% in 2018
- ✓ Managed hospitals' revenues grew by 28.2mTL with a growth rate of 278.1%



Denotes growth of Revenue and Adj. EBITDA vs. the same period of the last year

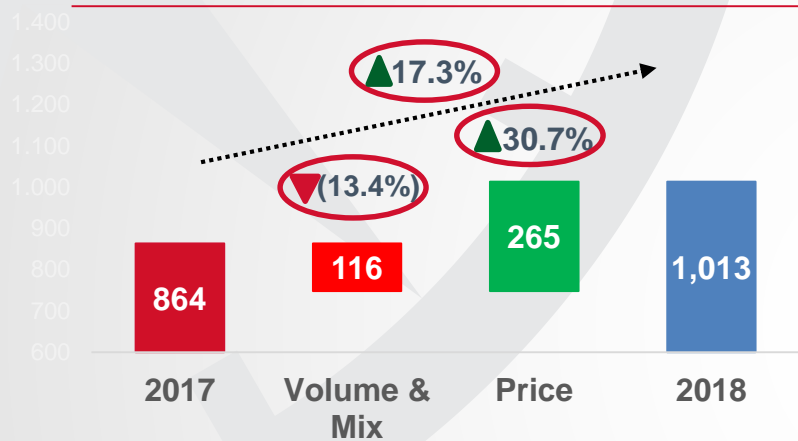


Denotes growth of Revenue Including Managed Hospitals and Comparable Adj. EBITDA vs. the same period of the last year

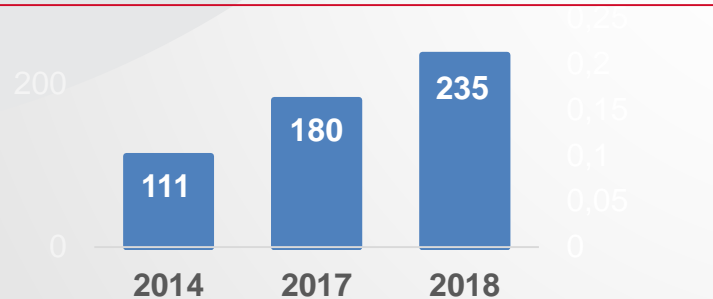
Financial Update

Strong improvement in both ARPV and ARPP in 2018

Outpatient Revenues (TLm)

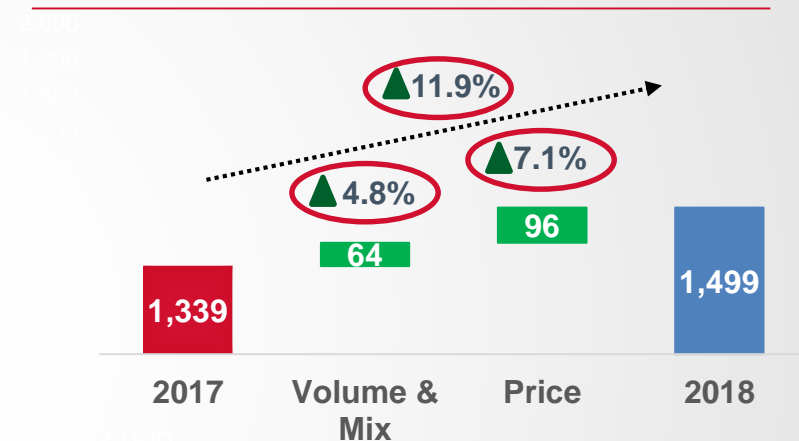


Average Revenue Per Visit (ARPV)

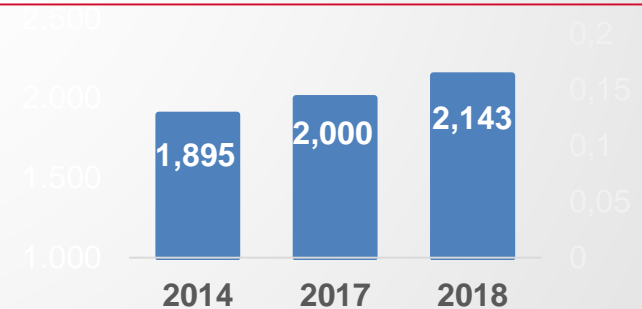


ARPV 2018: \uparrow 30.7%
4 year CAGR: \uparrow 20.6%

Inpatient Revenues (TLm)



Average Revenue Per Protocol (ARPP)



ARPP 2018: \uparrow 7.1%
4 year CAGR: \uparrow 3.1%

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

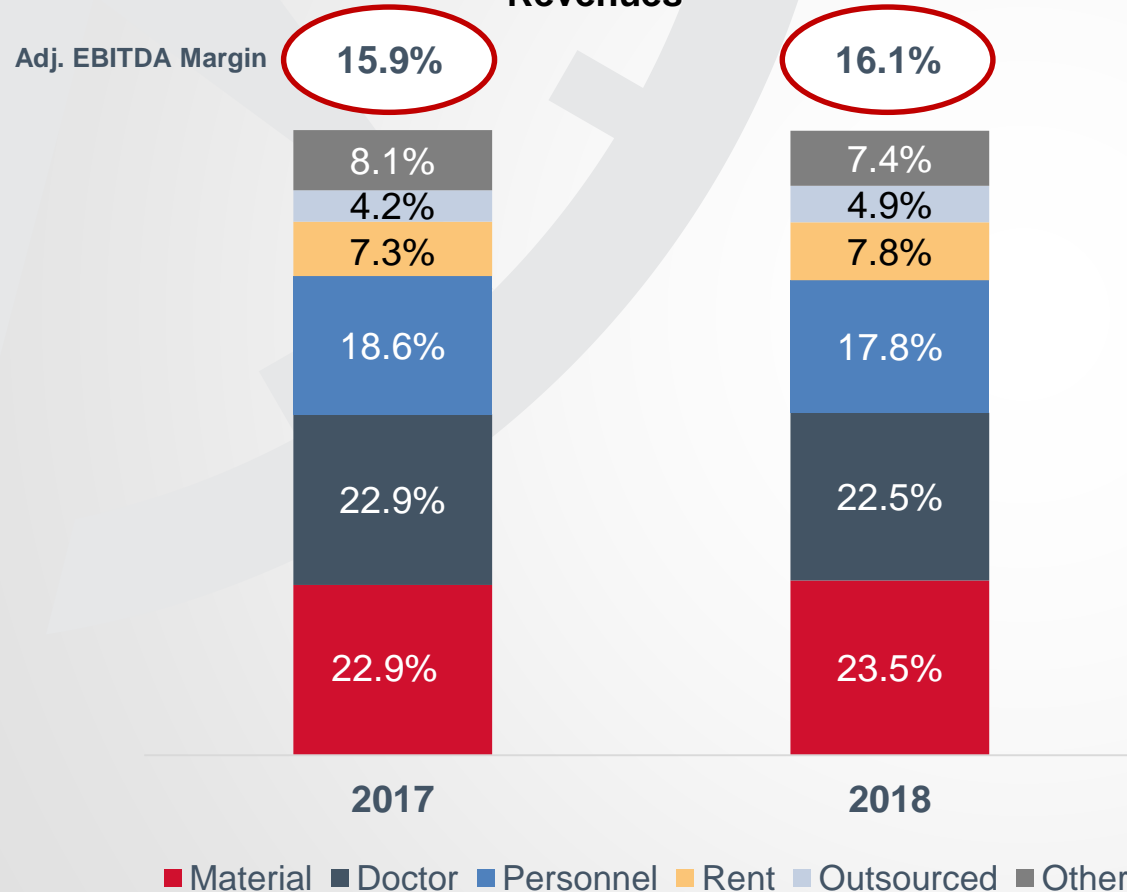


Denotes growth/decrease of Revenue vs. the same period of the last year

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

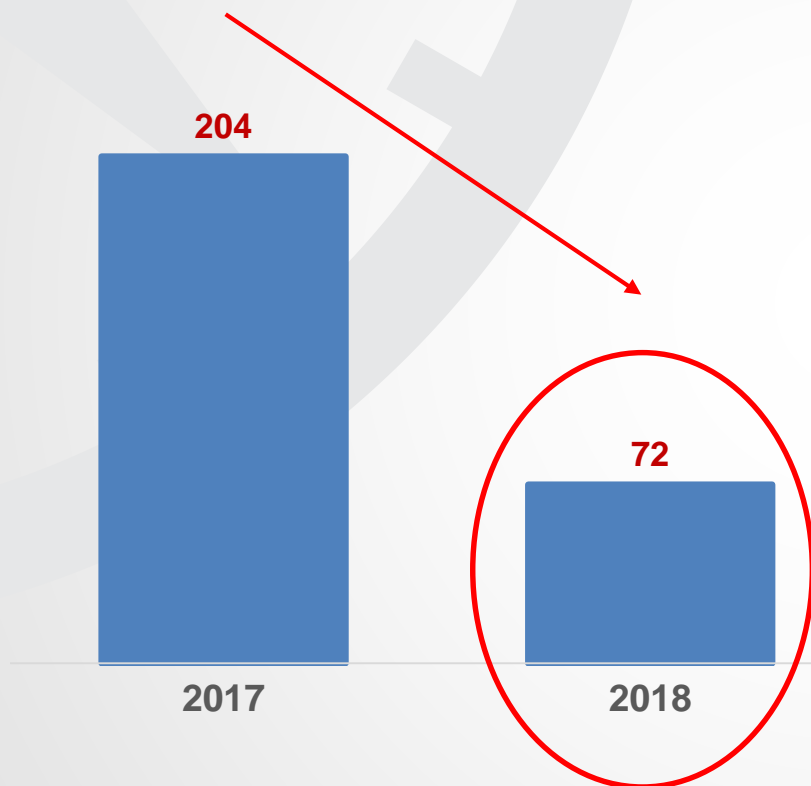


- ✓ **Material costs** as a % of revenue increased, due to the patient mix impact and increase in share of laboratory services business revenues (with higher material costs) in Q4 2018.
- ✓ **Doctor costs** as a % of revenue improved due to average utilization rate increase of hospitals despite the new hospital openings
- ✓ **Personnel costs** as a % of revenue slightly declined due to strong revenue growth in 2018
- ✓ **Rent expenses** as a % of revenue increased due to FX impact and new hospital openings. Due to conversion of FX rent into TL, rent expenses as a % of revenue in Q4 2018 decreased to 7.1% of revenues.

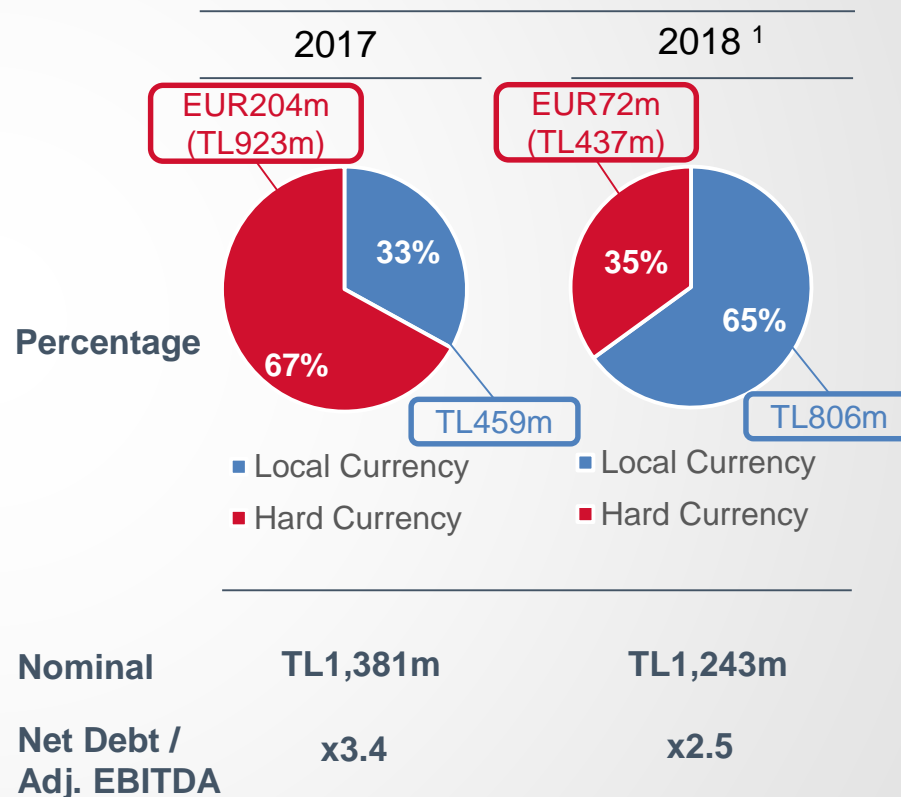
Financial Update

FX exposure mitigated by hedging

FX BASED NET DEBT (in EUR m)



NET DEBT



- ✓ 77% of 2019-2020 debt service (including bank loans and financial leases) is hedged
- ✓ Net Debt to Adj. EBITDA ratio to stay between 2.0x and 2.5x in 2019

¹ Includes hedging

Financial Update

Natural FX hedging on the EBITDA driven by Medical Tourism Revenue

TLm	2018	Hard Currency	Hard Currency as % of Total Revenues
Domestic Hospital Revenue	2,512	-	-
Foreign Medical Tourism	330	330	11%
Ancillary	289	-	-
Total revenues	3,132	330	11%
Material	(736)	(74)	(2%)
Doctor	(706)	-	-
Personnel	(556)	-	-
Rent ¹	(243)	-	-
All other exp.	(386)	(60)	(2%)
Total costs	(2,627)	(134)	(4%)
EBITDA	505	196	6%
Amortisation	(192)	-	-
Extraordinary income / (expense), net	(33)	-	-
Finance expenses, net of interest income	(198)	(52)	(2%)
Non cash - FX gain / (loss), net	(245)	(245)	(8%)
Income / (expense), net before tax	(162)	(101)	(3%)
Taxation income / (expense), net	59	-	-
Net Profit / (loss), net	(104)	(101)	(3%)
Net Profit / (loss), net -w/o Non cash FX gain / (loss)	141	143	5%

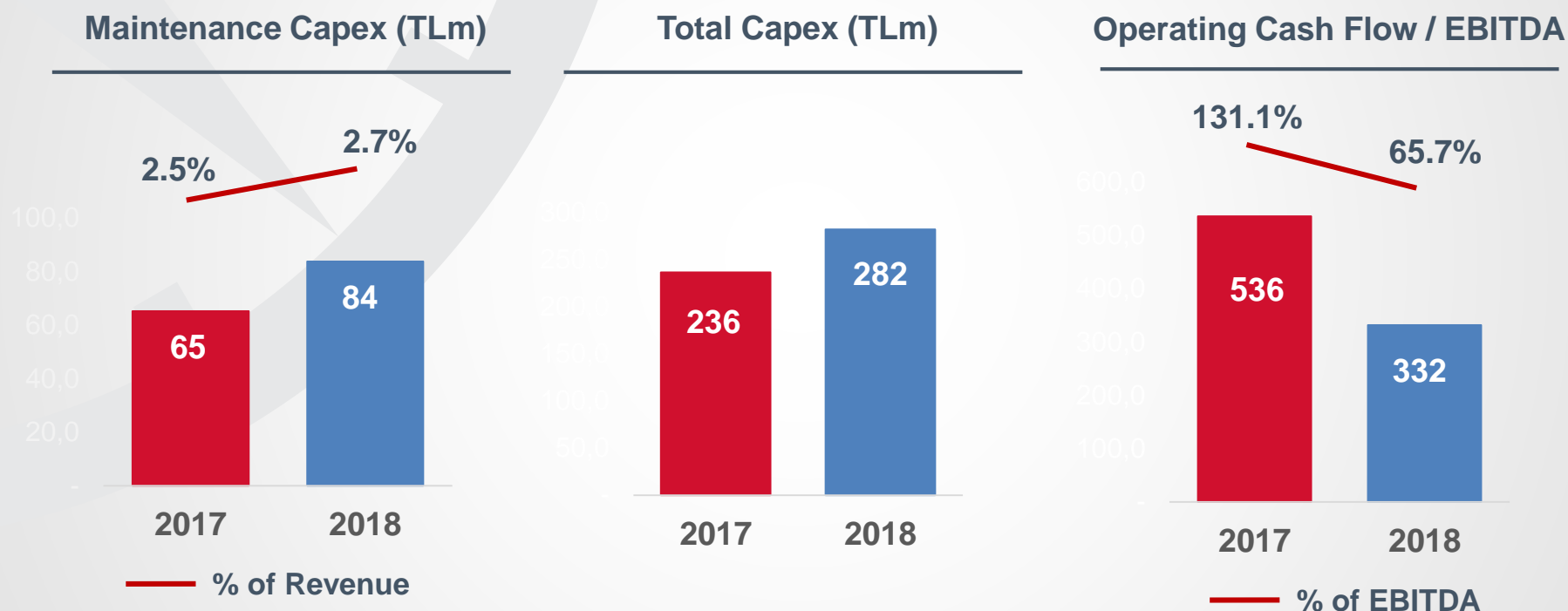
Share of Medical Tourism Revenue in Total Revenue increased to **12%** in Q4 2018

Driven by Medical Tourism Revenue, **c.39%** of EBITDA Generated in Hard Currency

✓ ¹ FX denominated building rent expenses were fully converted to TL, as of October 2018

Financial Update

Trade receivables increased in line with the strong revenue growth leading to lower operating cash flow



✓ Trade receivables grew to TL899m at 31 December 2018 from TL750m at 31 December 2017

Outlook & Prospects

2018 was a challenging year. We expect stabilization of the economic environment in 2019.

Our targets are:

Operational targets

- Focus on the ramp-up of the new opened hospitals
- Improve the mix on higher revenue and EBITDA generating procedures
- Increasing contribution of Medical Tourism
- Enhance patient satisfaction
- Continually review every operational step to optimize all business processes and achieve further improvement

Financial targets

- Tight controls over costs and improved FCF
- Continue to increase hard currency revenue and decreasing FX based costs
- Focus on deleveraging our balance sheet
- Focus on available capacity with minimum expansion capex

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

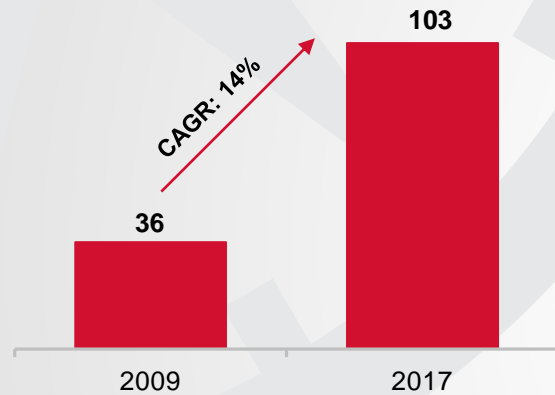
6 Outstanding Platform for Further Growth



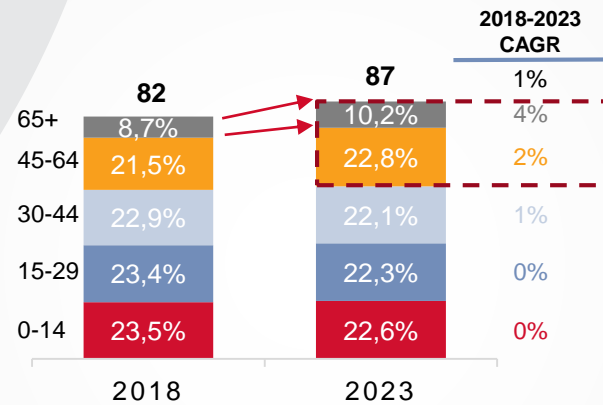
1 Operates In The Attractive Turkish Healthcare Market

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

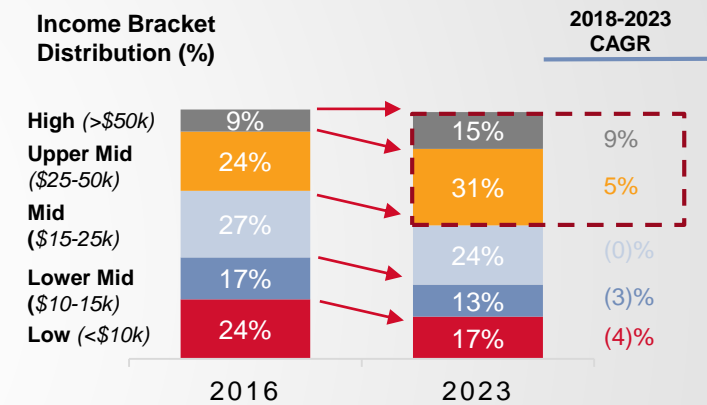
Turkish Healthcare Spending to Providers¹ (TLbn)



Growth in Aging Turkish Population (millions)

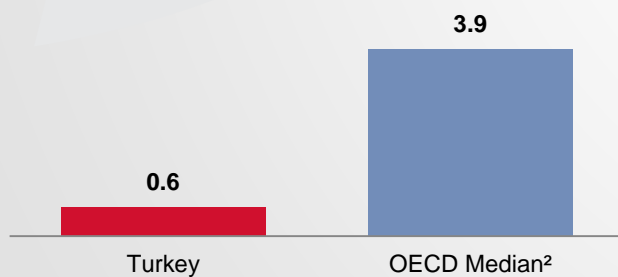


Growing Levels of Affluence in Turkey

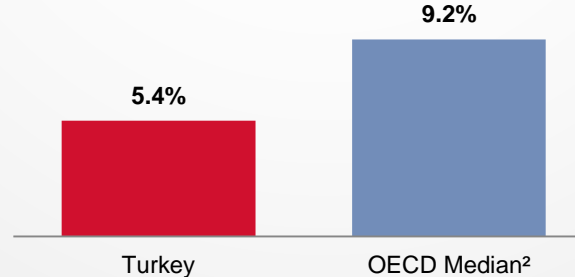


Significant Scope For Expansion Compared to OECD² Peers

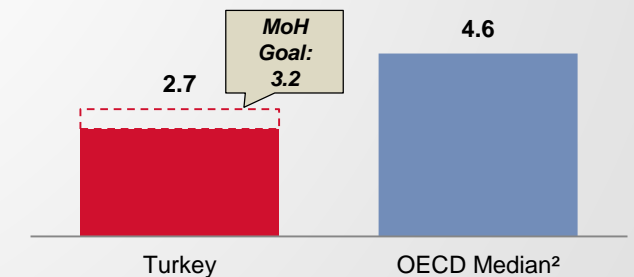
Healthcare Spending Per Capita (\$'000)



Healthcare Spending % of GDP



Hospital Beds Per Capita ('000)³

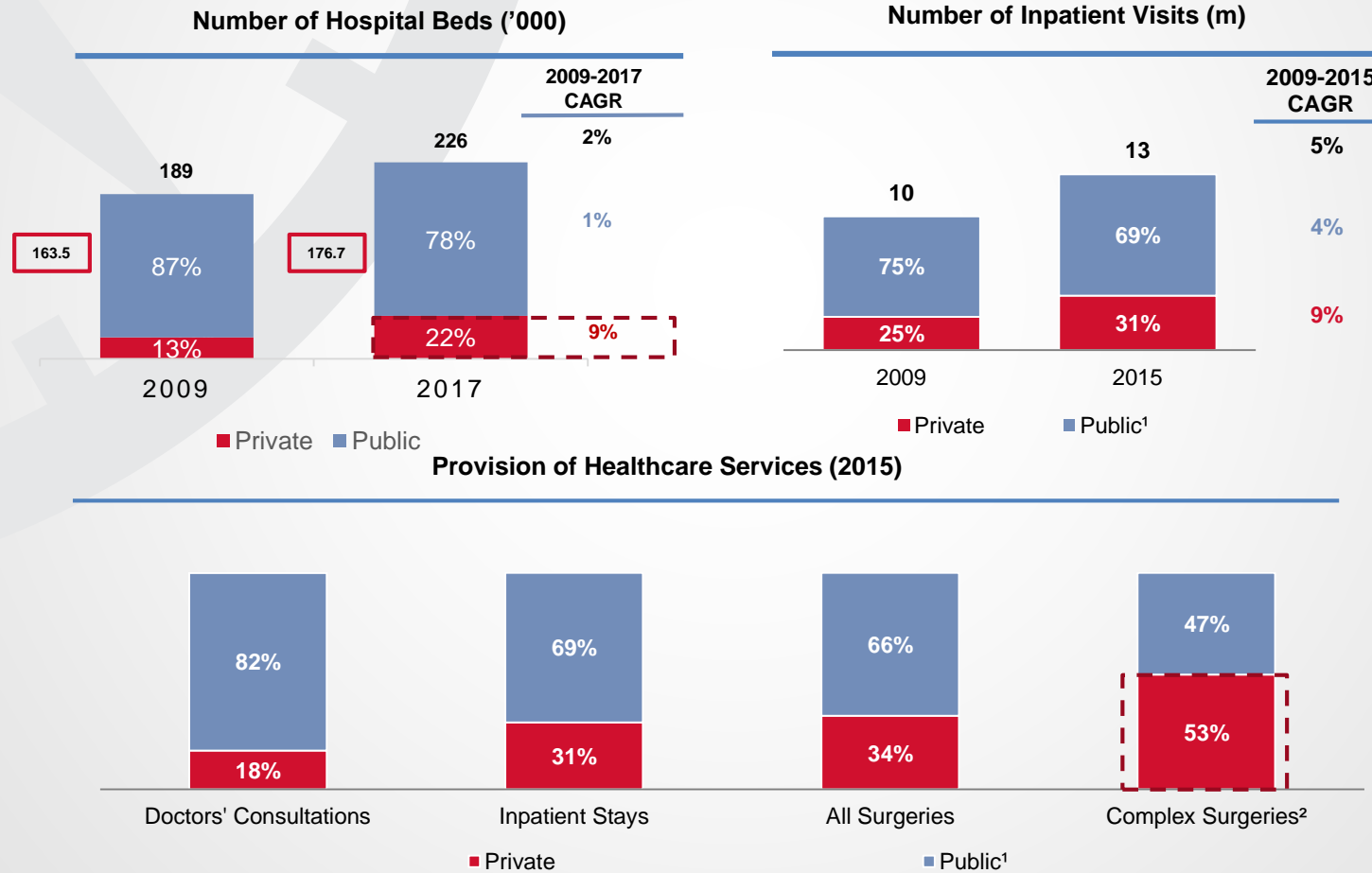


Source: IMS Health, Euromonitor International, OECD, Espicom Business Intelligence, MoH Statistics 2015 (published in Dec-2016), Turkish Statistical Institute, TOBB Report

¹ Denotes hospitals only excluding pharmaceutical, medical equipment, dental and other. ² 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. ³ 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; ¹ Public includes Ministry of Health and University hospitals; ² 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

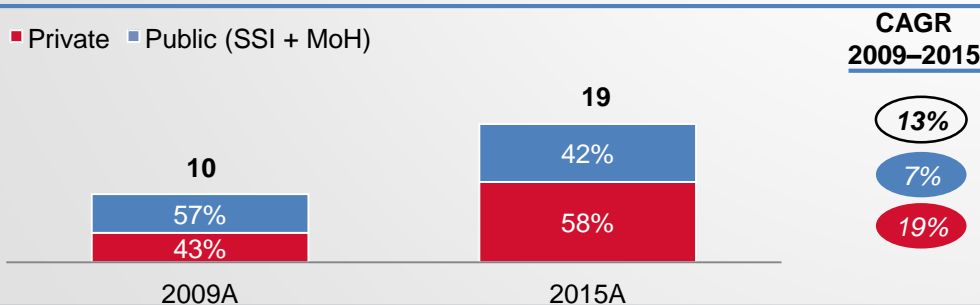
Healthcare system and key participants



Regulation	<ul style="list-style-type: none"> Government MoH
Funding	<ul style="list-style-type: none"> Treasury SSI Private Insurance Self-Pay
Service	<ul style="list-style-type: none"> MoH University Hospitals Private Healthcare Institutions
Patients	

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

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%¹ 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 prices². Price adjustment made in July 2018 in favor of complex treatments which was stable since 2008.
 - Private hospitals have the right to charge +200%³ over and above SUT prices²

- ✓ Patients' choice
- ✓ Partial SSI reimbursements
- ✓ Co-pay up to 200% above SUT prices²

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

¹ TOBB report; ² SUT prices = SSI tariffs; ³ 200%+ on all services (except a few specified services);

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

MLP Care network (# of hospitals and locations)

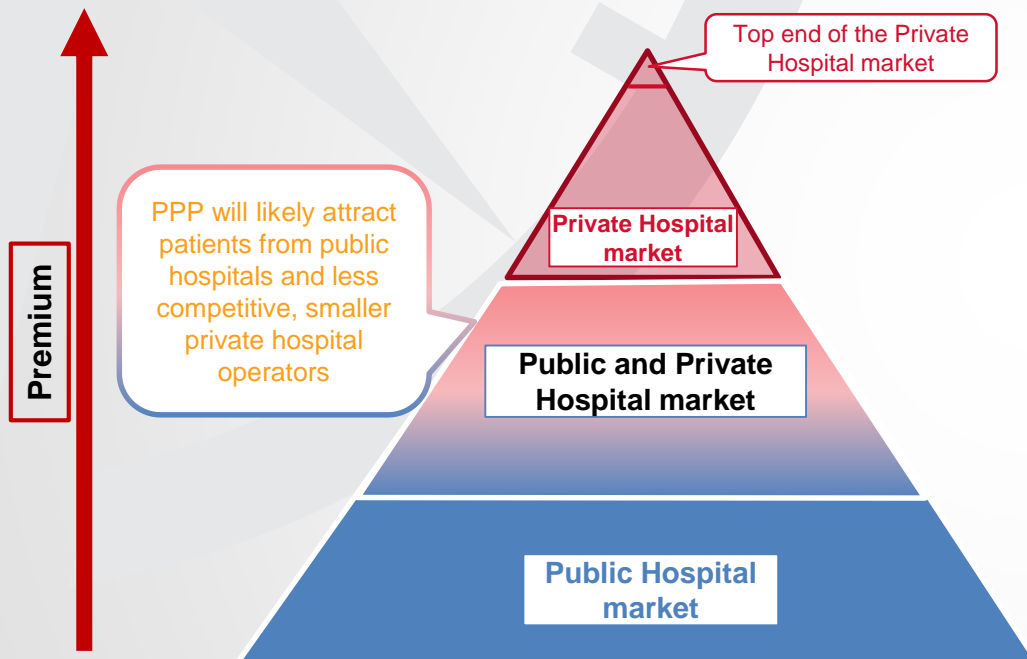
- ✓ National and local leader with a network covering the greatest number of cities
- ✓ 43% of beds located in the attractive Istanbul market
- ✓ MLP Care has the highest number of beds in nearly every city in which they are present



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**



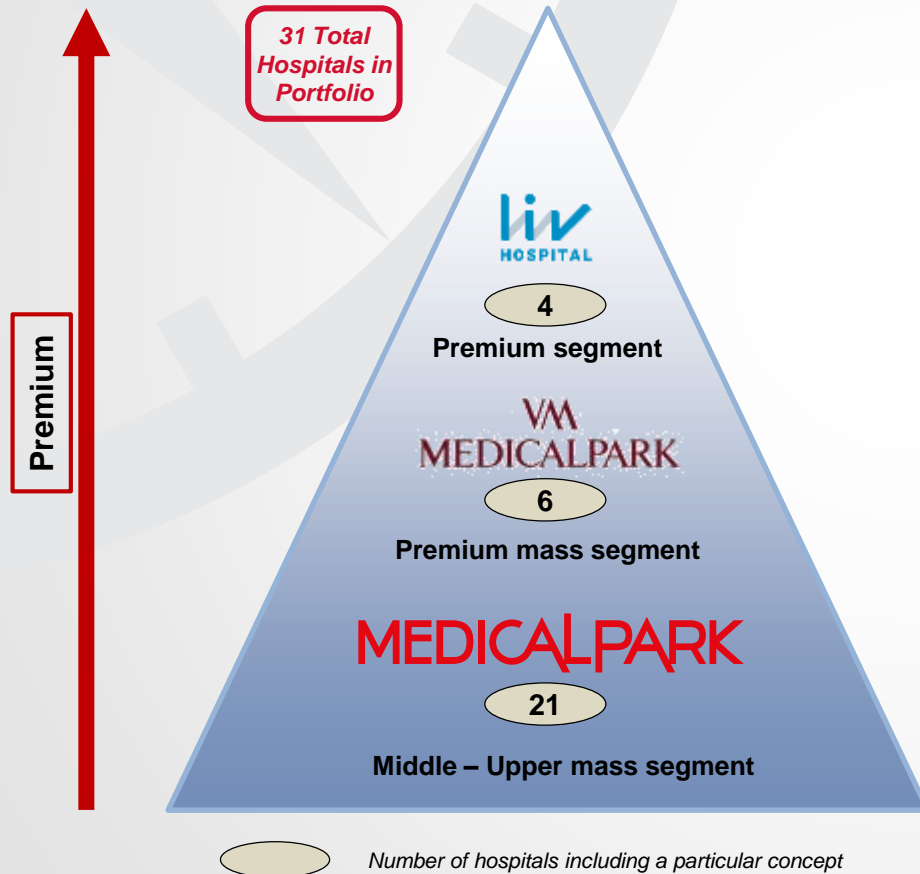
High service quality

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

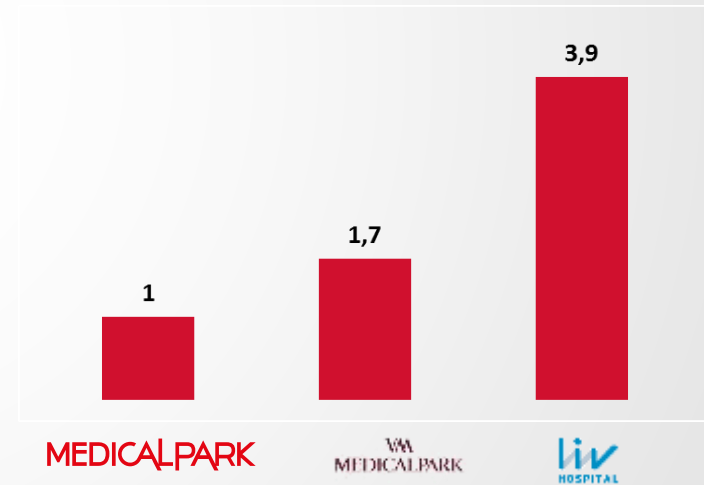
3 Strong Brand Recognition And Unique Business Model Addressing Multiple Price Points

Two brands and one concept targeting three different price points with consistently outstanding medical service quality

Overview and Positioning



Relative Average Price per Payor Type¹

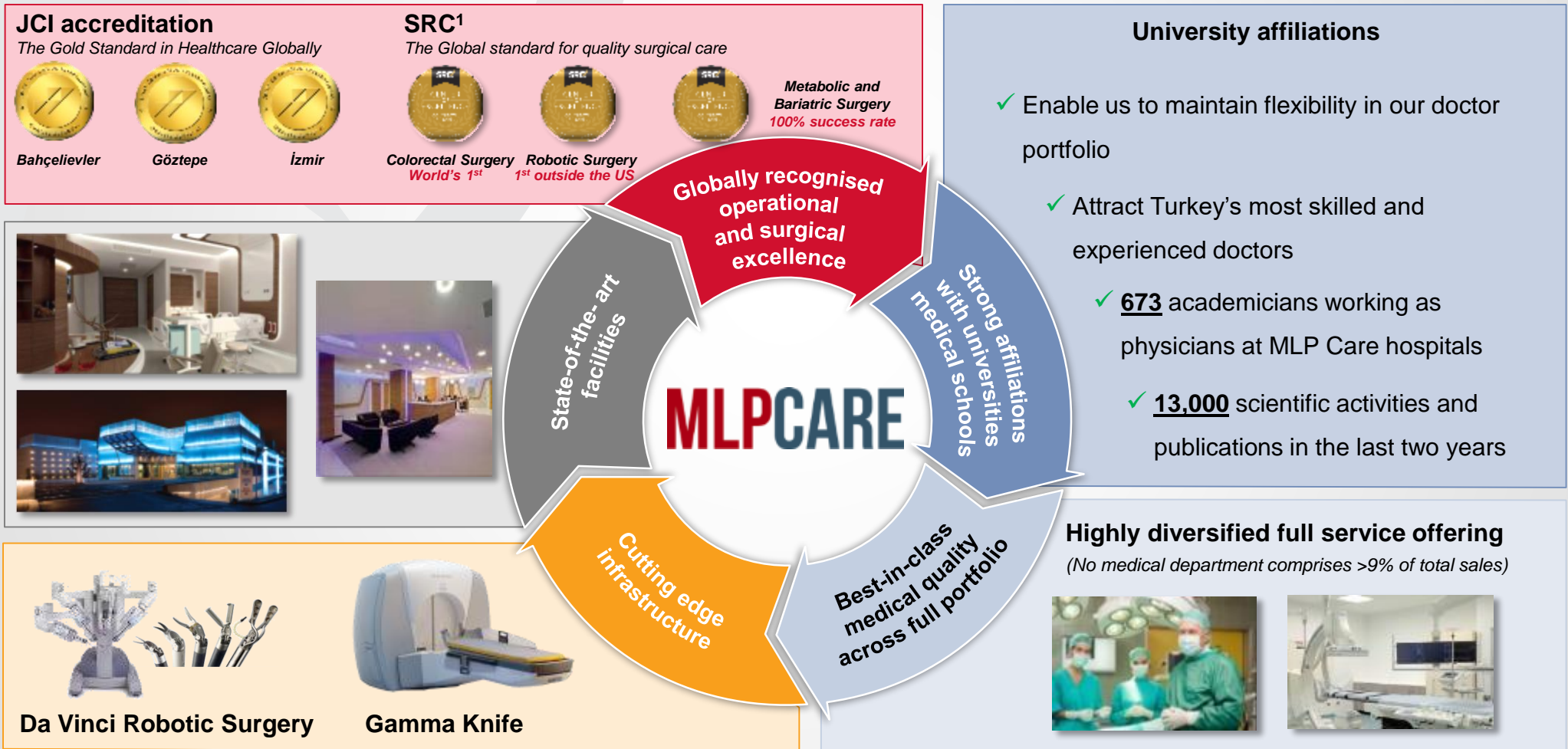


Note: Three acquired hospitals (Ereğli, Avcılar and Çanakkale) are operated under the name of "Anadolu Hastanesi", instead of Medical Park

¹ Inpatient numbers

4 Clinical Excellence And World Class Service Offering

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



¹ 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

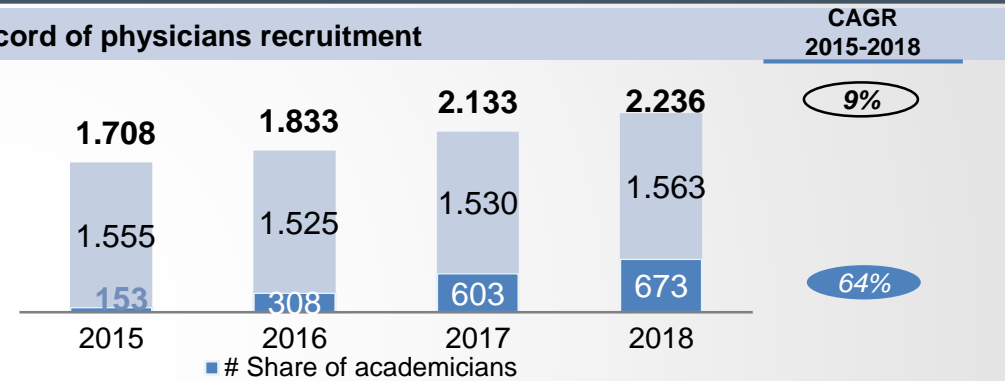
Ability to attract and retain top-tier physicians...

Key points of attraction

Top tier physicians choose MLP Care for:

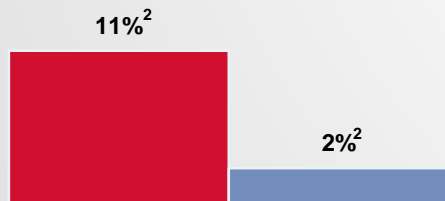
- ✓ Strong and reliable brand
- ✓ Leading market share
- ✓ State-of-the-art infrastructure
- ✓ University affiliations
- ✓ Vast exposure to complex cases

Proven track record of physicians recruitment



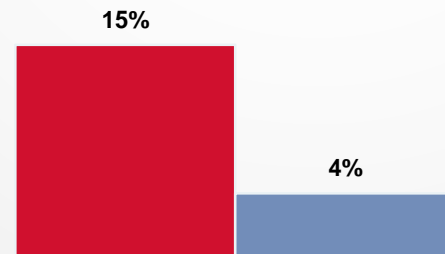
...and drive patient in-flows to grow market share in Turkey

MLP Care share in beds¹



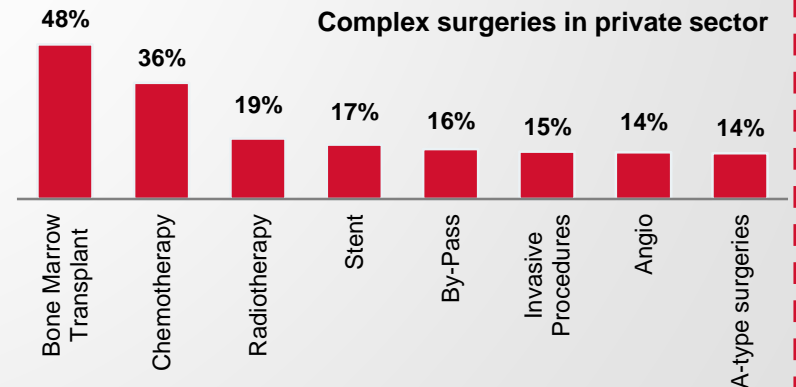
- MLP share in private beds
- MLP share in total beds

MLP Care share in inpatients¹



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

MLP Care share in complex surgeries¹



Source: Turkish Ministry of Health. ¹ Data as of 2017. ² 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 Growth > CPI (Consumer Price Index)

Net Sales (TLm)

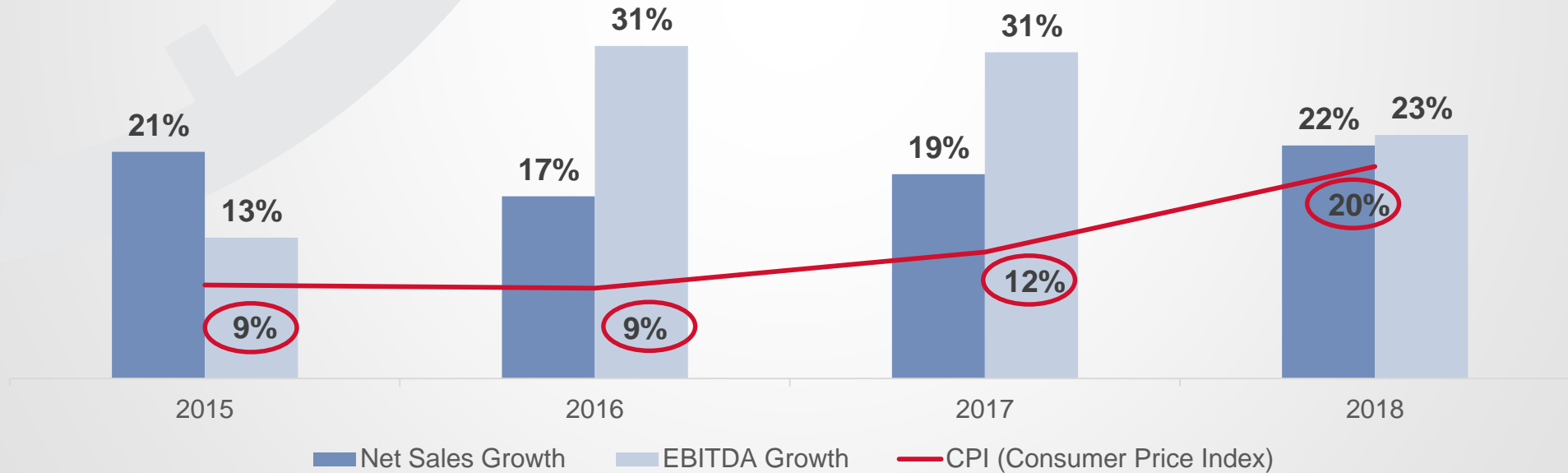
%20

CAGR 2014-2018

EBITDA (TLm)

%25

CAGR 2014-2018



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
Total Costs	TL31m
Total Beds	107
Covered Area (sqm)	12,000

Sales
TL'000s

3,252

44,408

61,863

8,332

35,024

42,987

Contribution
Margin (%)

(63)%

(1)%

17%

(10)%

5%

19%

10,780

8,348

Hospital Contribution
per year in TL'000s

(2,057)

(359)

(807)

1,910

2014

2015

2016

2014

2015

2016

Period open for:

3 Months

15 Months

27 Months

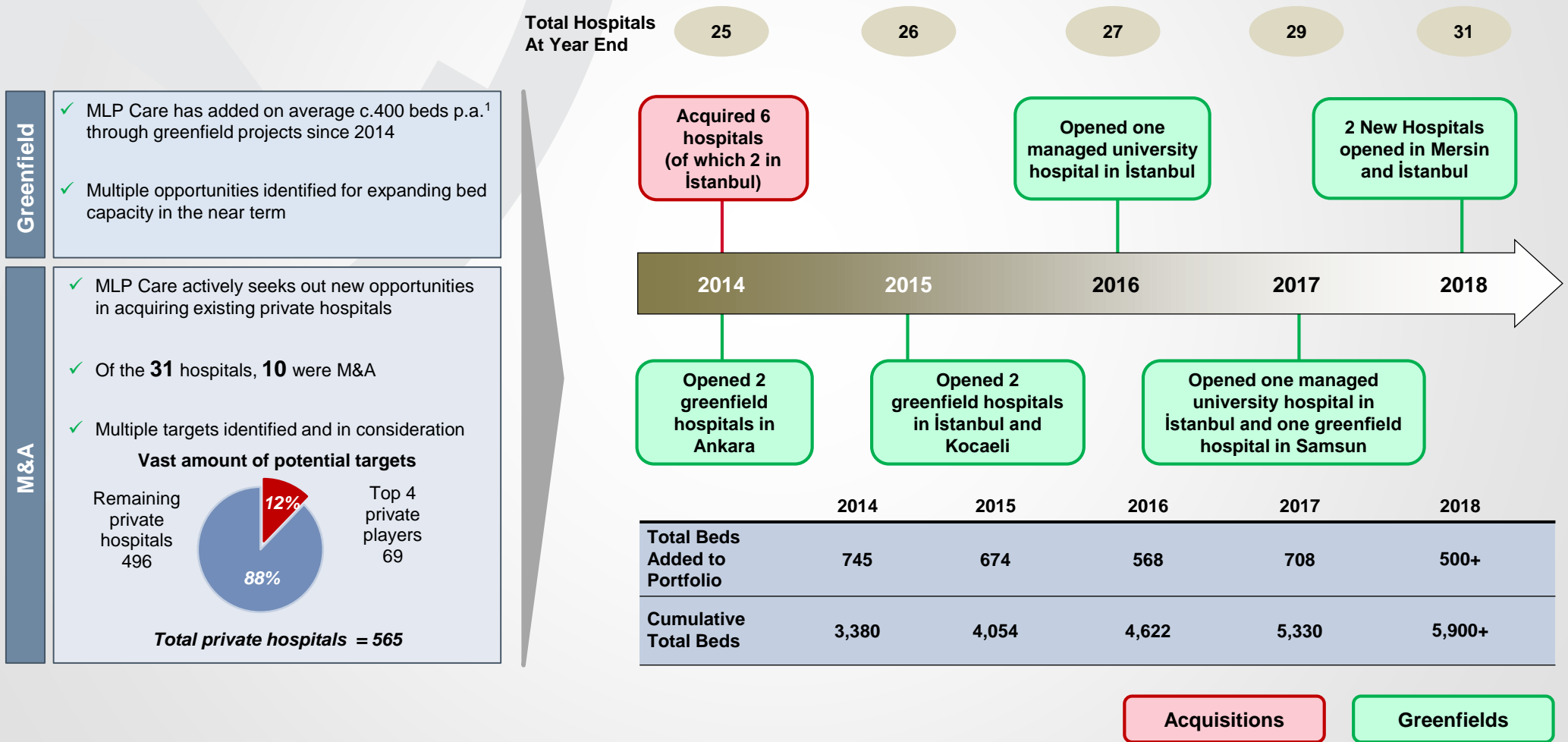
4 Months

16 Months

28 Months

6 Outstanding Platform for Further Growth

Proven track record of greenfield expansions and M&A



Note: Bed counts based on licensed capacity
¹ 2014-2017 average

6 Outstanding Platform for Further Growth

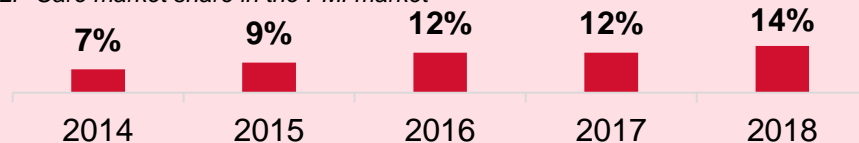
MLP Care has several avenues to continue its growth trajectory

MLPCARE

1 Top line growth via the favourable insurance scheme

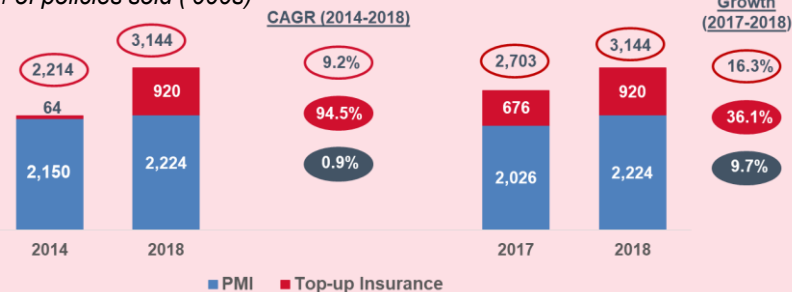
- ✓ MLP Care has increased its market share in PMI (private medical insurance) (including Top-up Insurance) over the years, growing its revenue from PMI by 4x from 2014 to 2018
- ✓ Top-up insurance is the fastest growing portion of the PMI market as MLP Care has been a pioneer in the Top-up insurance

High Growth of MLP Care in the PMI (including Top-up Insurance) market
MLP Care market share in the PMI market¹



Top-up Insurance's total policies sold grew by 14x in 2014 and 2018

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. 32% in 2018**
 - 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

Visitors to Turkey with health / medical related purpose (TL '000s)



MLP Care Medical Tourism Revenue (thousand TL)



3. Appendix

- **Historical Financial Statements**
- **Organizational Chart**
- **Capital, Shareholder Structure* & Subsidiaries**
- **Key Historic Milestones**

Historical Balance Sheet

TLM	Audited December 31, 2018	Audited December 31, 2017
Cash and cash equivalents	223	218
Trade receivables	899	750
Inventory	80	51
Short term other assets	276	142
Current assets	1,479	1,161
Tangible and intangible fixed assets	1,305	1,220
Deferred tax assets	282	197
Long term other assets	173	143
Non-current assets	1,760	1,560
Total assets	3,239	2,721
Trade payables	808	670
Short term other liabilities	246	169
Short term financial liabilities (incl. leases)	455	423
Current liabilities	1,509	1,261
Long term other liabilities	55	55
Deferred tax liabilities	136	124
Long term financial liabilities (incl. leases)	964	1,176
Non-current liabilities	1,154	1,355
Shareholders' equity	474	16
Non-controlling interest	101	88
Equity	576	105
Total liabilities & equity	3,239	2,721

Historical P&L Statements

TLm	Audited 2018	Audited 2017	Q4 2018	Q4 2017
Revenue	3,132	2,576	880	703
Cost of service (-)	(2,644)	(2,171)	(742)	(578)
Gross profit	488	405	138	125
General administration expenses (-)	(271)	(215)	(82)	(79)
Other income from operations	599	380	132	125
Other expenses from operations (-)	(515)	(358)	(134)	(108)
Operating income	300	213	55	63
Income from investment operations	2	1	0	0
Expense from investment operations (-)	(0)	(1)	(0)	(1)
Operating Income before finance expenses	301	213	55	62
Interest expenses (-)	(218)	(215)	(49)	(65)
Net foreign exchange (loss)/gain (including hedging cost)	(245)	(168)	40	(80)
Net profit / (loss) before tax	(162)	(171)	46	(83)
Tax income / (expense) from operations	59	38	(7)	23
Net profit / (loss)	(104)	(133)	39	(60)

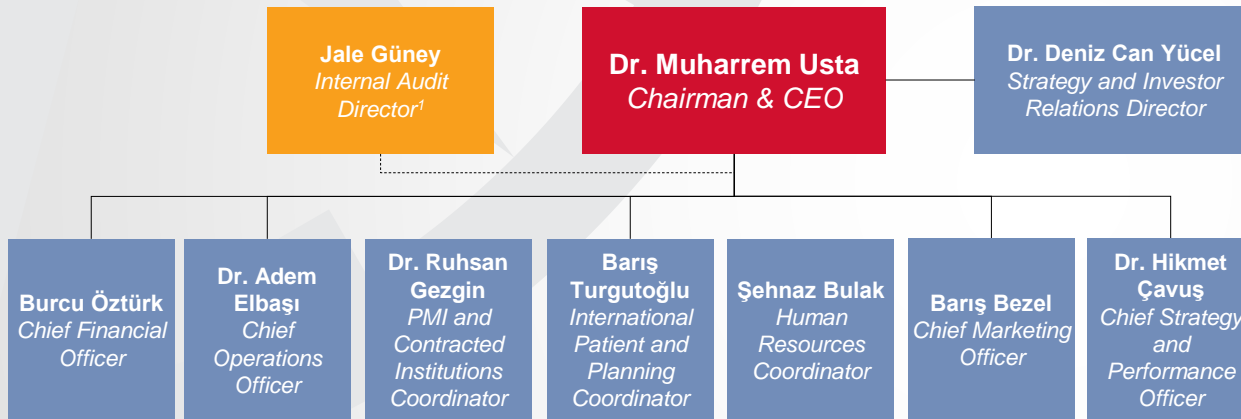
Reconciliation from Reported EBITDA to Adjusted EBITDA

TLm	2018	2017	Q4 2018	Q4 2017
Net profit / (loss)	(104)	(133)	39	(60)
Tax income from operations	(59)	(38)	7	(23)
Depreciation and amortization of tangible and intangible fixed assets	192	175	51	47
Total interest expenses, net of interest income and gain on financial derivatives	443	374	4	142
Net (gains) / losses from the disposal of tangible and intangible assets	(1)	0	(0)	0
Reported EBITDA	471	379	101	107
Net one-off (gains) / losses	26	19	46	12
Non-cash GAAP provision expenses	7	11	5	8
Adjusted EBITDA	505	409	152	126

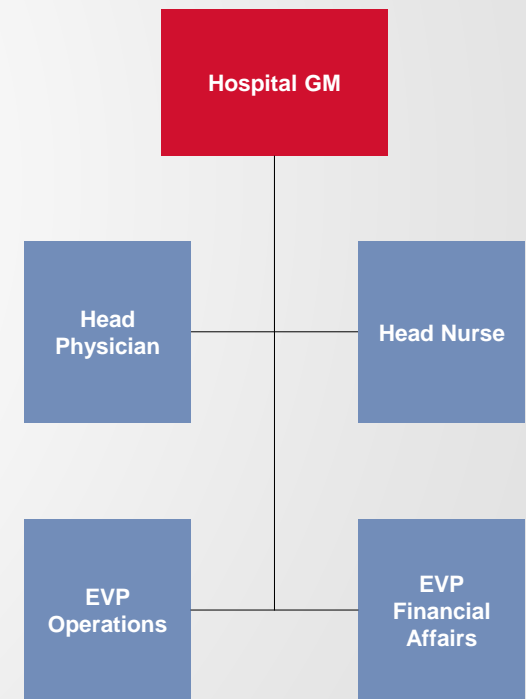
Organizational Chart

Visionary founder & CEO supported by an outstanding management team, leading the company's exemplary growth; Significant breadth and depth of experience across the senior management and executive level teams

Team Structure



Field Organization per Hospital



¹ Independent director reporting to the Board

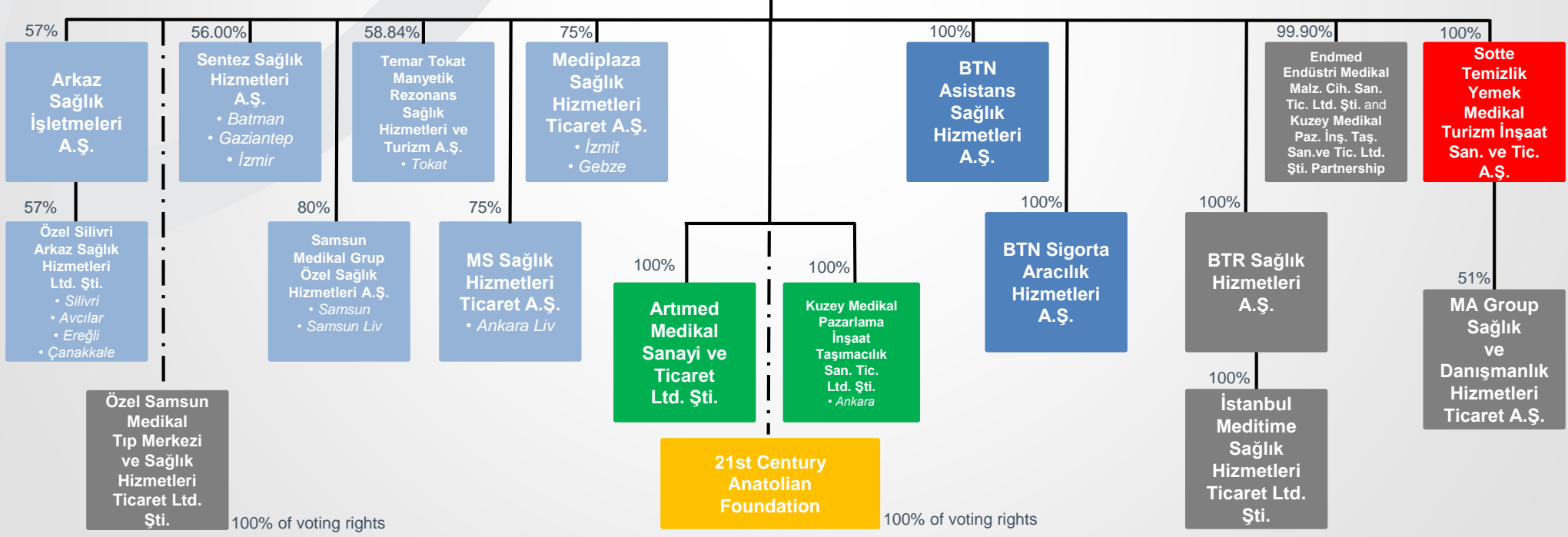
Capital, Shareholder Structure* & Subsidiaries

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

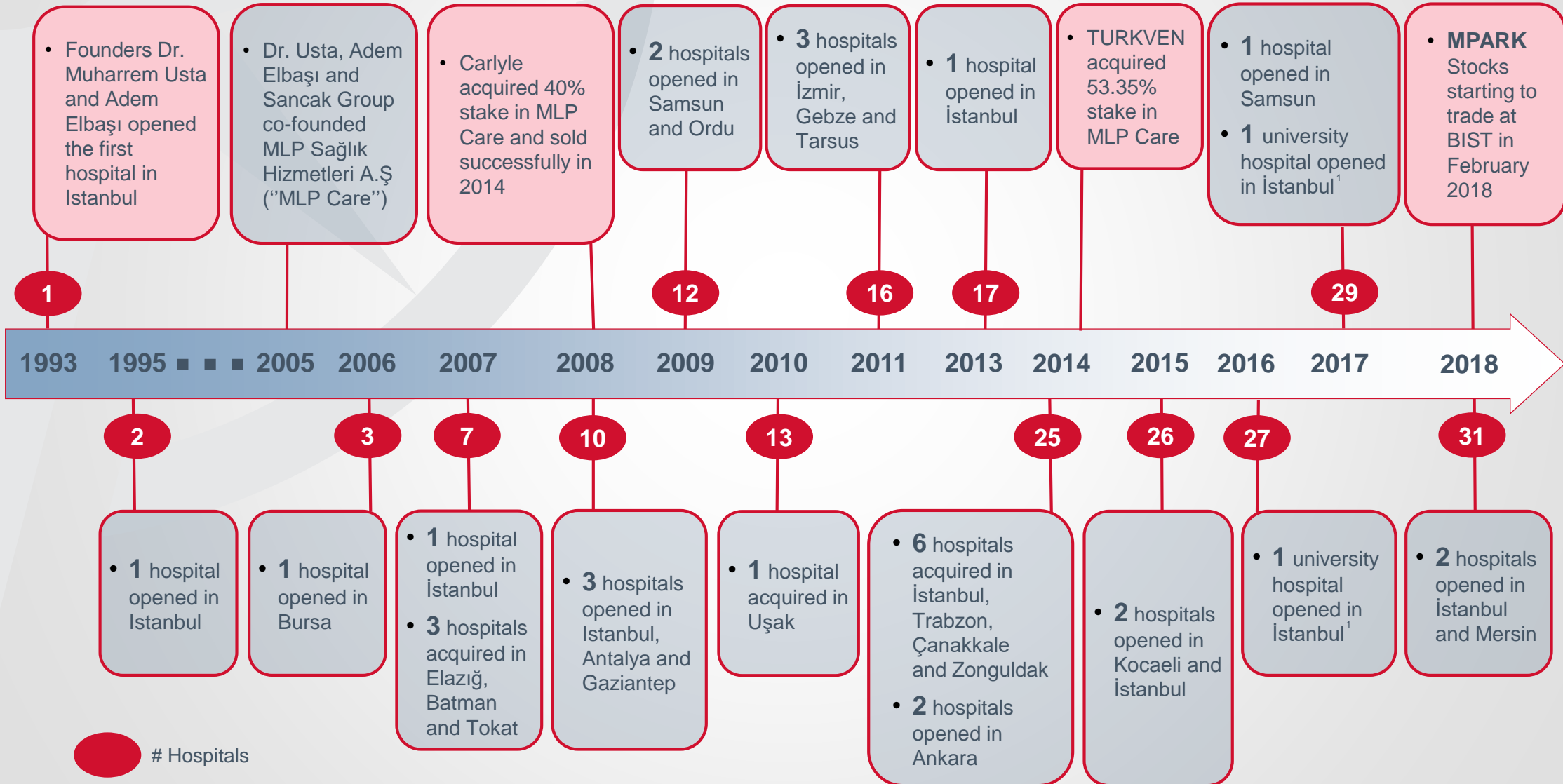


MLP Sağlık Hizmetleri A.Ş.

• Tarsus • Bursa VM • İstanbul Fatih • Ankara MP • Ordu
• Trabzon Yıldızlı • Antalya • Trabzon Karadeniz • İstanbul Bahçelievler • Elazığ
• İstanbul Göztepe • Uşak • İstanbul Ulus • Mersin • İstanbul Pendik



Key Historic Milestones



Hospitals

¹ 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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