

MLP CARE H1 2020 PRESENTATION

AUGUST 14TH, 2020

MLPCARE

MEDICALPARK

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Forward Looking Statements

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.

MUHARREM USTA

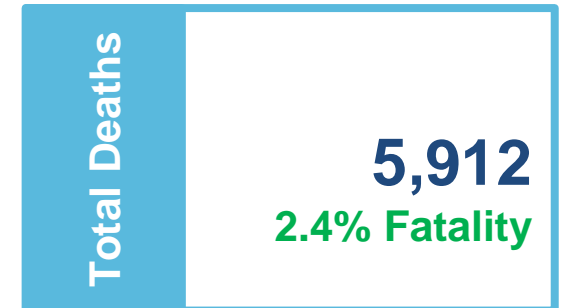
CHAIRMAN & CEO

MLPCARE

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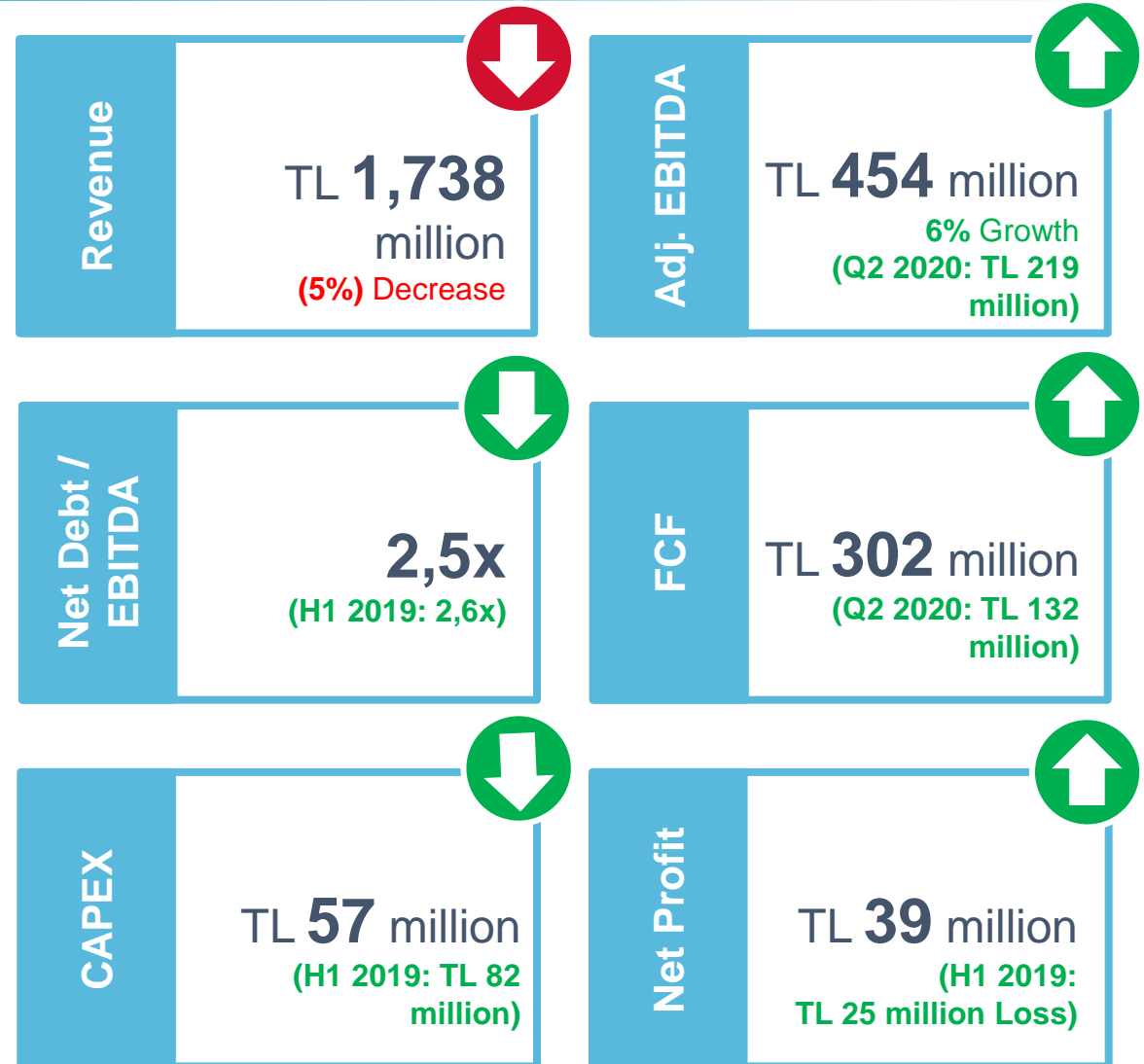
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Snapshot of Pandemic in Turkey as of August 13th, 2020



At a Glance: MLP Care H1 2020 Financial Highlights

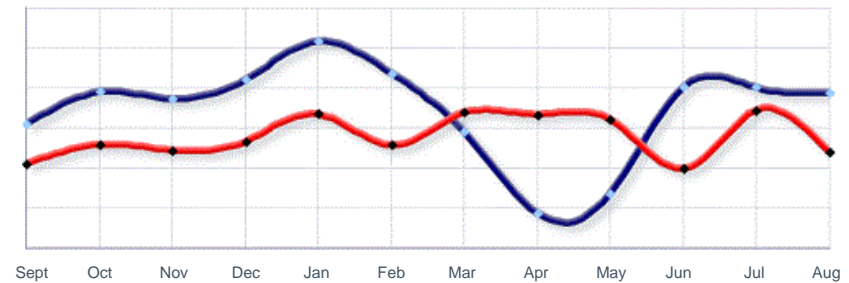
- ✓ All hospitals started accepting COVID-19 patients in March
- ✓ Pandemic status of private hospitals revoked in June
- ✓ Revenue growth despite the COVID-19 pandemic impact
- ✓ EBITDA margin supported by the pandemic related precautions and measures
- ✓ Lower interest expense due to easing interest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



Outlook 2020

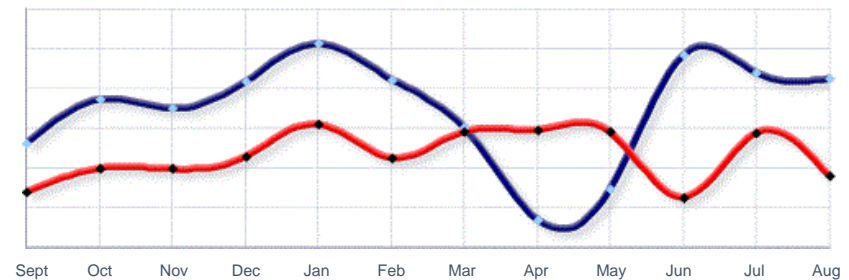
- ✓ Total revenues have dropped significantly in April due to pandemic impact. As of May, «V» shape recovery trend has started.

Total Revenue Trend*



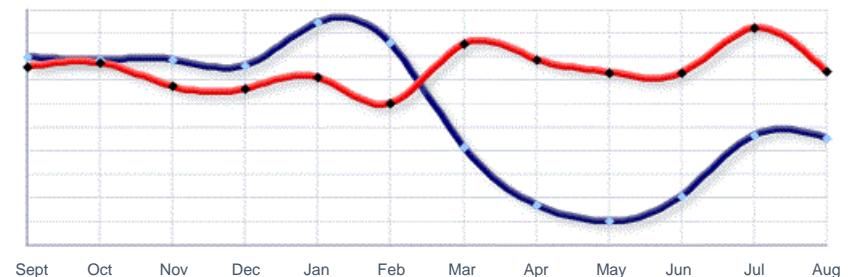
- ✓ Domestic revenues have dropped significantly in April due to due the curfews and weekend lockdowns. As of May, «V» shape recovery trend has kicked-off.

Domestic Revenue Trend*



- ✓ FMT revenues have dropped significantly in May due to flight restrictions. As of June, «V» shape recovery trend has kicked-off.

FMT Revenue Trend*



¹ Including university hospitals

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

Established in 1993, listed on BIST in 2018



29 Hospitals in Total



~5,900 Beds in Total



~18,000 Staff¹

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



3 JCI Accredited Hospitals

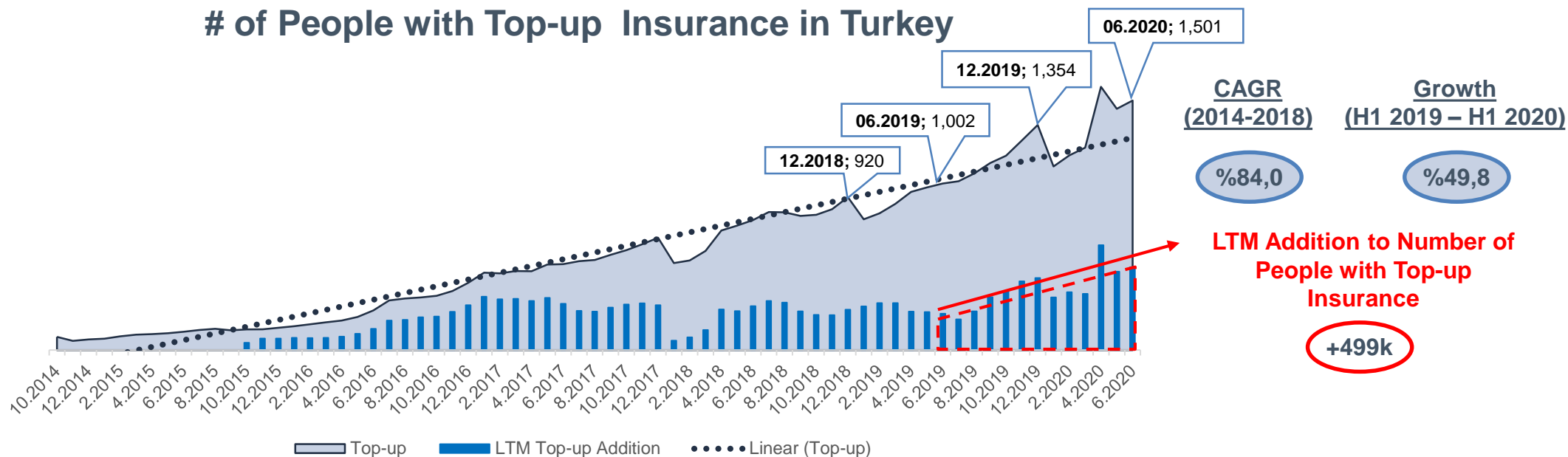
3 Centers of Excellence

Addresses All Price Segments
in the Turkish Market

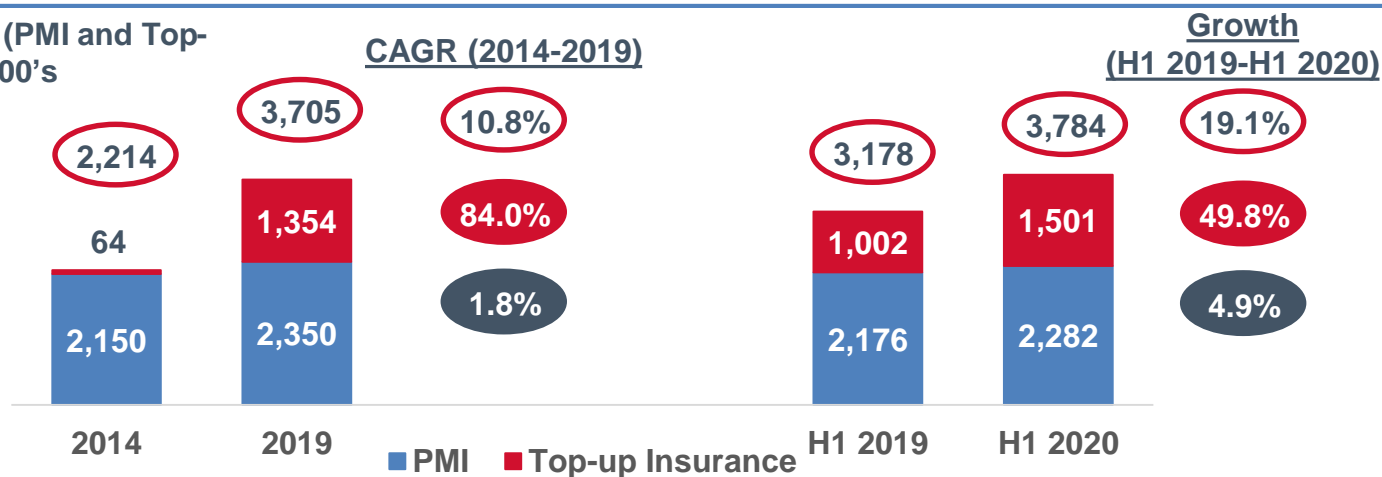
¹ Includes managed hospitals, full time and part time staff

of People with Top-up Insurance Exceeds 1.5 million

of People with Top-up Insurance in Turkey



of People with Insurance (PMI and Top-up) in Turkey – 000's



Our Growth Strategy is Intact

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



VM Medical Park Maltepe

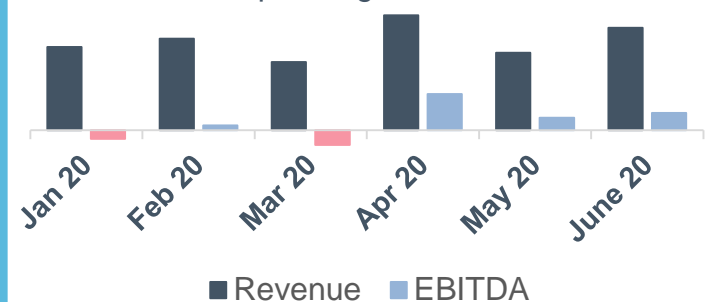


Location: Maltepe / Istanbul
Opening Date: December 2019

TOTAL CAPEX: 877k TL

Key Statistics

- ❖ 20k sqm
- ❖ 135 bed capacity
- ❖ 60 polyclinic rooms
- ❖ 7 operating rooms

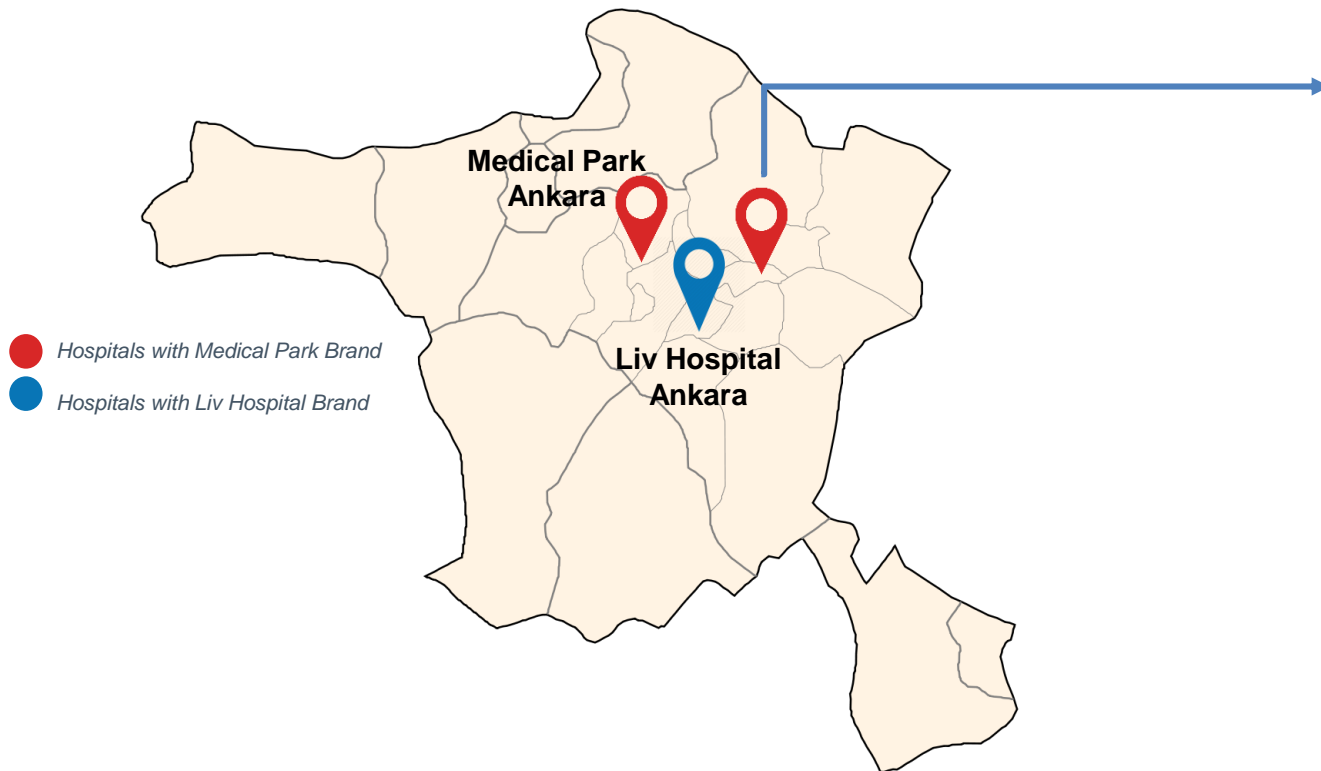


★ **Positive EBITDA 4** of the 6 months after M&A

- ✓ 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



- ✓ 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.

VM Medical Park Ankara

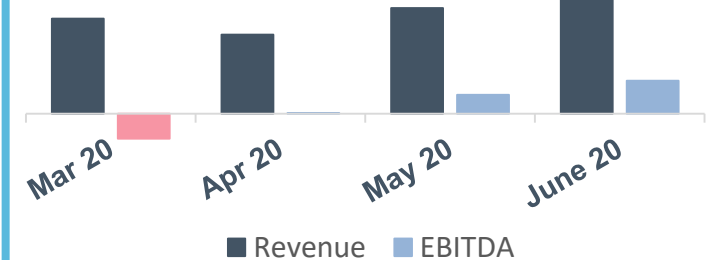


Location: Keçiören/ Ankara
Opening Date: March 2020

TOTAL CAPEX: 204k TL

Key Statistics

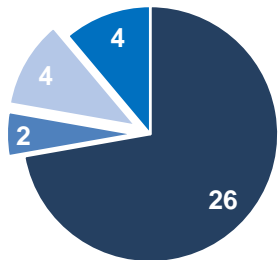
- ❖ 19k sqm
- ❖ 94 bed capacity
- ❖ 27 polyclinic rooms
- ❖ 6 operating rooms



★ **Positive EBITDA 3** of the 4 months after M&A

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)



Liv Hospital İstanbul (Planned)



Target M&A's



Location

- Gaziantep

- İstanbul

- Metropolis

Opening Date

- ~ Q3-end 2020

- ~ Q2 2021

- 2021-2022

Key Statistics

- 40k sqm
- ~ 230 bed capacity
- 70 polyclinic rooms
- 8 operating rooms

- ~ 50k sqm

- 4 new hospitals

Accelerated Efforts for Digitalization After Pandemic

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

GDPR (KVKK)

- Crisis Process Management
- Data Governance & Master Data Management
- Data Lake
- Risk Monitoring

Marketing

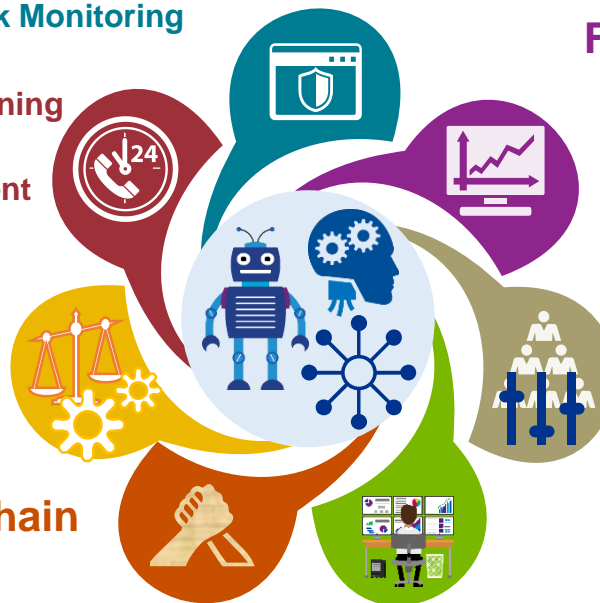
- SIM (Sağlık İzleme Merkezi) planning and Communication
- Automatic Campaign Management
- Data-centric Agile Marketing

Contract Management & Legal

- Central Contract Management
- Lawsuit Tracking
- Hospital License Tracking

Procurement & Supply Chain

- Digital Procurement
- Procurement Analytical Planning



Management Command Center

- KPI Analysis with instant data
- ALOS and patient waiting time management

Finance & Accounting

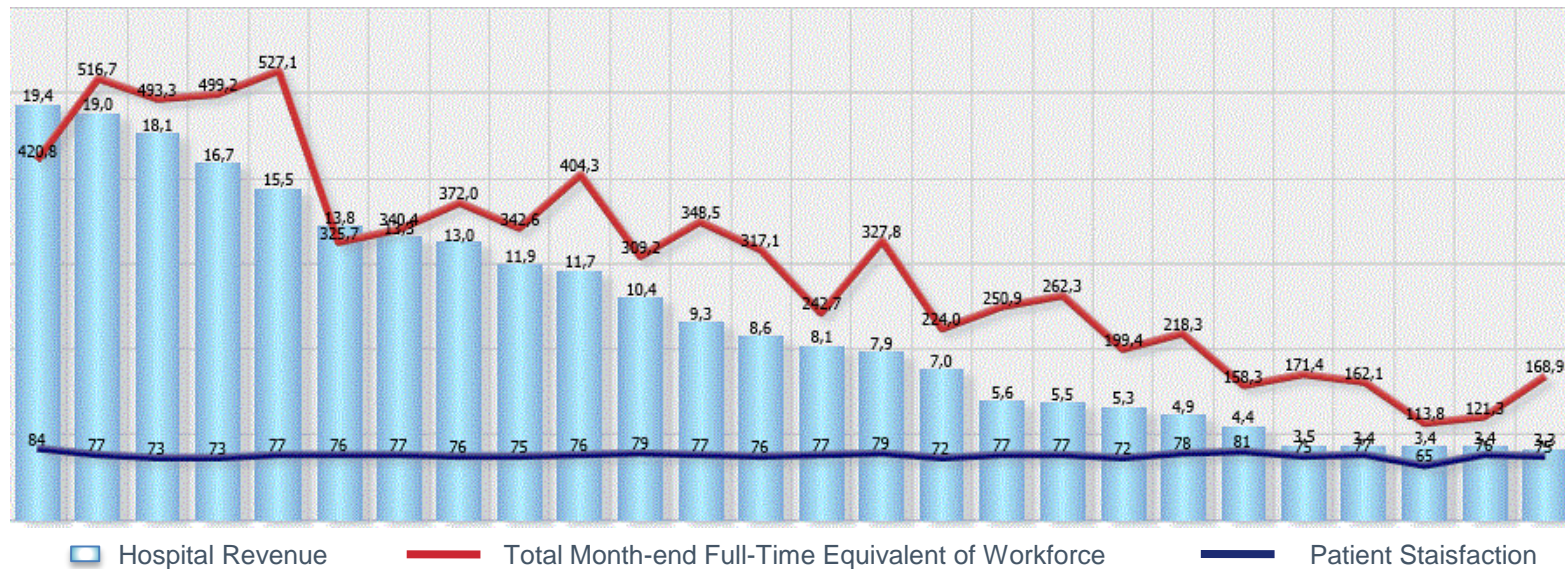
- Accounting Optimization
- Cash Flow
- Finance Expenses
- QCR-QR Code Applications

Human Resources

- Workforce Utilization Management (Shift) – Vacation – Overtime Planning (AI)
 - Doctor
 - Nurse
 - Guest Relations & Technical Support & Accommodation Support
 - Personnel (HQ & Hospitals)

Workforce Utilization Management is Online

Full-Time Equivalent Personnel Revenue Generation



- ✓ Planning working hours of employees per hospital
- ✓ Tracking hospital revenue per employee
- ✓ Cross checking the performance results with patient satisfaction

BURCU ÖZTÜRK

CFO

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Precautions Taken Regarding the COVID-19 Pandemic

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 also decreased the doctor costs.
	Rent Expenses	Rent discount negotiations were successfully completed with the landlords (%50 rent discount is already received for almost all hospitals).
	Material Cost	COVID-19 related hygiene products are procured from Government, which secures minimal unit price.
	Other Cost	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.

Precautions Taken Regarding the COVID-19 Pandemic

Cash Preservation & Liquidity Management

Responsible Leverage

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%

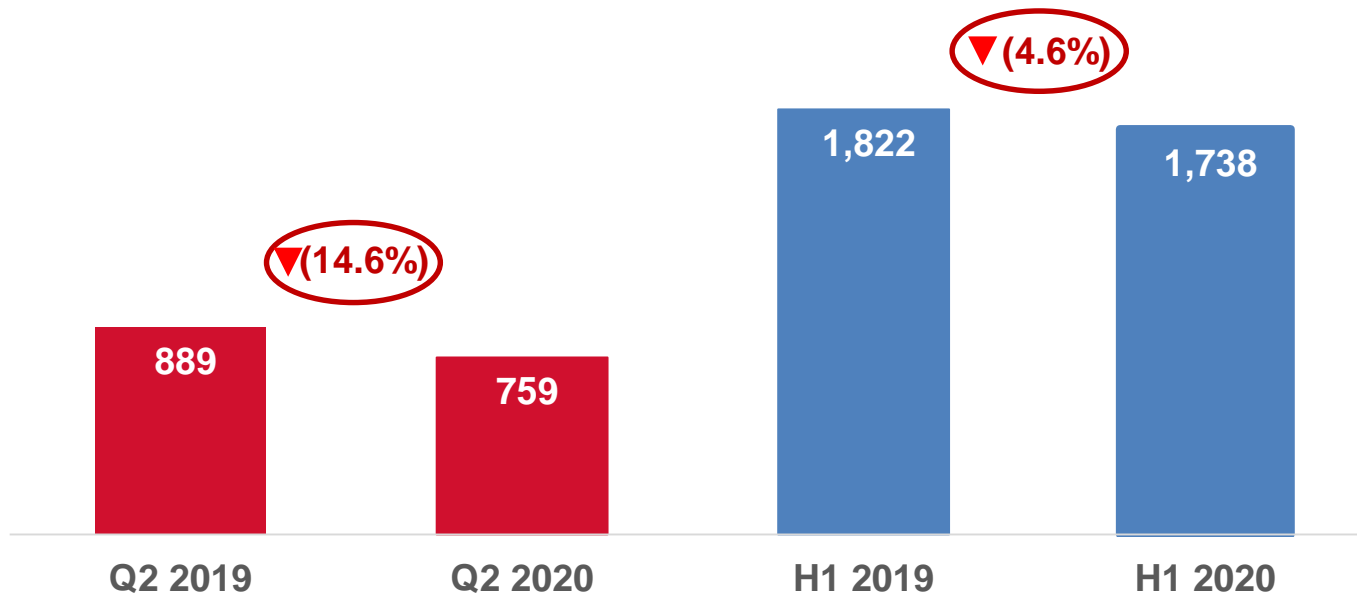
NWC Management

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.

Revenue Decreased 5% in H1 2020 due to COVID-19 Impact

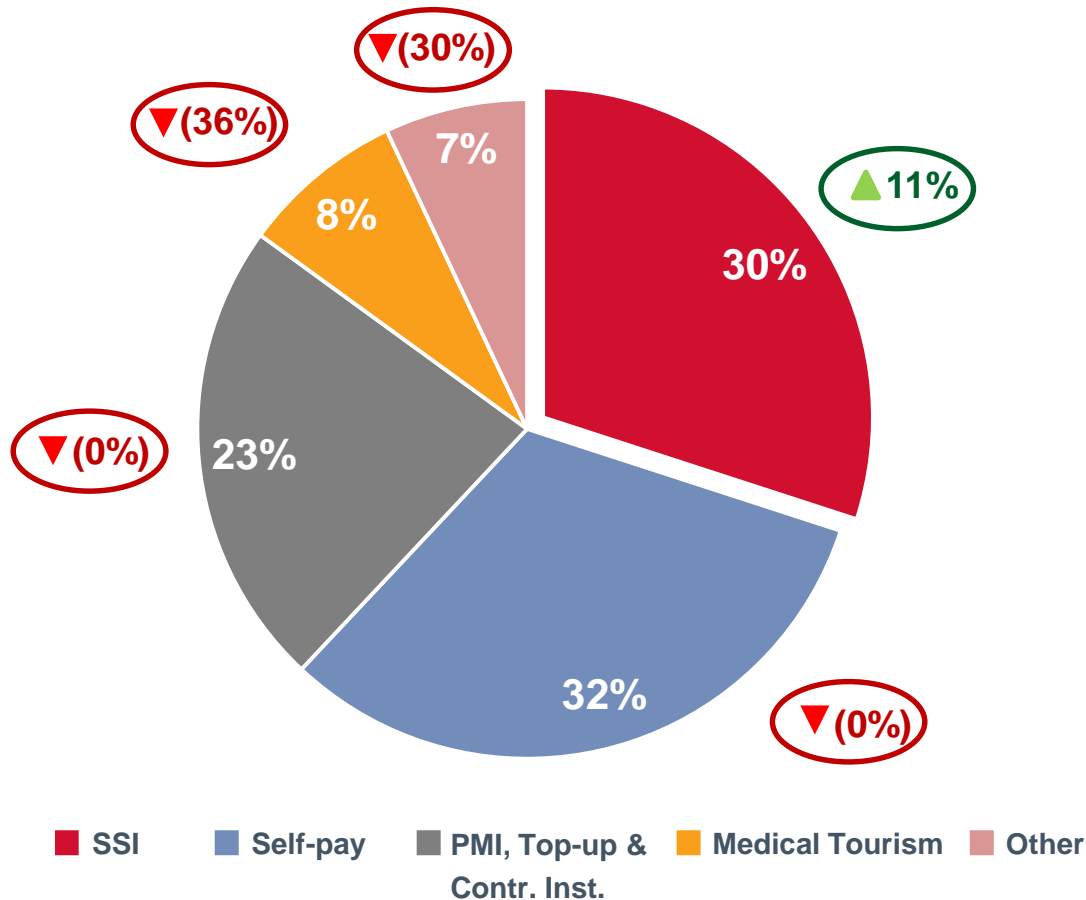
Revenue (TLm)



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

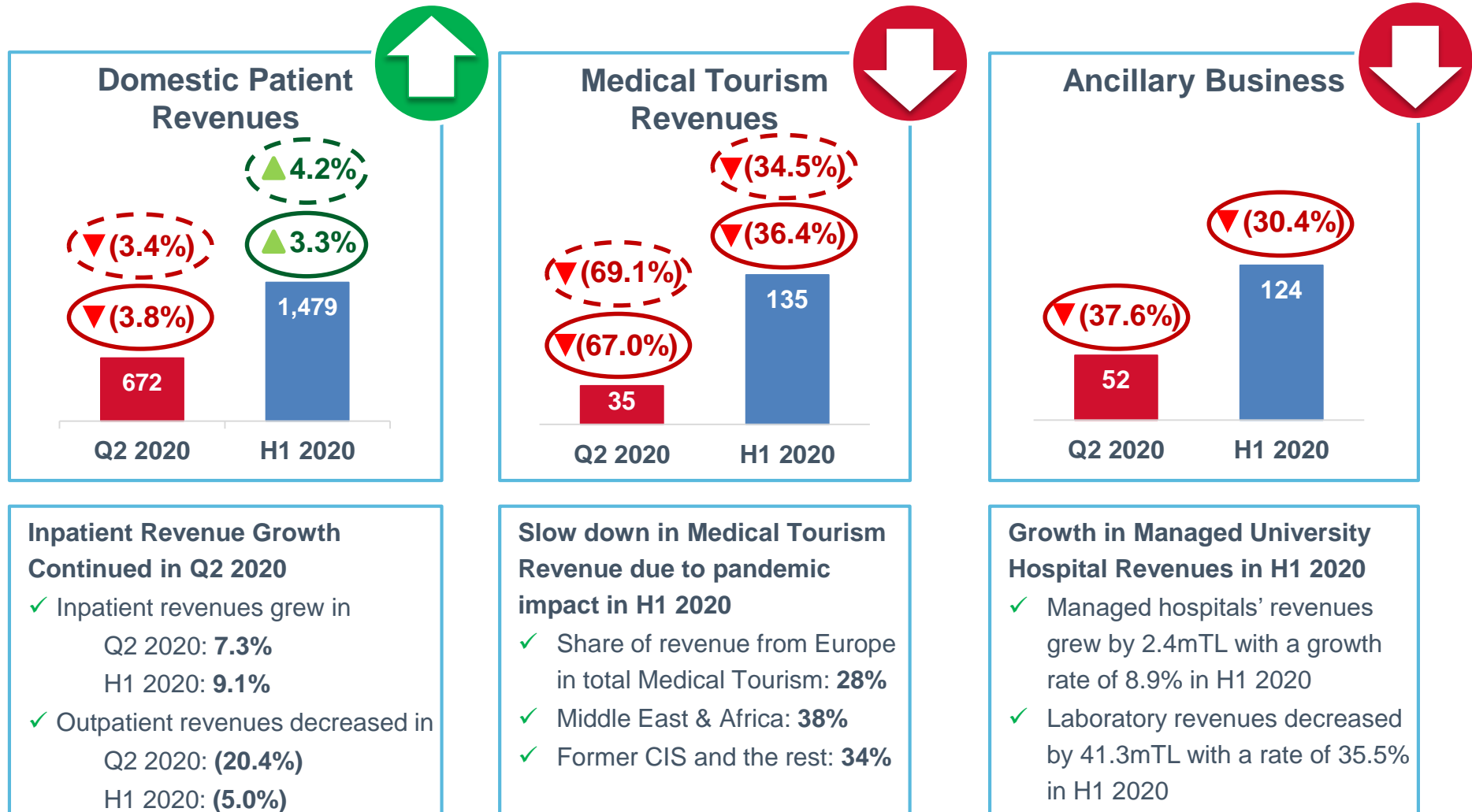
Revenue Decreased 5% in H1 2020 due to COVID-19 Impact

H1 2020



- ✓ Revenue from **SSI** was up by 19% in Q2 2020 (**SSI Insurance** allows for a wide addressable market, which is c.98% of the total population).
- ✓ Revenue from **PMI, Top-up & Contracted Institutions** decreased by 21% in Q2 2020 due to movement restrictions
- ✓ Share of **self pay** decreased by 11% in Q2 2020 due to the Pandemic impact
- ✓ **Medical Tourism** decreased by 67% in Q2 2020 due to travel restrictions
- ✓ **Other** contracted by 38% in Q2 2020 due to non renewed lab business tender and lower revenues of University hospitals during the Pandemic restrictions.

Revenue Impacted by Movement and Travel Restrictions

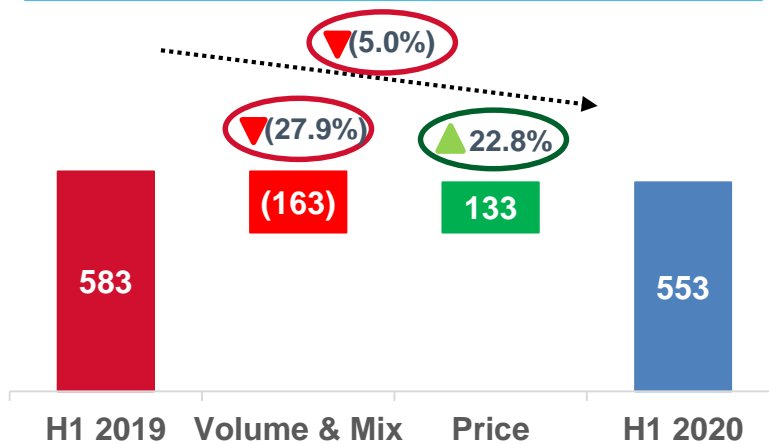


Denotes growth / decrease of Revenue vs. the same period of the last year

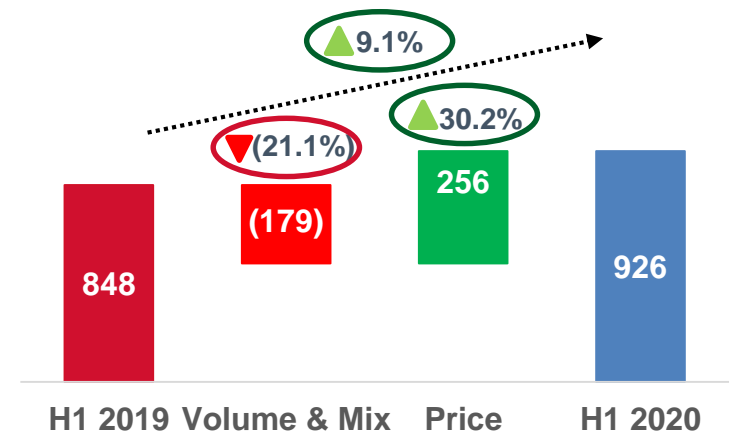
Denotes growth of Revenue Including Managed Hospitals vs. the same period of the last year

Strong Improvement in Both ARPV and ARPP in H1 2020

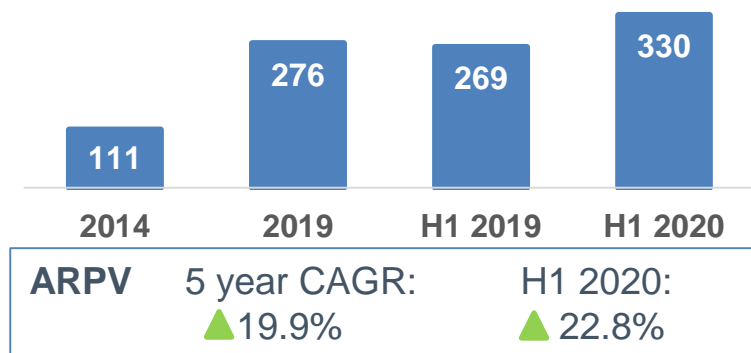
Outpatient Revenues (TLm)



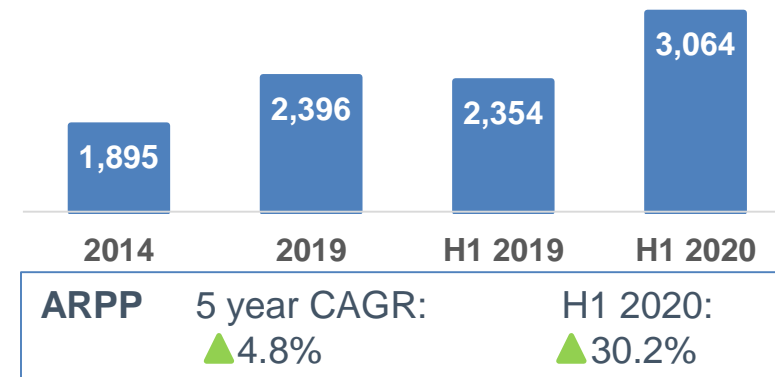
Inpatient Revenues (TLm)



Average Revenue Per Visit (ARPV)



Average Revenue Per Protocol (ARPP)



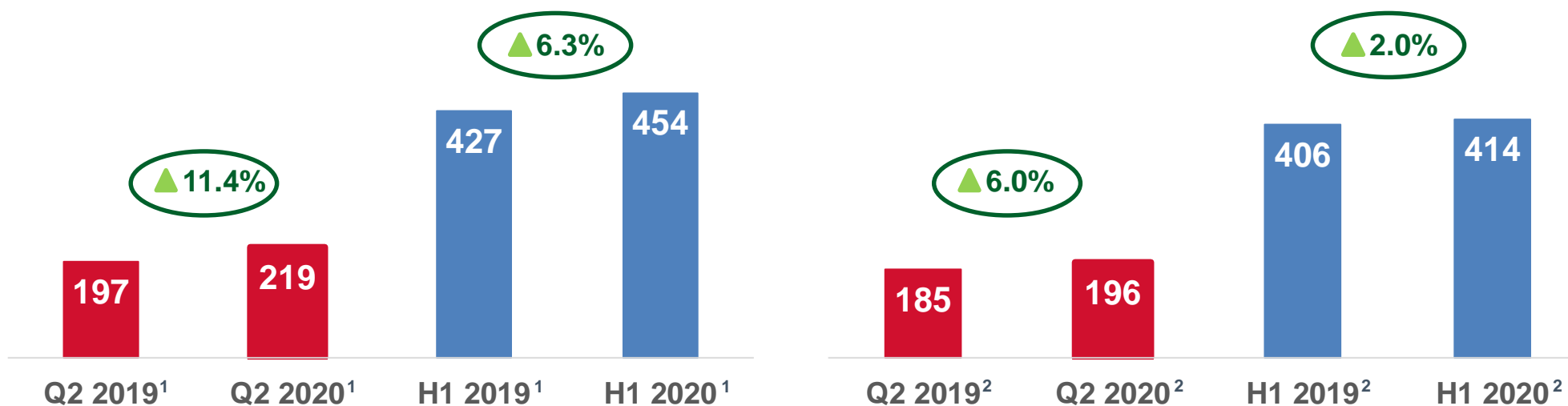
✓ **Outpatient** and **Inpatient** revenues made up **37%** and **63%** of total Domestic Hospital Business Revenues in H1 2020



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

EBITDA Up by 11% in Q2 2020 supported by prudent cost management

EBITDA (TLm)



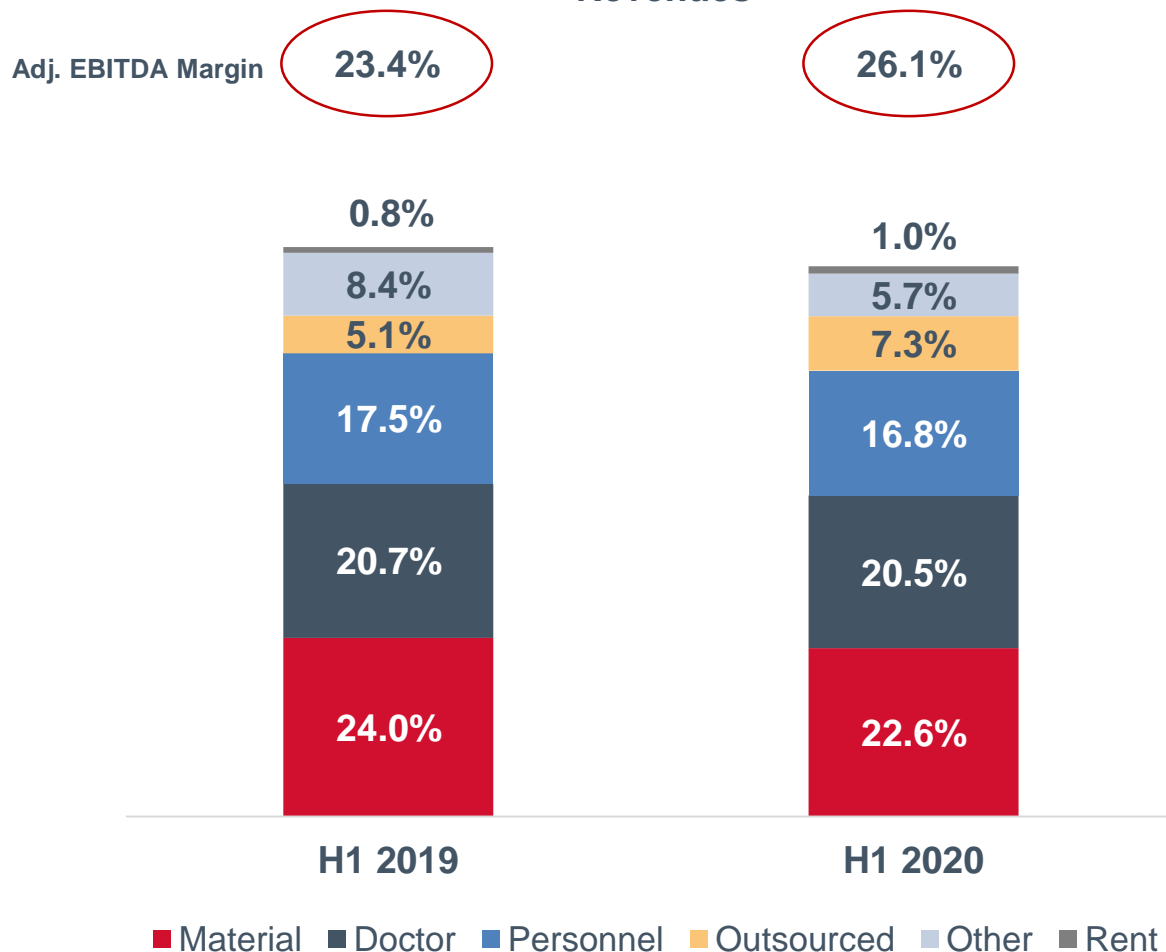
¹ Adj. EBITDA: EBITDA TFRS adjustments that have no cash impact on relevant period and one-off income/expense items

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

Prudent Cost Management

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

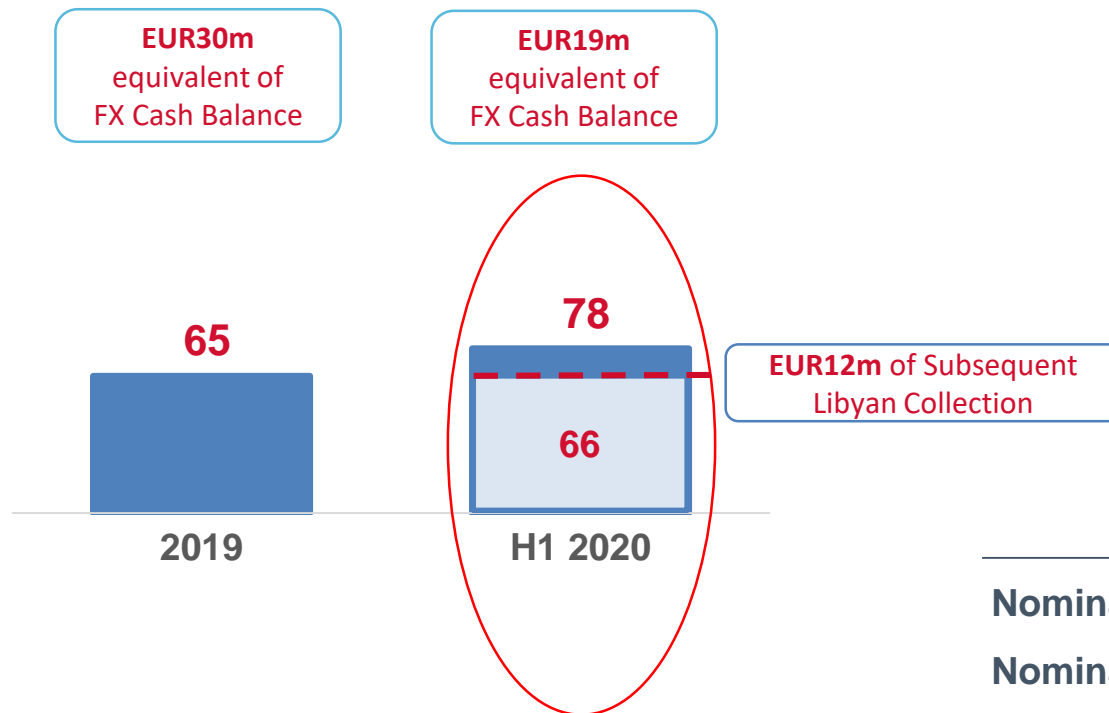


Cost Saving Measures enables us to reach the Highest EBITDA Margin in recent periods

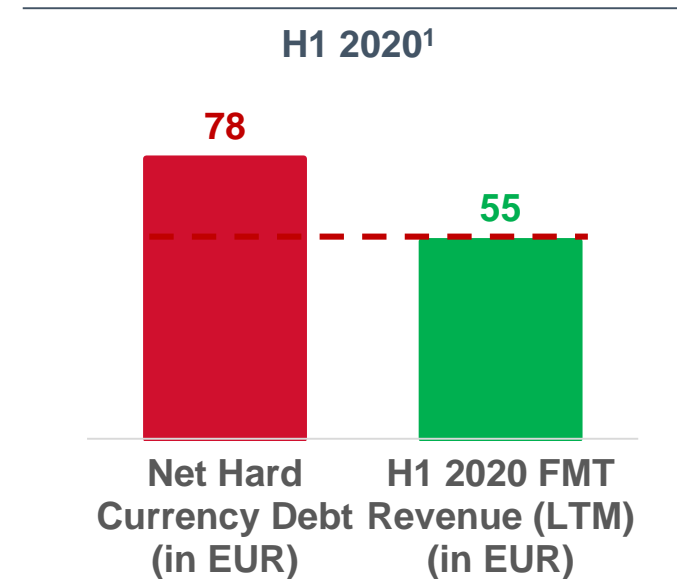
- ✓ **Material costs** as a % of revenue declined in Q2 2020 due to decrease in the share of laboratory business which has higher cost base.
- ✓ **Doctor costs** as a % of revenue was flat due to having a variable cost nature.
- ✓ **Personnel costs** as a % of revenue decreased in Q2 2020 despite the new hospital acquisitions and minimum wage increase by Jan-20 due to cost efficiency measures
- ✓ **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

Debt Position in H1 2020

FX BASED NET DEBT¹ (in EUR m)



NET DEBT

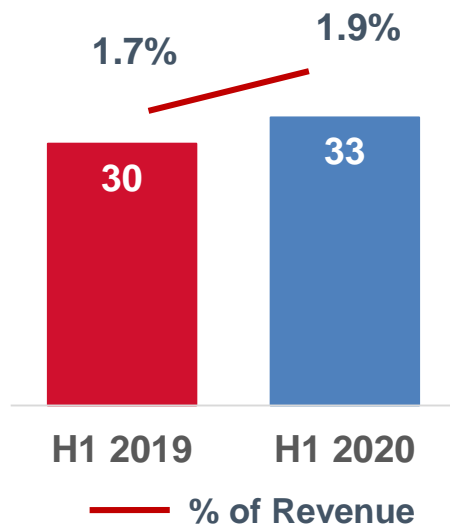


Nominal Net Debt (exc. IFRS 16)	1,525m TL
Nominal Net Debt (inc. IFRS 16)	2,159mTL
Net Debt /Adj. EBITDA (inc. IFRS 16)	2.5x

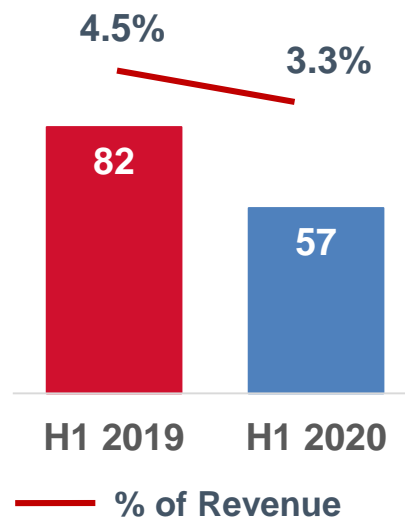
- ✓ 39% of 2020 debt service (including bank loans and financial leases) is hedged
- ✓ Net Debt to Adj. EBITDA ratio was at 2.5x

Total Capex Decreased, Operating Cash Flow Improved

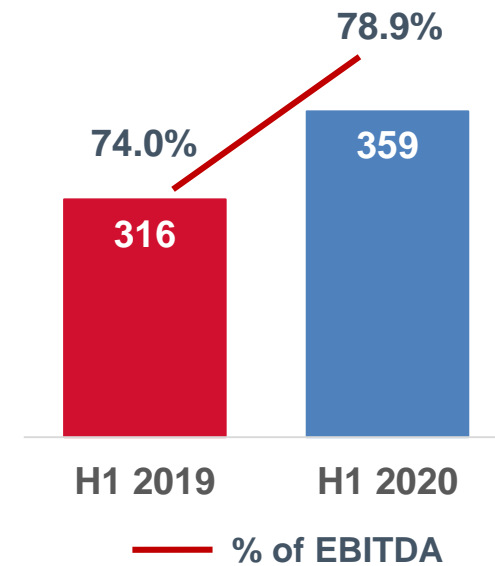
Maintenance Capex (TLm)



Total Capex (TLm)



Operating Cash Flow / EBITDA



Q&A

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Closing Remarks

MUHARREM USTA

CHAIRMAN & CEO

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Thank You!

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Historical Balance Sheet

TLm	Reviewed June 30, 2020	Reviewed June 30, 2019	Audited December 31, 2019
Cash and cash equivalents	470	260	306
Trade receivables	1,080	981	991
Inventory	107	89	90
Short term other assets	392	269	335
Current assets	2,049	1,599	1,722
Tangible and intangible fixed assets	1,428	1,281	1,327
Right of use assets	268	231	235
Deferred tax assets	410	385	398
Long term other assets	234	226	232
Non-current assets	2,340	2,122	2,193
Total assets	4,389	3,722	3,914
Trade payables	804	783	821
Short term other liabilities	363	258	256
Short term financial liabilities (incl. financial and operational leases)	951	791	861
Current liabilities	2,118	1,831	1,938
Long term other liabilities	139	54	95
Deferred tax liabilities	182	137	155
Long term financial liabilities (incl. financial and operational leases)	1,678	1,496	1,488
Non-current liabilities	1,999	1,686	1,738
Shareholders' equity	252	163	230
Non-controlling interest	20	41	8
Equity	272	204	238
Total liabilities & equity	4,389	3,722	3,914

Historical P&L Statements

TLm	H1 2020	H1 2019	Change (%)	Q2 2020	Q2 2019	Change (%)
Revenue	1,738	1,822	(4.6%)	759	889	(14.6%)
Cost of service (-)	(1,351)	(1,401)	(3.6%)	(601)	(694)	(13.5%)
Gross profit	388	422	(8.1%)	159	195	(18.4%)
General administration expenses (-)	(113)	(143)	(21.3%)	(39)	(72)	(46.0%)
Other income from operations	161	145	11.1%	79	83	(4.4%)
Other expenses from operations (-)	(126)	(142)	(11.7%)	(58)	(82)	(28.9%)
Operating profit / (loss)	310	281	10.3%	140	123	14.0%
Income from investing activities	85	1	n.m.	2	1	203.0%
Expense from investing activities (-)	(0)	--	100.0%	(0)	--	100.0%
EBIT	395	282	39.8%	143	124	15.0%
<i>EBIT margin</i>	22.7%	15.5%	722bps	18.8%	13.9%	483bps
Interest expenses (-)	(227)	(253)	(10.5%)	(118)	(144)	(18.0%)
Net foreign exchange profit / (loss) (including hedging cost)	(104)	(56)	84.0%	(46)	(28)	63.4%
Net profit / (loss) before tax	64	(27)	n.m.	(22)	(49)	(54.4%)
Tax income / (expense) from operations	(25)	3	n.m.	0	13	(99.5%)
Net profit / (loss)	39	(25)	n.m.	(22)	(36)	(37.8%)

Reconciliation from Reported EBITDA to Adjusted EBITDA

TLm	H1 2020	H1 2019	Q2 2020	Q2 2019
Net profit / (loss)	39	(25)	(22)	36
Tax (income) from operations	25	(3)	(0)	(13)
Depreciation and amortization of tangible and intangible fixed assets	125	129	63	65
Total interest expenses/(income) and fair value differences of derivative instruments	318	293	158	165
Net (gains) / losses from the disposal of tangible and intangible assets and income from negative goodwill	(85)	(1)	(2)	(1)
Reported EBITDA	423	394	196	181
Net one-off (gains) / losses	24	21	20	14
Non-cash GAAP provision expenses	7	12	3	1
Adjusted EBITDA	454	427	219	197
Adjusted EBITDA Margin (%)	26.1%	23.4%	28.8%	22.1%
Foreign exchange gains/(losses) from operations	40	21	23	11
Adjusted EBITDA¹	414	406	196	185
Adjusted EBITDA¹ Margin (%)	23.8%	22.3%	25.9%	20.8%

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