

MLPCARE

MEDICALPARK

W HOSPITAL



MLP Care Online Roadshow with Investment Funds in Turkey

June 24th, 2020



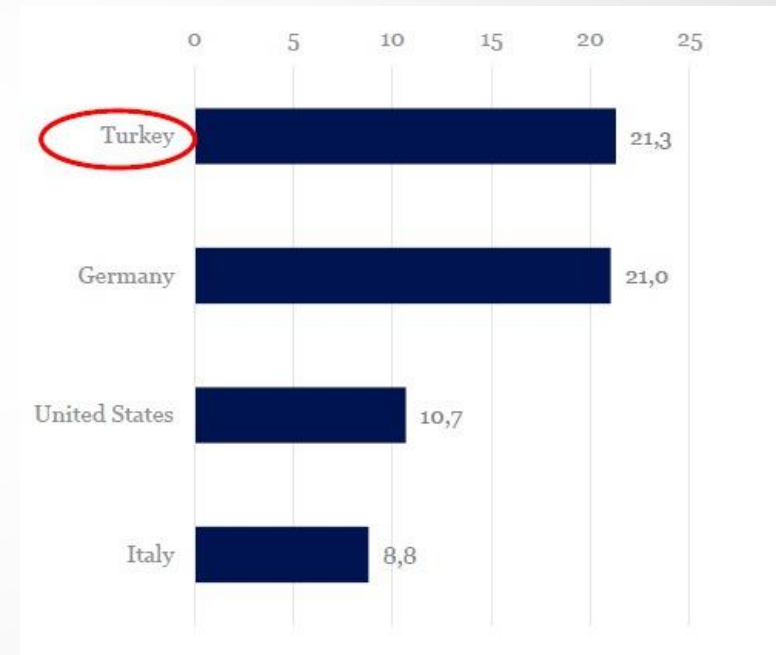
Muharrem Usta
Chairman & CEO

Turkey's Healthcare Investments

The number of intensive care beds per 100,000 people



Number of beds per 1,000 people over 60 years old



At a Glance: MLP Care Operational Highlights

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



The largest
hospital group in
Turkey



30 Hospitals in
Total



~6,000 Beds
in Total



20,000+ Staff¹
2,200+ Doctors
(1/3 are academicians)



3 JCI Accredited
Hospitals
3 Centers of
Excellence

**Addresses All Price
Segments
in the Turkish Market**

¹ Includes managed hospitals, full time and part time staff

MLP Care & City Hospitals



PPP's planned to be opened in 2020

- ✓ İstanbul Başakşehir City Hospital was opened in May 2020.
- ✓ Konya Karatay City Hospital
- ✓ Tekirdağ City Hospital

PPP's planned to be opened in 2021

- ✓ Ankara Etlik City Hospital
- ✓ Gaziantep City Hospital
- ✓ Kütahya City Hospital
- ✓ Kocaeli City Hospital
- ✓ İzmir Bayraklı City Hospital

Our Growth Strategy

MLP Care continues its asset light growth strategy



Expanding in metropolitans through mid-large scale hospitals
(min. 100 bed capacity)



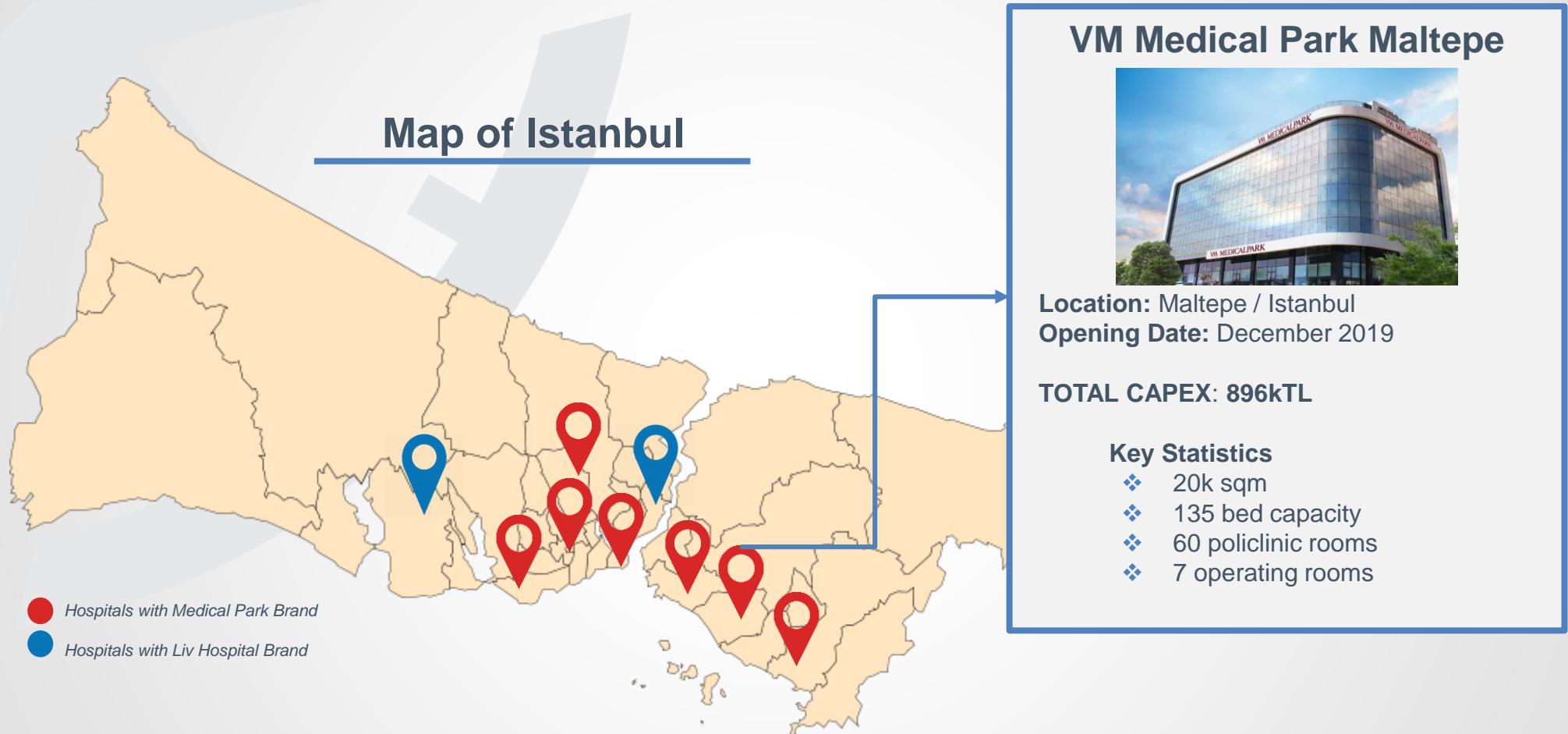
Quick EBITDA ramp-up through leveraging MLP Care's resources
(brand strength, operational know how, licensing, experienced physicians, and management staff)



Min. acquisition CAPEX & WC requirements



A network of hospitals located strategically across Istanbul



- ✓ MLP Care hospitals located in Istanbul constitutes 38% of total bed capacity.
- ✓ Revenue growth of Istanbul hospitals were 29% while the consolidated revenue growth of the company was 18% in 2019.

Growth Opportunities in Ankara

Map of Ankara



VM Medical Park Ankara



Location: Keçiören / Ankara
Opening Date: March 2020

TOTAL CAPEX: 110kTL

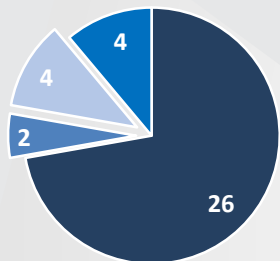
Key Statistics

- ❖ 19k sqm
- ❖ 94 bed capacity
- ❖ 27 polyclinic rooms
- ❖ 6 operating rooms

- ✓ MLP Care hospitals located in Ankara constitutes 8% of total bed capacity (478 beds).
- ✓ Revenue growth of Ankara hospitals were 26% while the consolidated revenue growth of the company was 18% in 2019.

Planned M&A in 2020 – 2021

of Hospitals



- Medical Park
- Liv Hospital 2020-2021 Additions
- 2021-2022 Target M&A's
- Liv Hospital

Liv Hospital Gaziantep (Planned)



- Location**
 - Gaziantep
- Opening Date**
 - ~ Q4 2020
- Key Statistics**
 - 40k sqm
 - ~ 230 bed capacity
 - 70 polyclinic rooms
 - 8 operating rooms

Liv Hospital İstanbul (Planned)



- İstanbul
- ~ Q1 2021
- ~ 50k sqm

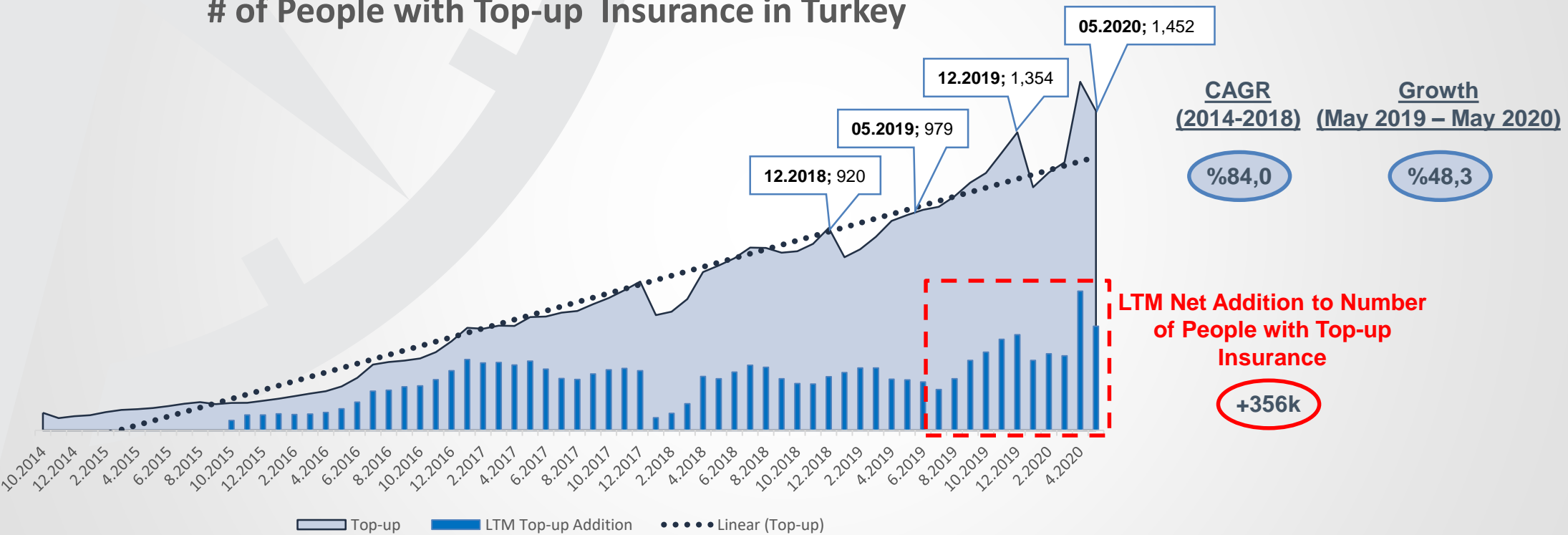
Target M&A's



- Metropolis
- 2021-2022
- 4 new hospitals

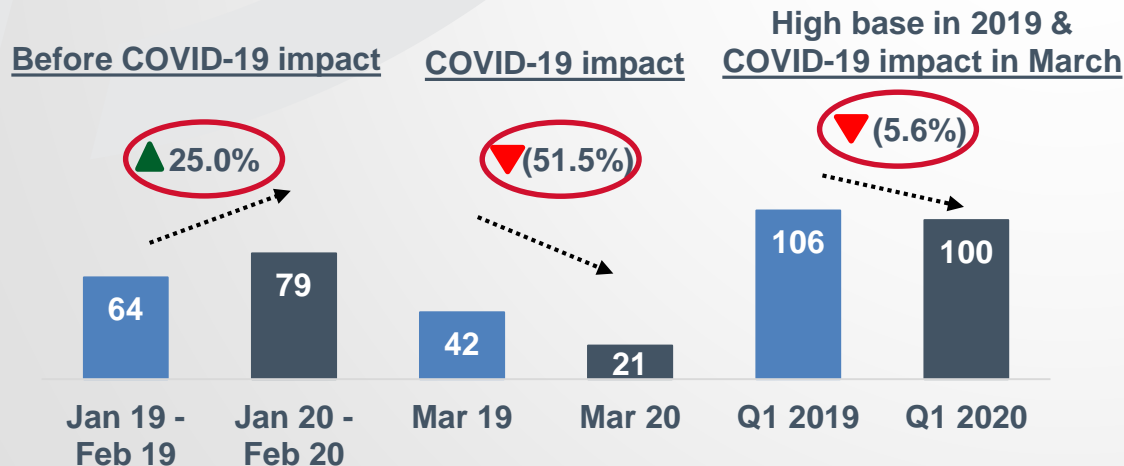
of People with Top-up Insurance Close to 1.5 million

of People with Top-up Insurance in Turkey



Well Positioned to Rebound After COVID-19

Medical Tourism Revenue (TLm)



- ✓ Diversified and Balanced Geography. Patients comes from:



- ✓ Strong marketing through offices / affiliations in 12 countries with Medical Park and in 7 countries with Liv brands
- ✓ FX based pricing adding to EBITDA growth
- ✓ c. 68% of total collected in cash in Q1 2020

Accelerated Efforts for Digitalisation After Pandemic

Robotic Process Automation (RPA) & Artificial Intelligence (AI) & DataLake

GDPR (KVKK)

Marketing

Finance & Accounting

Contract Management & Legal

Human Resources

Procurement & Supply Chain

Management Command Center





Burcu Öztürk
CFO

Operational & Financial Updates

Precautions Taken Regarding the COVID-19 Pandemic

We have taken all precautionary actions to decrease the effect of Covid-19 on our financial performance.

Cost Management:

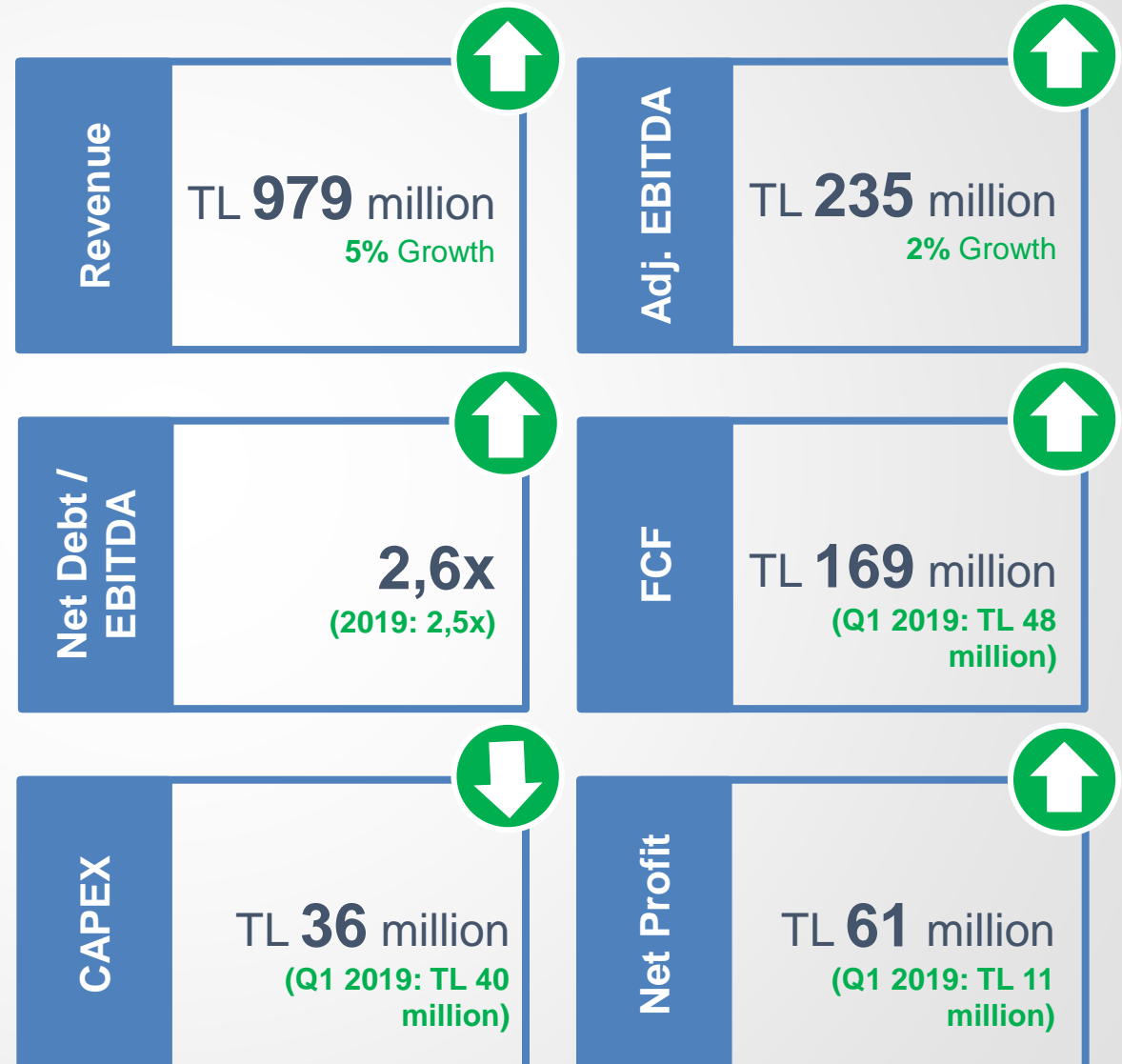
- ✓ **Personnel Expenses:** Government's Incentive of Short-time Work Program was utilized between Apr-20 – June-20.
- ✓ **Doctor Costs:** Almost all doctor costs are variable. Revenue decline will also decrease the doctor costs.
- ✓ **Rent Expenses:** Rent discount negotiations were initiated with the landlords (%50 rent discount is already received for 75% of the hospitals)
- ✓ **Material Cost:** COVID-19 related hygiene products are procured from Government, which secures minimal unit price
- ✓ **Other Costs:** Discounts are received from equipment maintenance suppliers during pandemic period. Marketing & Representation related expenses for both medical tourism and domestic revenues are significantly decreased.
- ✓ **Capex:** Discretionary & growth related capex is minimalised.

Cash Flow & Liquidity Management:

- ✓ **Liquidity:** A long-term loan of TL 330 million was withdrawn (investment loan of TL 80 million and a Net Working Capital Facility of TL 250 million) with an attractive interest rate of TR LIBOR + 2.5% (first 6 months) and 3.5% (remaining period). Existing investment loan interest rate is TR LIBOR + 5.8%
- ✓ **NWC Management:**
 - ✓ As of March 2020, the Net Working Capital Management Committee was established to manage supplier payments and customer collections in an efficient manner.
 - ✓ All Social Security Institution (SSI), Withholding Tax, VAT payments are postponed to October 2020.

At a Glance: MLP Care Q1 2020 Financial Highlights

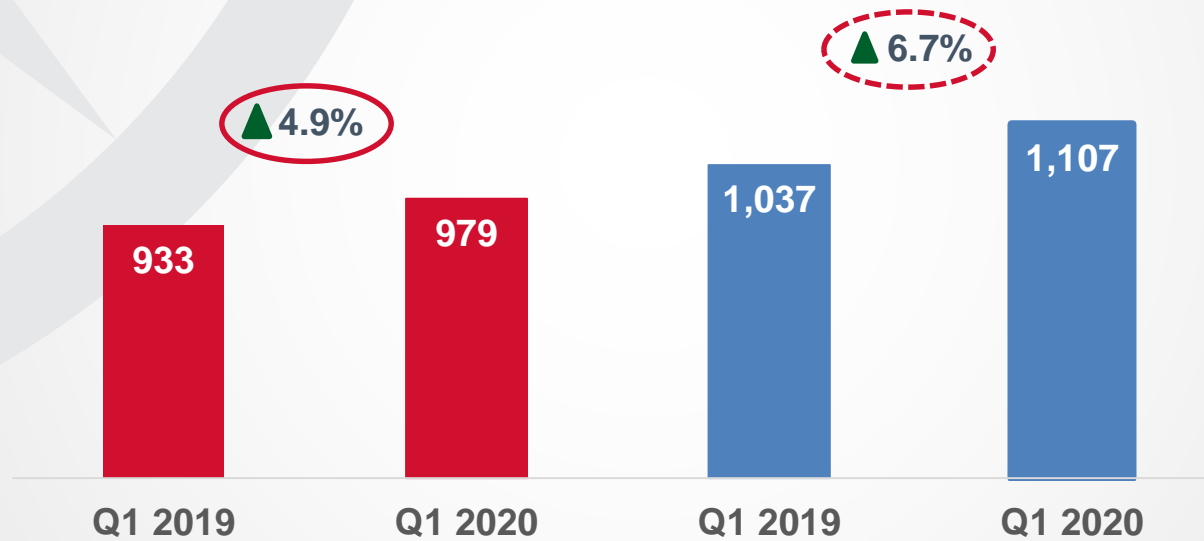
- ✓ All hospitals started accepting COVID-19 patients in March
- ✓ Revenue growth despite the COVID-19 pandemic impact
- ✓ EBITDA margin eroded slightly supported by the pandemic related precautions and measures
- ✓ Lower interest expense due to easing interest rate environment
- ✓ Cash resources and access to liquidity was improved for the continuity of the business




Operational & Financial Updates

Revenue Up 5% in Q1 2020

Revenue (TLm)



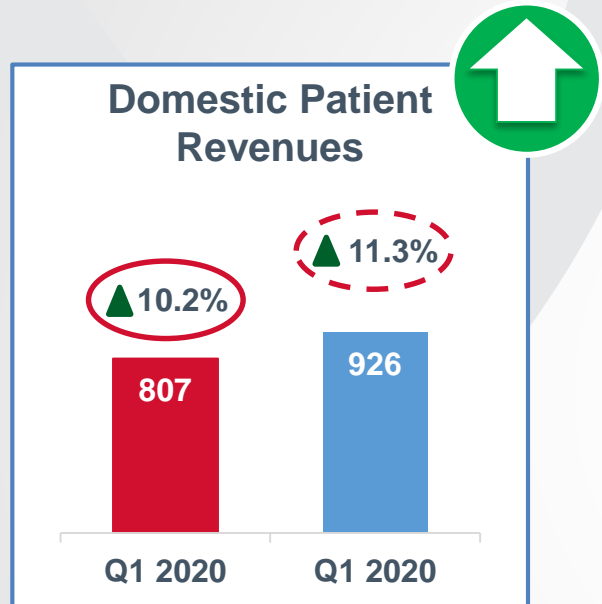
¹ Revenue Including Managed Hospitals: Revenues of Florya, ISU Gaziosmanpaşa and ISU Bahçeşehir were included

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

 Denotes growth of Revenue Including Managed Hospitals vs. the same period of the last year

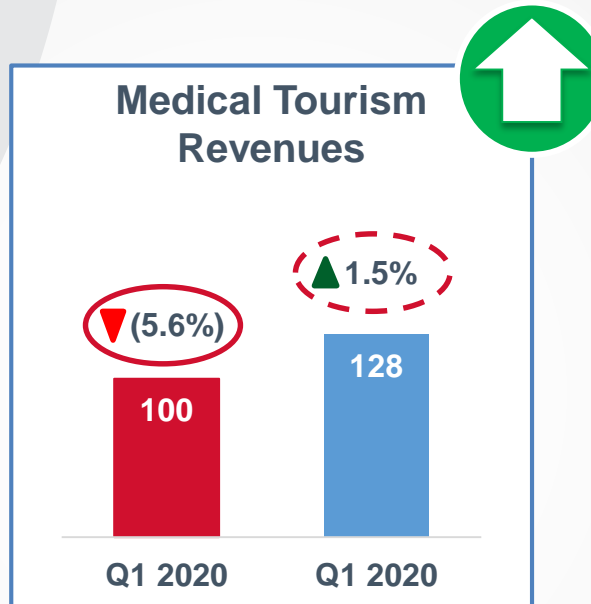
Operational & Financial Updates

Revenue Growth in Q1 2020 Despite Pandemic Impact



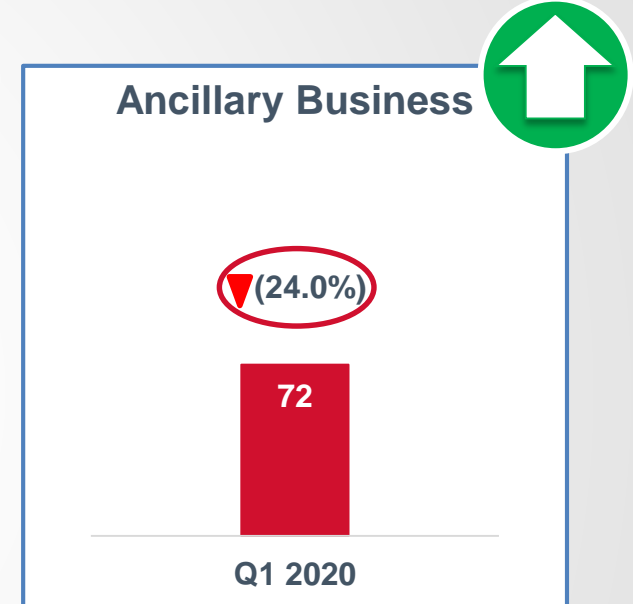
Growth Continued in Q1 2020

- ✓ Inpatient revenues grew in Q1 2020: **10.8%**
- ✓ Outpatient revenues grew in Q1 2020: **9.2%**



Slow down in Medical Tourism Revenue due to pandemic impact in Q1 2020

- ✓ Share of revenue from Europe in total Medical Tourism: **28%**
- ✓ Middle East & Africa: **38%**
- ✓ Former CIS and the rest: **33%**



Strong Growth in Managed University Hospital Revenues

- ✓ Managed hospitals' revenues grew by 3.5mTL with a growth rate of 24.8% in Q1 2020
- ✓ Laboratory revenues decreased by 23.7mTL with a rate of 35.6% in Q1 2020



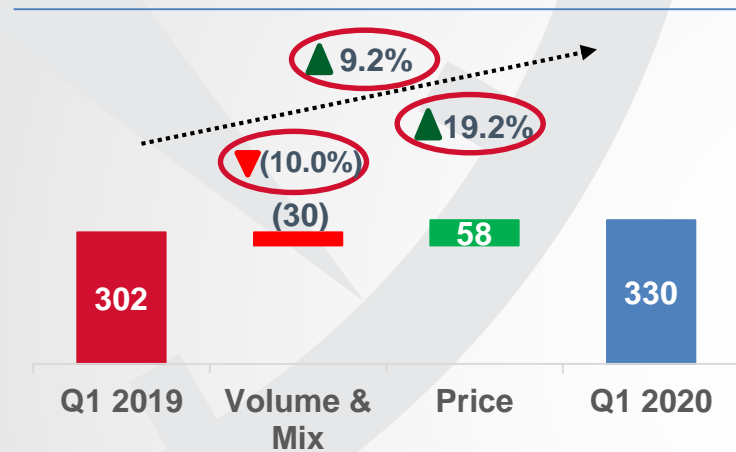
Denotes growth / decrease of Revenue vs. the same period of the last year

Denotes growth of Revenue Including Managed Hospitals vs. the same period of the last year

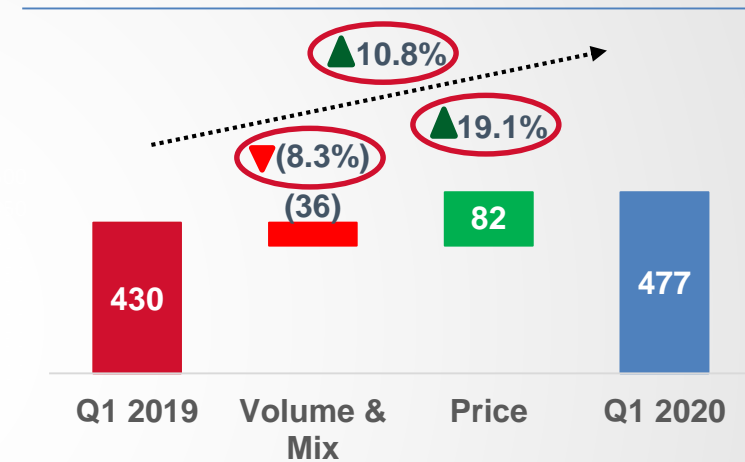
Operational & Financial Updates

Domestic Patient Revenues: Strong improvement in both ARPV and ARPP in Q1 2020

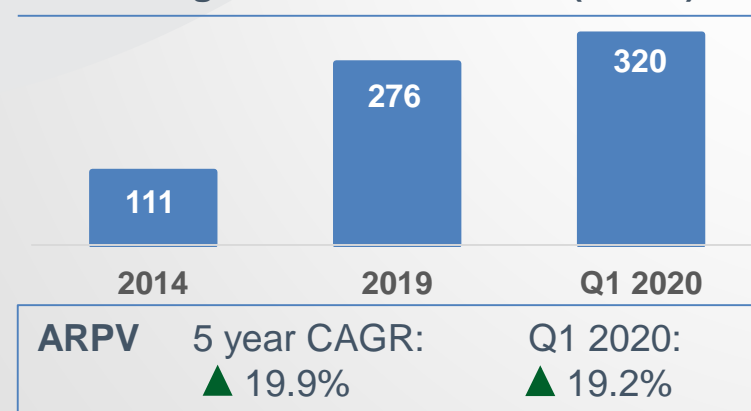
Outpatient Revenues (TLm)



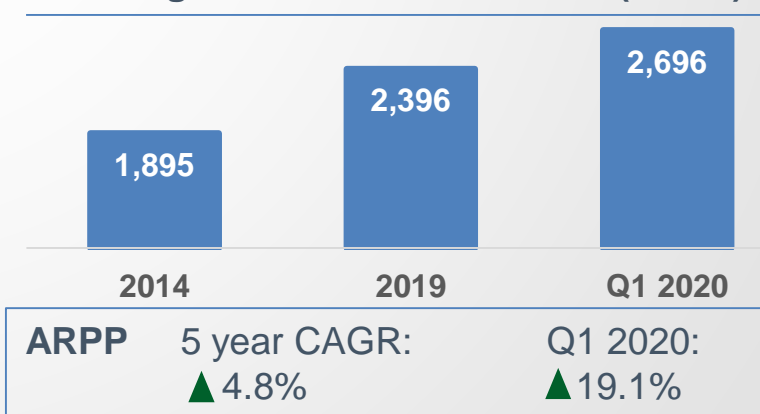
Inpatient Revenues (TLm)



Average Revenue Per Visit (ARPV)



Average Revenue Per Protocol (ARPP)

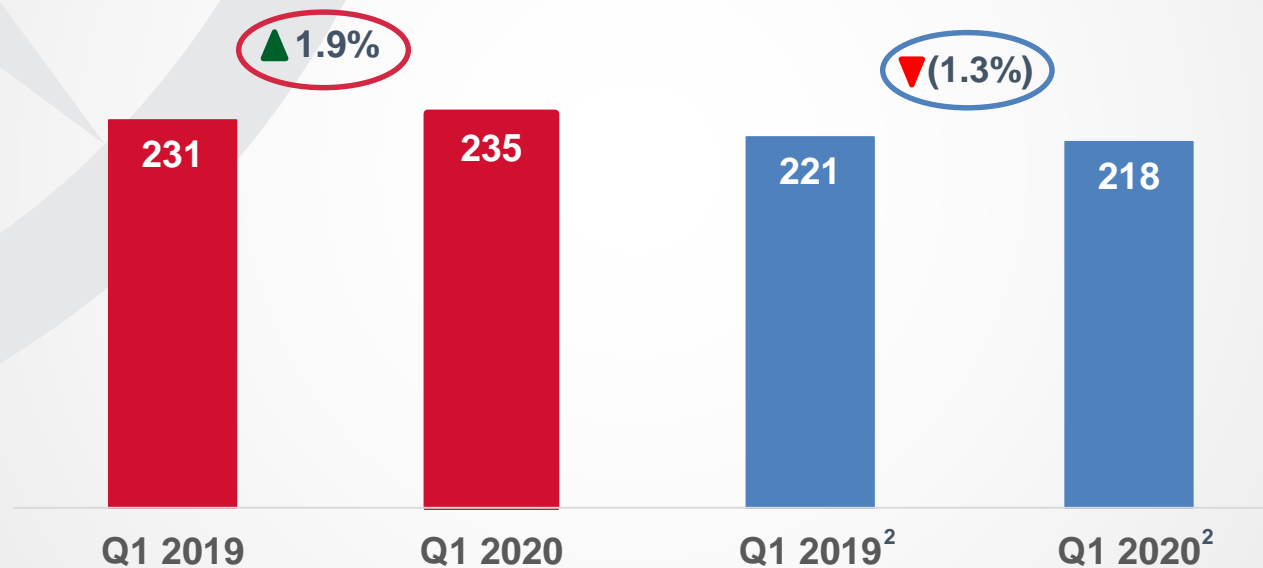


✓ **Outpatient and Inpatient** revenues made up **41%** and **59%** of total Domestic Hospital Business Revenues in Q1 2020

Operational & Financial Updates

EBITDA Up by 2% in Q1 2020

EBITDA (TLm) ¹



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

² Adj. EBITDA: Adj. EBITDA without foreign exchange effect of other income/expenses from operating activities

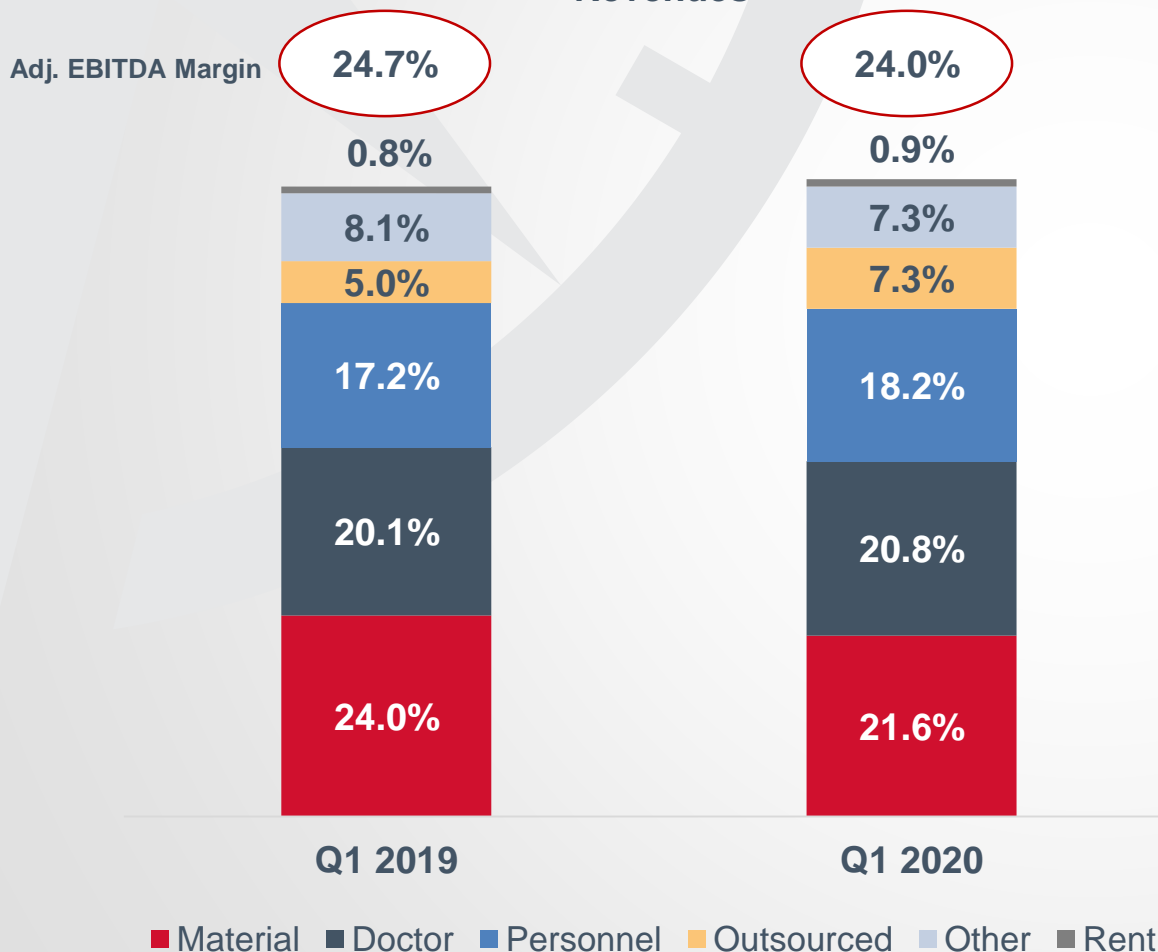
▲ Denotes growth of Adj. EBITDA vs. the same period of the last year

▼ Denotes decrease of Adj. EBITDA without foreign exchange effect of other income/expenses from operating activities vs. the same period of the last year

Operational & Financial Updates

Smart Cost Management Results in Profitability Growth

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

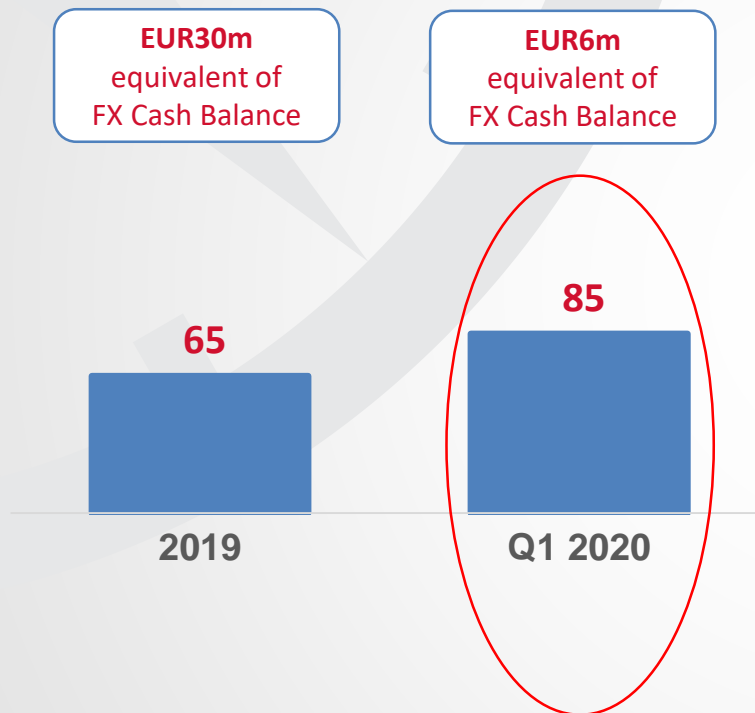


- ✓ **Material costs** as a % of revenue declined in Q1 2020 due to decrease in the share of laboratory business which has higher cost base.
- ✓ **Doctor costs** as a % of revenue increased in line with the new hospital acquisitions
- ✓ **Personnel costs** as a % of revenue increased in Q1 2020 due to new hospital acquisitions and minimum wage increase by Jan-20
- ✓ **Outsourced services** as a % of revenue increased due to the growth in the volume of such services
- ✓ **Other expenses** as a % of revenue decreased due to the decrease in the marketing expenses related to FMT revenues

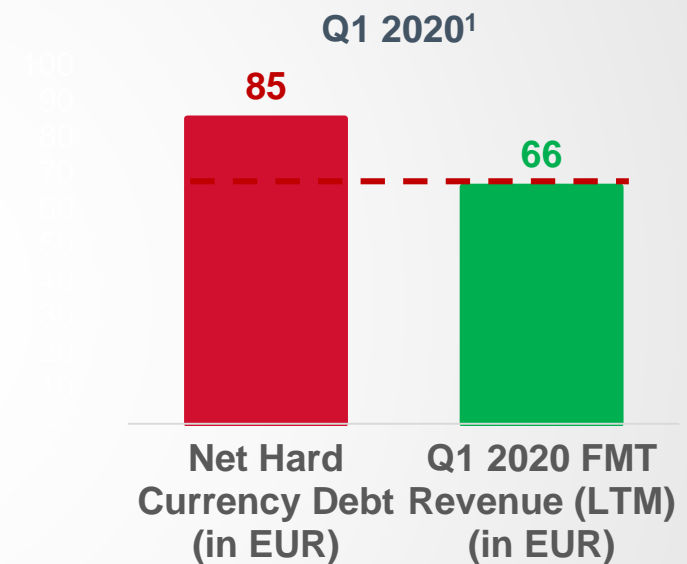
Operational & Financial Updates

Debt Position in Q1 2020

FX BASED NET DEBT¹ (in EUR m)



NET DEBT



Nominal Net Debt (exc. IFRS 16)	1,490m TL
Nominal Net Debt (inc. IFRS 16)	2,140mTL
Net Debt /Adj. EBITDA (inc. IFRS 16)	2.6x

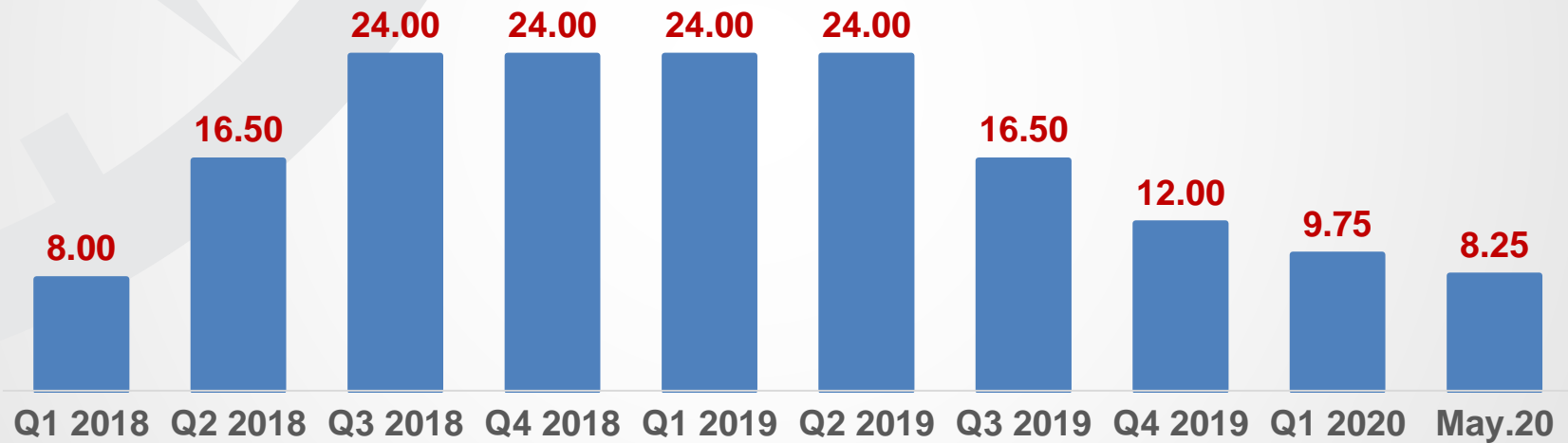
✓ 68% of 2020 debt service (including bank loans and financial leases) is hedged

✓ Net Debt to Adj. EBITDA ratio was at 2.6x

Operational & Financial Updates

Easing CB Policy Rate

CBT Interest Rate %

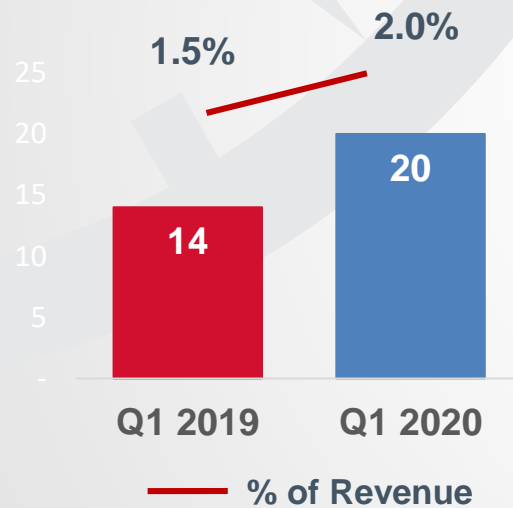


✓ Central Bank of Turkey policy rates has positive impact on our interest costs since 3Q 2019.

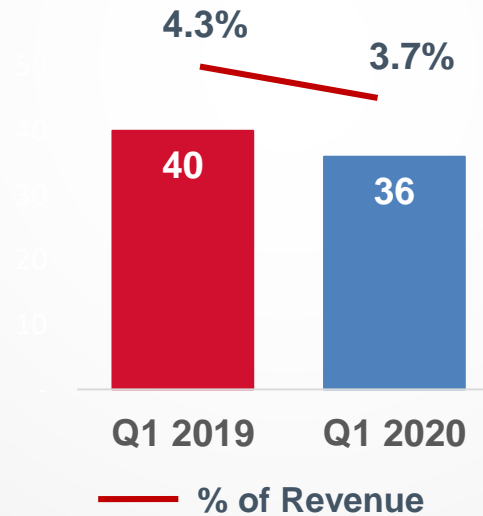
Operational & Financial Updates

Total Capex Decreased, Operating Cash Flow Improved

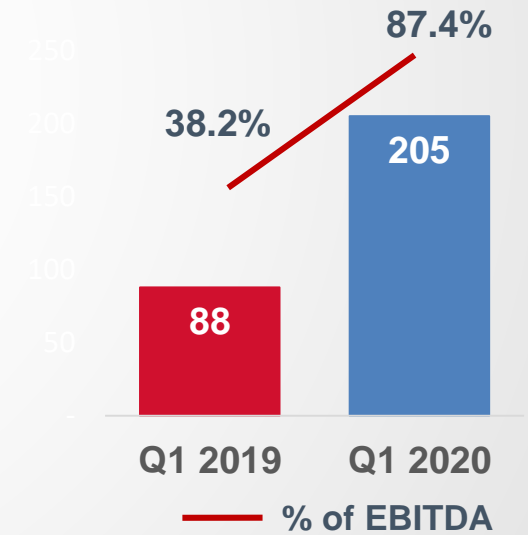
Maintenance Capex (TLm)



Total Capex (TLm)



Operating Cash Flow / EBITDA



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Thank You !

MLP Care Investor Relations

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Historical Balance Sheet

TLm	Unaudited March 31, 2020	Audited December 31, 2019
Cash and cash equivalents	386	306
Trade receivables	1,067	991
Inventory	118	90
Short term other assets	374	335
Current assets	1,945	1,722
Tangible and intangible fixed assets	1,453	1,327
Right of use assets	291	235
Deferred tax assets	405	398
Long term other assets	238	232
Non-current assets	2,387	2,193
Total assets	4,331	3,914
Trade payables	870	821
Short term other liabilities	328	256
Short term financial liabilities (incl. financial and operational leases)	915	861
Current liabilities	2,114	1,938
Long term other liabilities	137	95
Deferred tax liabilities	183	155
Long term financial liabilities (incl. financial and operational leases)	1,598	1,488
Non-current liabilities	1,918	1,738
Shareholders' equity	280	230
Non-controlling interest	19	8
Equity	300	238
Total liabilities & equity	4,331	3,914

Historical P&L Statements

TLm	Q1 2020	Q1 2019	Change (%)
Revenue	979	933	4.9%
Cost of service (-)	(750)	(706)	6.2%
Gross profit	229	227	0.8%
General administration expenses (-)	(74)	(72)	3.4%
Other income from operations	82	63	31.5%
Other expenses from operations (-)	(67)	(60)	11.7%
Operating profit / (loss)	170	158	7.5%
Income from investing activities	82	0	17,260.4%
Expense from investing activities (-)	(0)	--	100.0%
EBIT	252	158	59.2%
<i>EBIT margin</i>	25.8%	17.0%	879bps
Interest expenses (-)	(108)	(109)	(0.7%)
Net foreign exchange profit / (loss) (including hedging cost)	(57)	(28)	105.0%
Net profit / (loss) before tax	87	21	306.4%
Tax income / (expense) from operations	(25)	(10)	140.7%
Net profit / (loss)	61	11	466.0%

Reconciliation from Reported EBITDA to Adjusted EBITDA

TLm	Q1 2020	Q1 2019
Net profit / (loss)	61	11
Tax (income) from operations	25	10
Depreciation and amortization of tangible and intangible fixed assets	62	64
Total interest expenses/(income) and fair value differences of derivative instruments	160	128
Net (gains) / losses from the disposal of tangible and intangible assets and income from negative goodwill	(82)	(0)
Reported EBITDA	227	213
Net one-off (gains) / losses	4	7
Non-cash GAAP provision expenses	4	11
Adjusted EBITDA	235	231
Adjusted EBITDA Margin (%)	24.0%	24.7%
Foreign exchange gains/(losses) from operations	17	10
Adjusted EBITDA¹	218	221
Adjusted EBITDA¹ Margin (%)	22.3%	23.7%

¹Adj. EBITDA and Adj. EBITDA margin without foreign exchange gains/(losses) from other income/(expenses) from operating activities