

MLP Care Investor Presentation

Raiffeisen Bank International-Virtual Turkish Day June 7, 2021



MLPCARE

MEDICALPARK | **liV**HOSPITAL

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MLP Care: The #1 Private Hospital Group in Turkey

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



30 Hospitals in Total



6,000+ Beds in Total



~17,000 Staff¹
2,100+ Doctors
(14% 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

Our Growth Strategy is Intact

MLP Care continues its asset light growth strategy



Growing our existing business by increasing capacity utilization at large hospitals



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

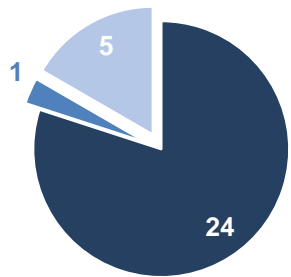
Quick EBITDA ramp-up through leveraging MLP Care's resources (brand strength, operational know how, licensing, experienced physicians, and management staff)

Min. acquisition CAPEX & WC requirements



New Opening and Opportunities

of Hospitals



- Medical Park
- Liv Hospital 2021 Addition
- Liv Hospital

Liv Hospital Vadistanbul (Opened)



Target M&A's



Location

- Istanbul

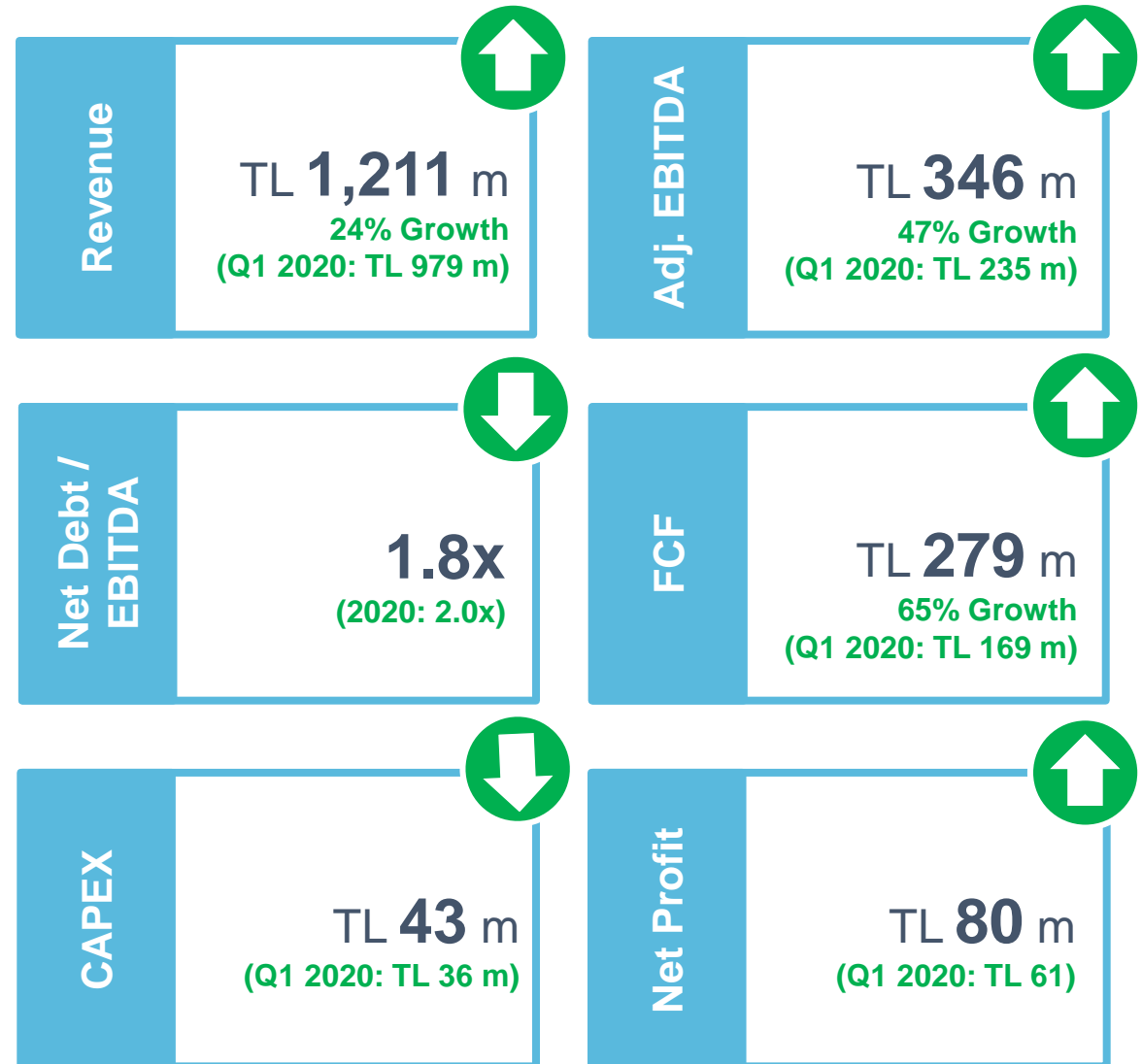
Opening Date

- May 24, 2021

- Evaluating opportunistic M&A's in Turkey

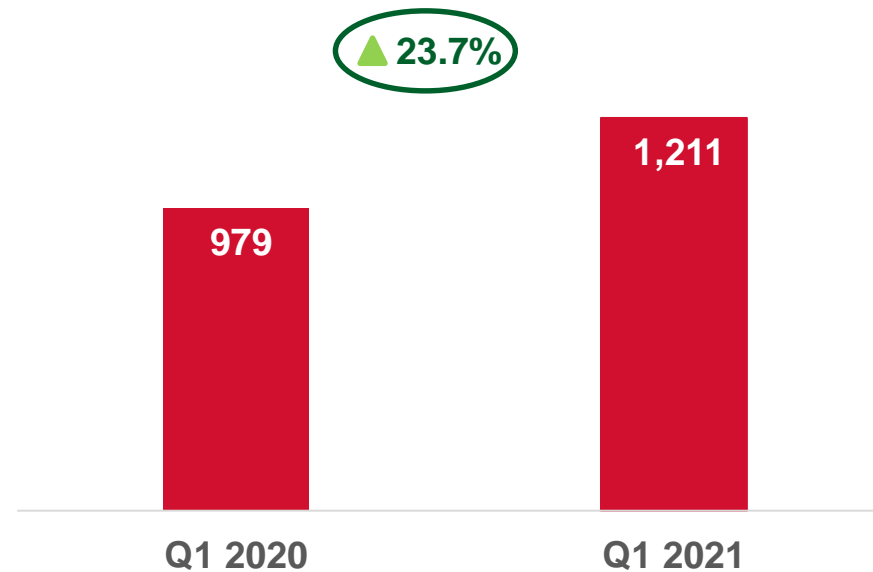
At a Glance: MLP Care Q1 2021 Financial Highlights

- ✓ Robust revenue growth continued y-o-y despite the challenges of pandemic and high base of the last year (January-February 2020)
- ✓ EBITDA margin supported by operational performance of hospitals and effective cost management
- ✓ Net profit improved on the back of
 - operational performance,
 - leverage of fixed cost base, and
 - successful financial cost management
- ✓ Lower finance expense due to conversion of FX net debt into TL



Revenue Increased 24% in Q1 2021 despite the COVID-19 Impact

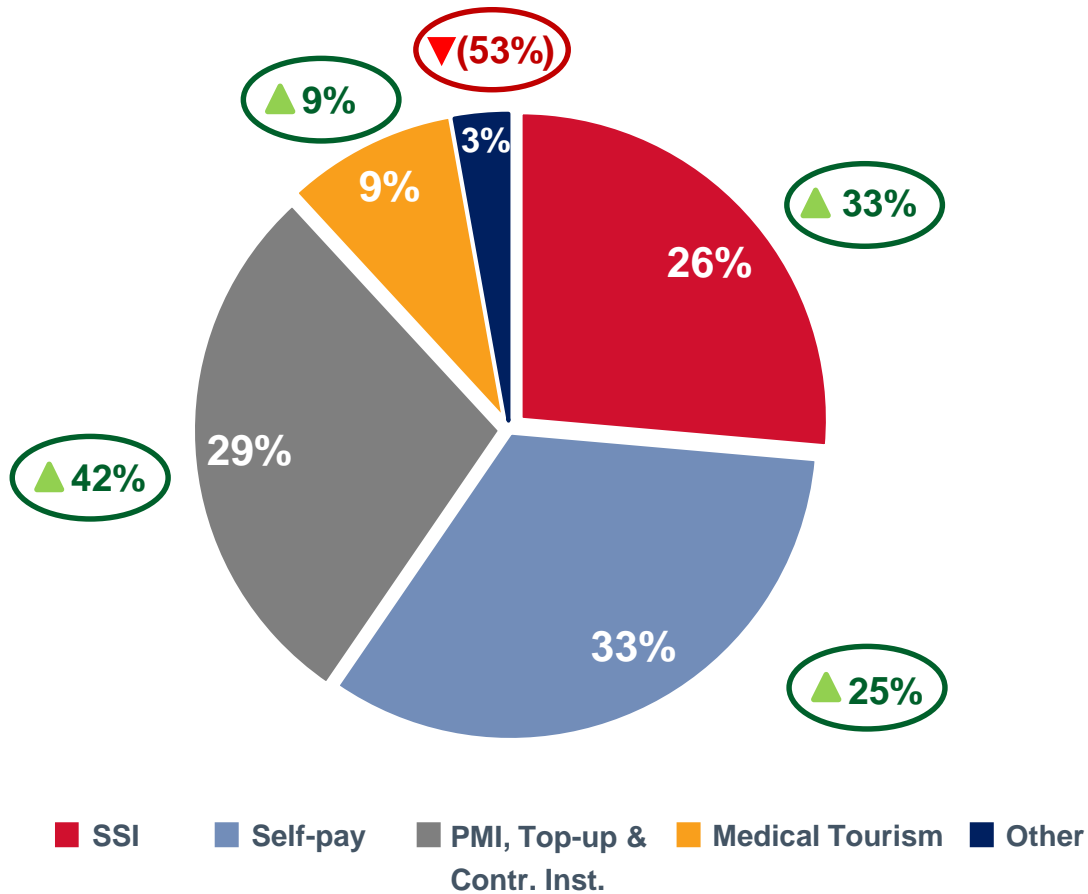
Revenue (TLm)



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

Accelerated Revenue Growth in Q1 2021

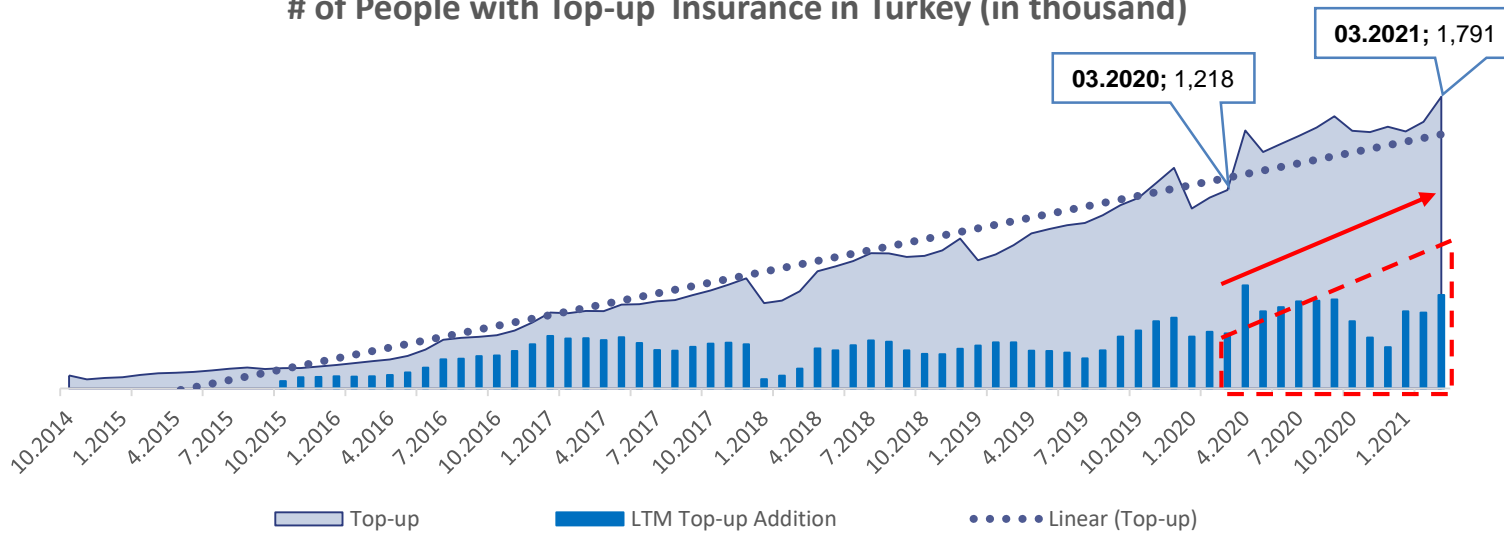
Q1 2021



- ✓ Revenue from **SSI** was up by 33% in Q1 2021 (SSI Insurance allows for a wide addressable market, which is c.98% of the total population)
- ✓ **Self pay** increased by 25% in Q1 2021
- ✓ Revenue from **PMI, Top-up & Contracted Institutions** increased by 42% in Q1 2021
- ✓ **Medical Tourism** increased by 9% in Q1 2021
- ✓ **Other revenues** decreased by 53% in Q1 2021 due to decreased laboratory business revenues

of People with Top-up Insurance Close to 1.8 million

of People with Top-up Insurance in Turkey (in thousand)



CAGR
(2014-2020)

71.0%

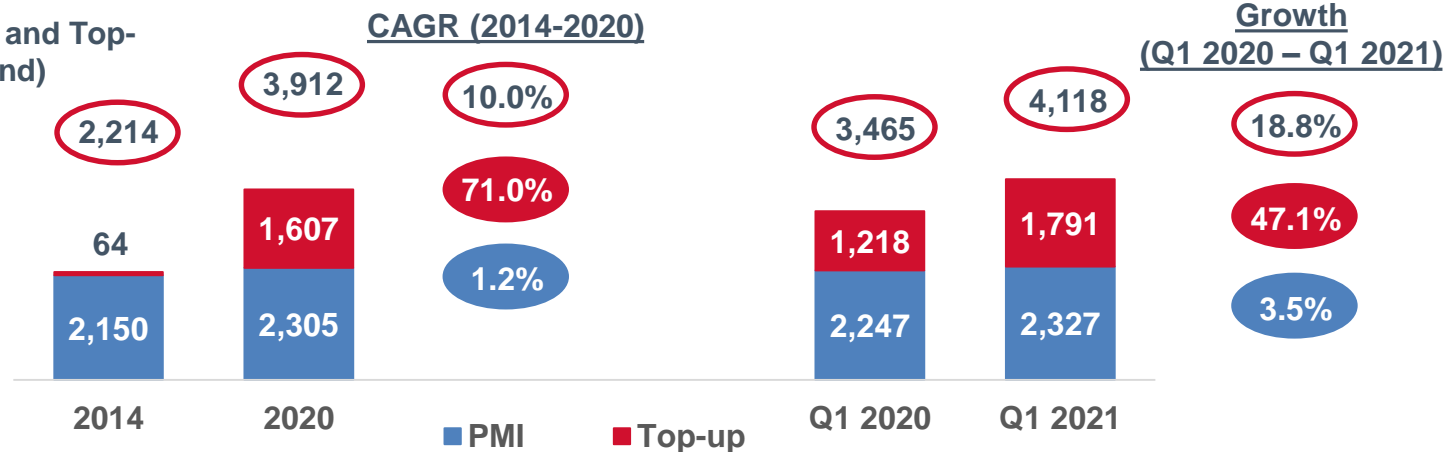
Growth
(Q1 2020 – Q1 2021)

47.1%

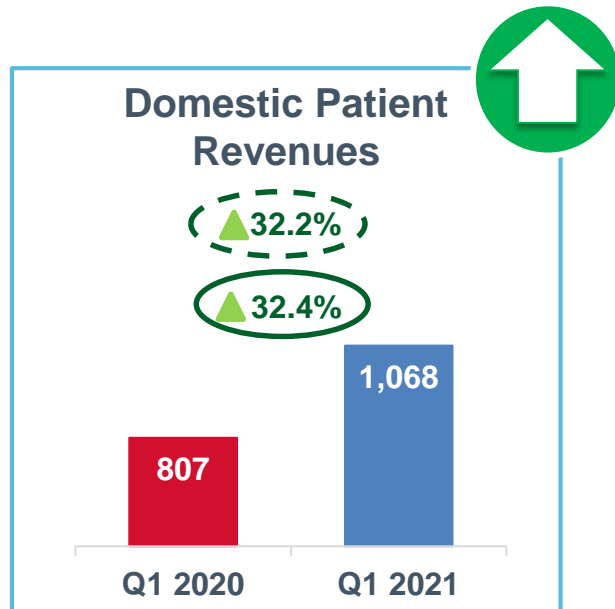
LTM Addition to Number of People with Top-up Insurance

+573k

of People with Insurance (PMI and Top-up) in Turkey – (in thousand)

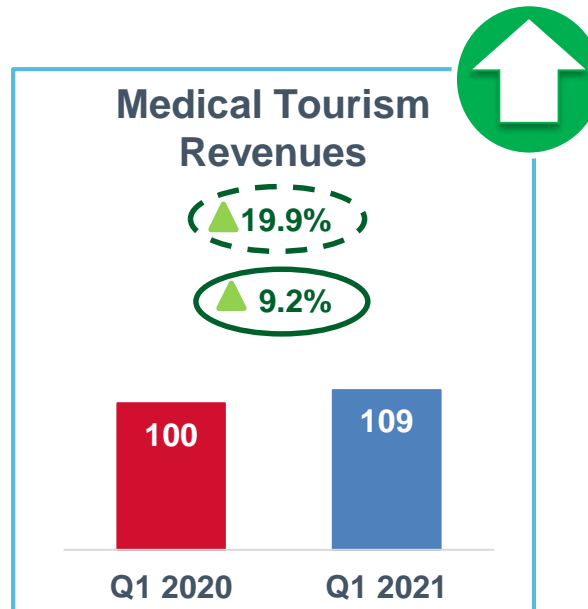


Revenue Growth Supported by High Domestic Revenues



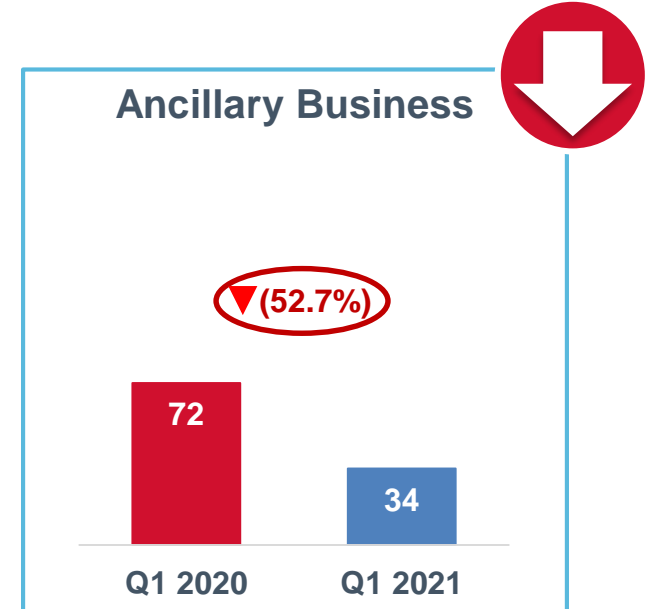
Domestic Revenue growth accelerated in Q1 2021

- ✓ Inpatient revenues grew in Q1 2021: **33.4%**
- ✓ Outpatient revenues grew in Q1 2021: **30.8%**



Gradual recovery in Medical Tourism Revenue starting in June 2020

- ✓ Share of revenue from Europe in total Medical Tourism: **23%**
- ✓ Middle East & Africa: **38%**
- ✓ Former CIS and the rest: **39%**



Decrease in Laboratory Business Revenues in Q1 2021

- ✓ Managed hospitals' revenues was almost stable at 17.7mTL in Q1 2021
- ✓ Laboratory business revenue decreased by 75.9% to 10.3mTL in Q1 2021 (Q1 2020: 42.8mTL)

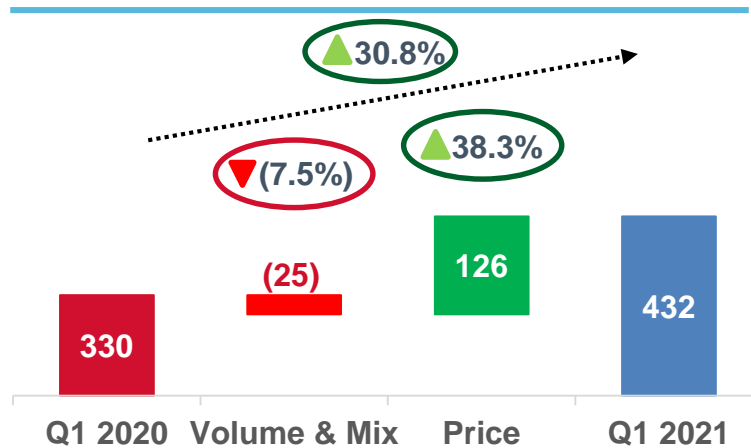


Denotes growth / decrease of Revenue vs. the same period of the last year

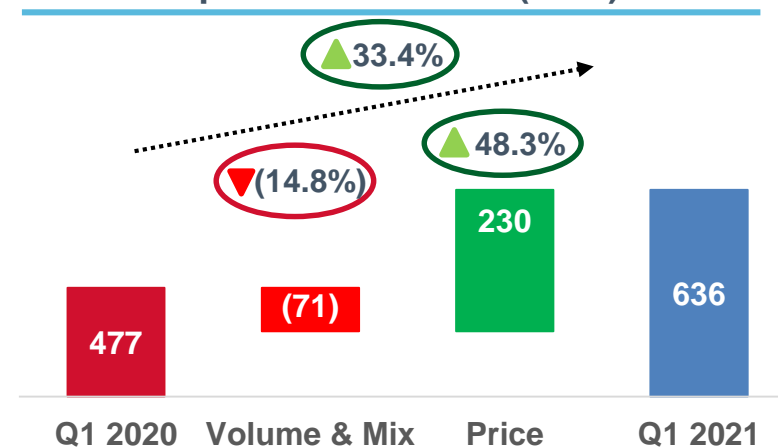
Denotes growth of Revenue Including Managed Hospitals vs. the same period of the last year

Strong Improvement in Both ARPV and ARPP in Q1 2021

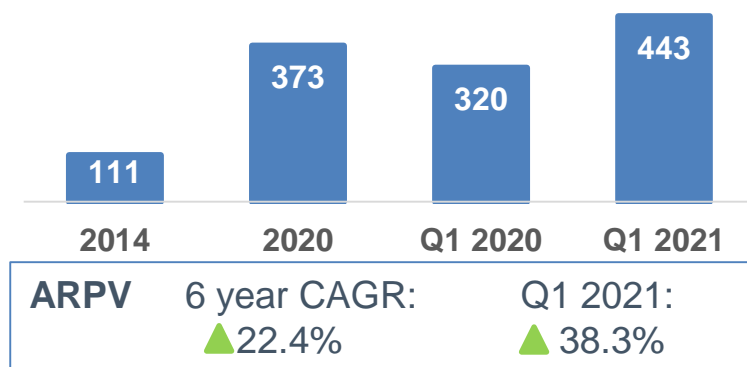
Outpatient Revenues (TLm)



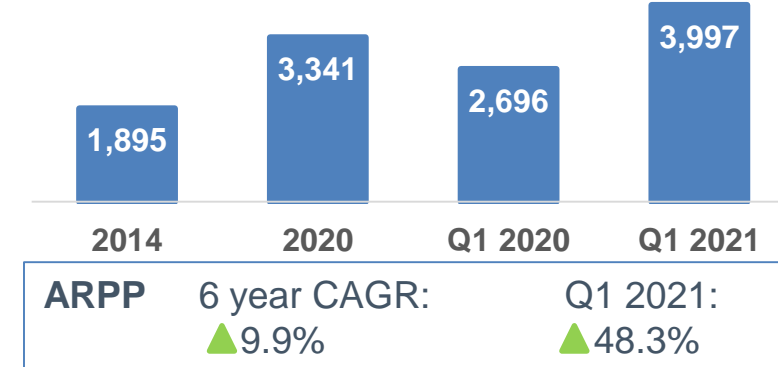
Inpatient Revenues (TLm)



Average Revenue Per Visit (ARPV)



Average Revenue Per Protocol (ARPP)

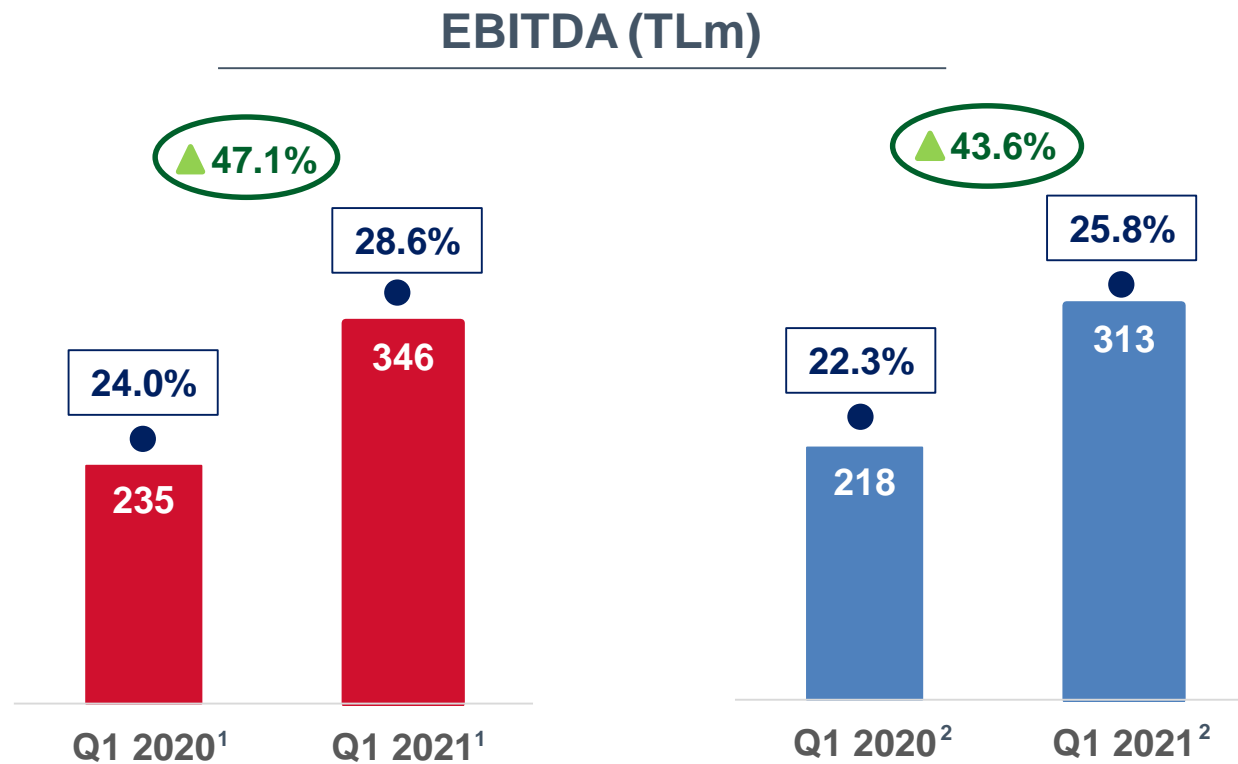


✓ **Outpatient** and **Inpatient** revenues made up **40%** and **60%** of total Domestic Hospital Business Revenues in Q1 2021



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

EBITDA Up by 47% in Q1 2021 Supported by Prudent Cost Management



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

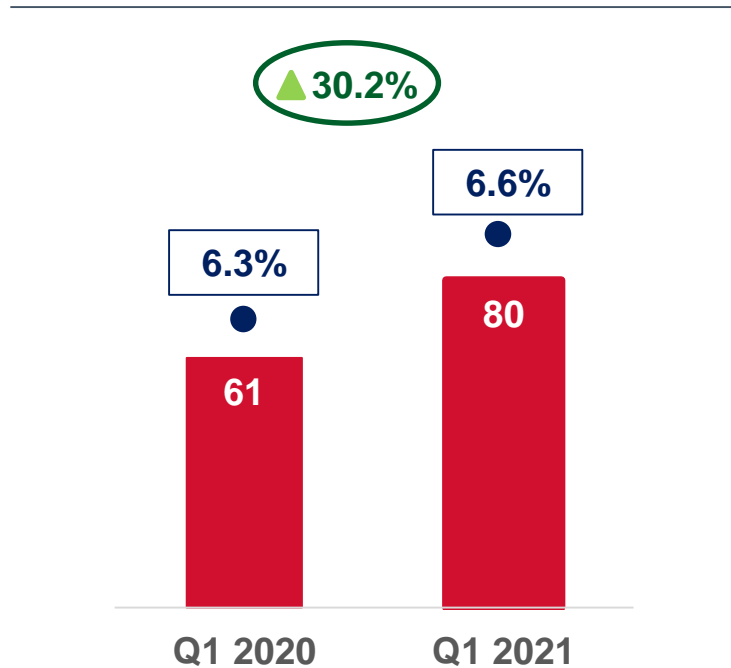
² Adj. EBITDA: Adj. EBITDA without foreign exchange effect of other income/expenses from operating activities

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

● EBITDA margin

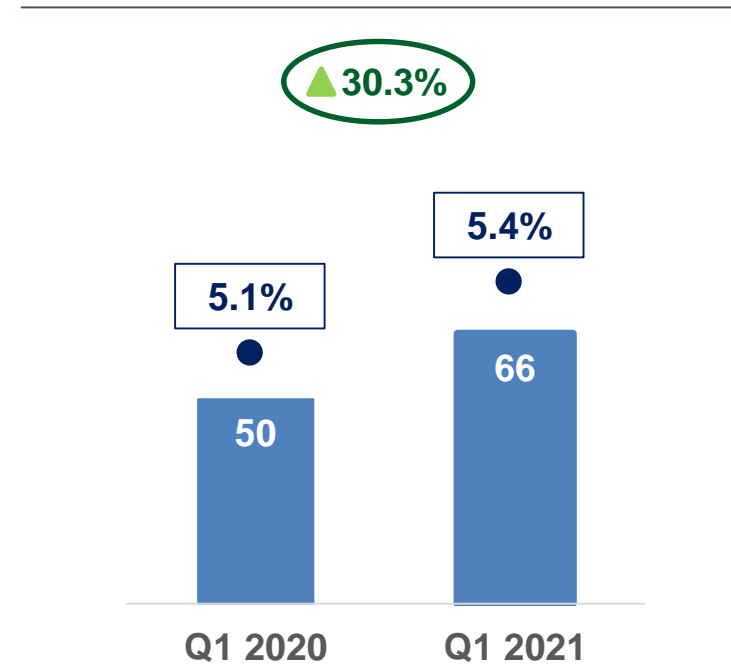
Net Profit Up by 30% in Q1 2021

Net Profit (TLm)



Net Profit (TLm)

Allocated to Equity Holders of the Parent

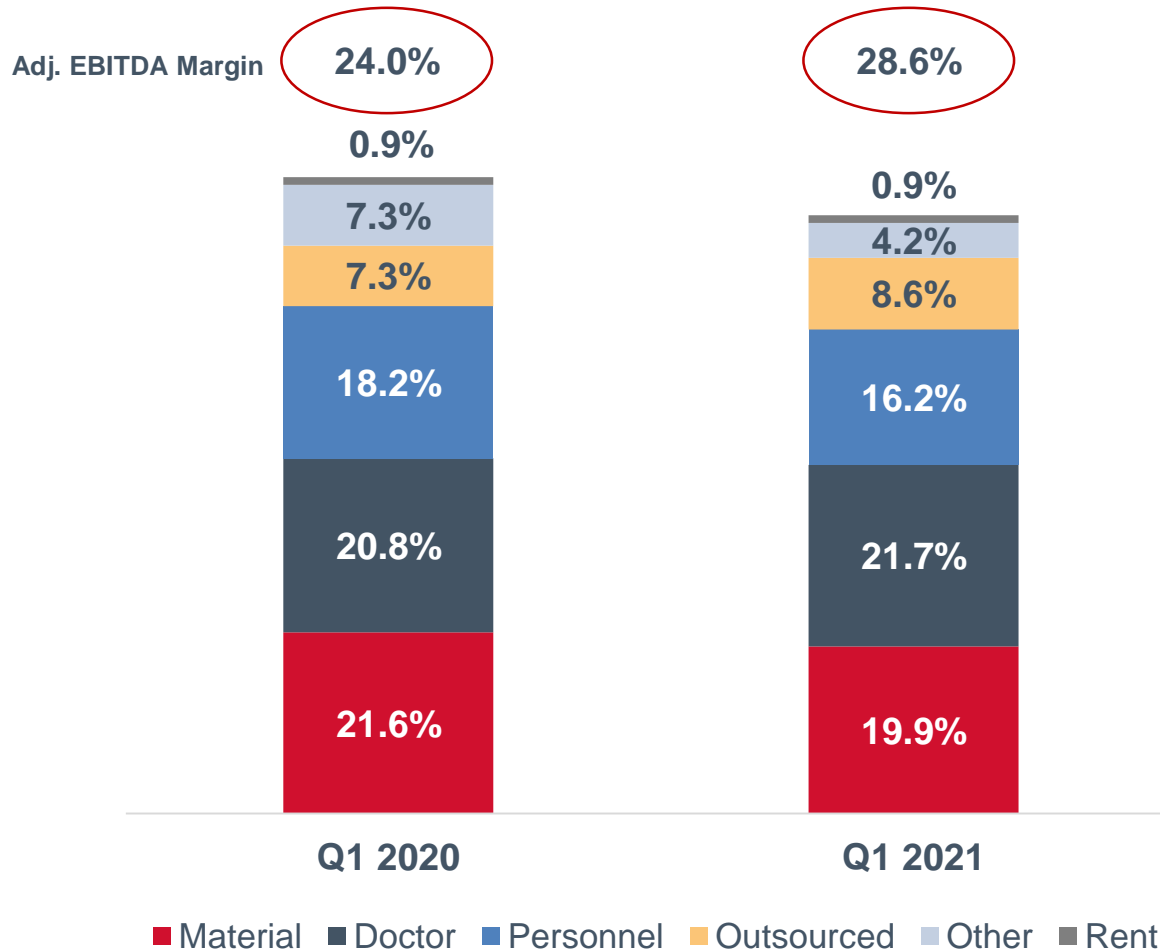


▲ Denotes growth of Net Profit and Net Profit Allocated to Equity Holders of the Parent vs. the same period of the last year

● Net Profit and Net Profit Allocated to Equity Holders of the Parent margin

Prudent Cost Management

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

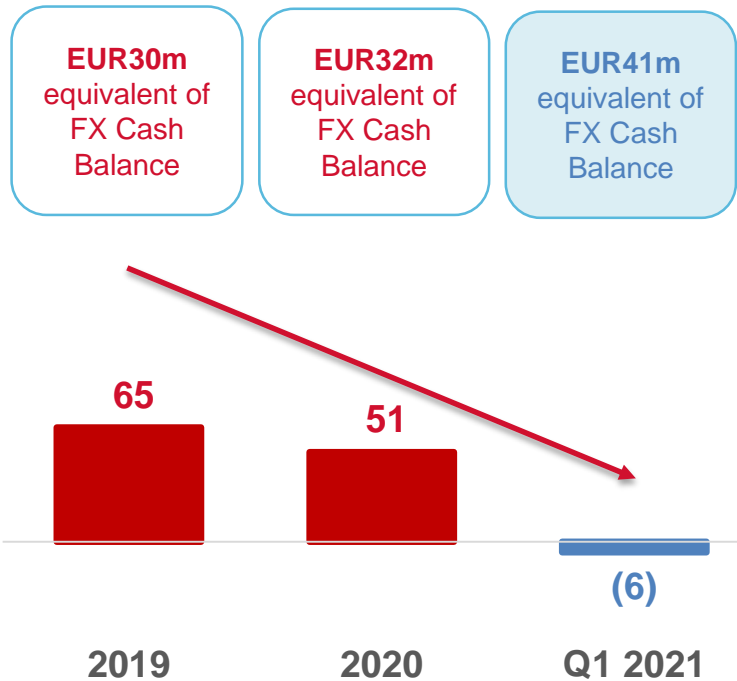


Cost Saving Measures enables us to reach the favourable EBITDA margin

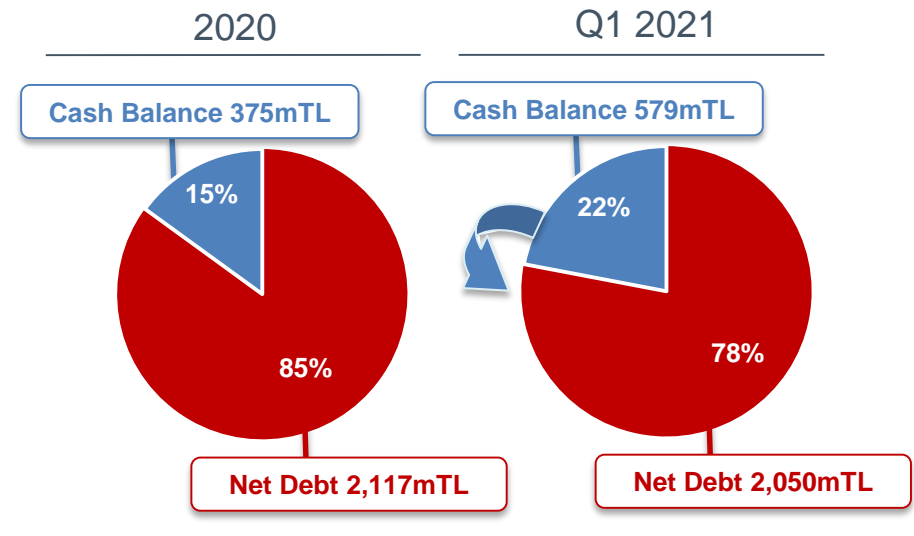
- ✓ **Material costs** as a % of revenue declined in Q1 2021 due to decrease in the share of laboratory business which has higher cost base
- ✓ **Doctor costs** as a % of revenue increased in Q1 2021 due to the divider effect of the decreasing other ancillary business revenue in the ratio calculation
- ✓ **Personnel costs** as a % of revenue decreased in Q1 2021 due to better resource management, robust revenue growth, and utilization of the government's Short-time Work Program subsidy
- ✓ **Outsourced services** as a % of revenue increased due to increased volume of the outsourced PCR test service expenses
- ✓ **Other expenses** as a % of revenue decreased due to the increasing effect of operational FX income on total expenses and the decrease in the marketing expenses related to FMT revenues

Long Position in FX Net Debt

FX Based Net Debt ¹ (in EUR m)



Gross Debt Percentage

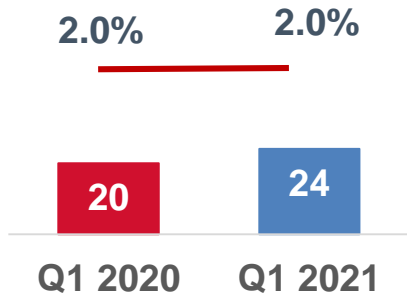


Nominal Net Debt (exc. IFRS 16)	1,521mTL	↓	1,423mTL
Nominal Net Debt (inc. IFRS 16)	2,117mTL	↓	2,050mTL
Net Debt /Adj. EBITDA (inc. IFRS 16)	2.0x	↓	1.8x

✓ **FC Net Debt** balance of **EUR 46.5 million** has been fully converted into TL on **February 8, 2021** in order to mitigate FX risk

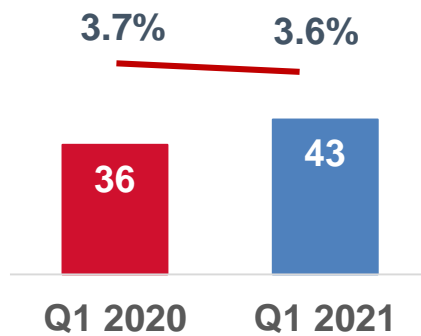
Operating Cash Flow and Free Cash Flow Improved

Maintenance Capex (TLm)



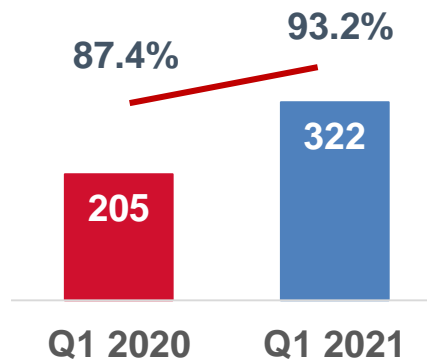
— % of Revenue

Total Capex (TLm)



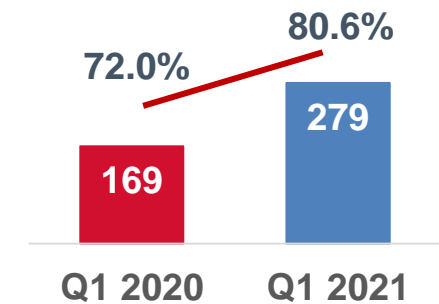
— % of Revenue

Operating Cash Flow / EBITDA



— % of EBITDA

Free Cash Flow / EBITDA



— % of EBITDA

Accelerated Efforts for Digitalization After Pandemic



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

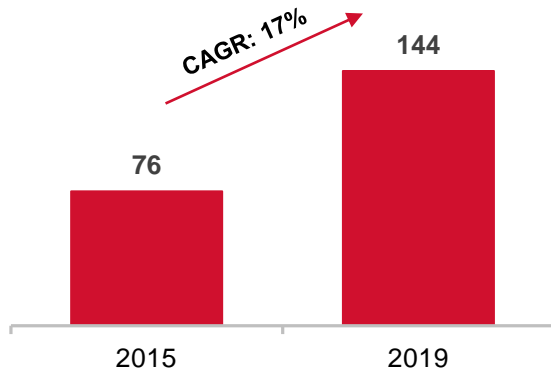
6 Outstanding Platform for Further Growth



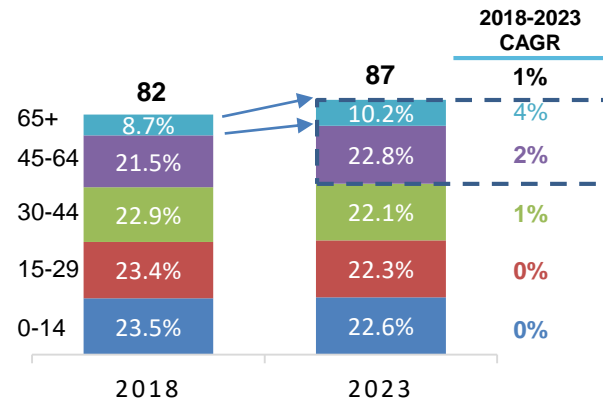
1 Operates In The Attractive Turkish Healthcare Market

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

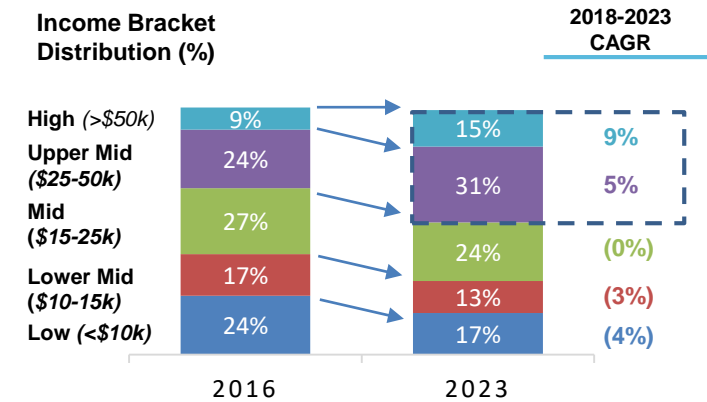
Turkish Healthcare Spending to Providers¹ (TLbn)



Growth in Aging Turkish Population (millions)

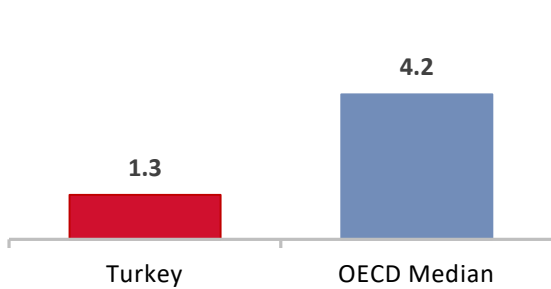


Growing Levels of Affluence in Turkey

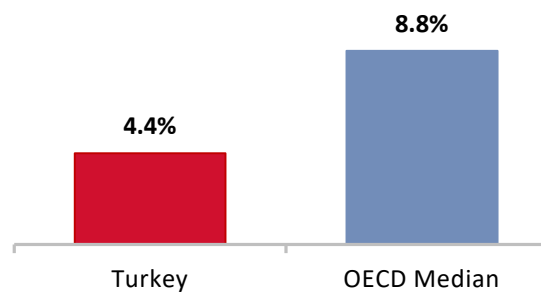


Significant Scope For Expansion Compared to OECD² Peers

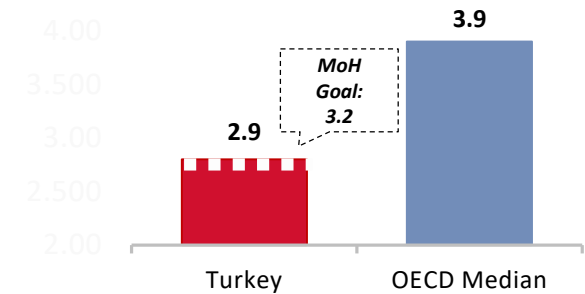
Healthcare Spending Per Capita in 2019 (\$'000)



Healthcare Spending % of GDP in 2019



Hospital Beds Per Capita in 2018 ('000)³



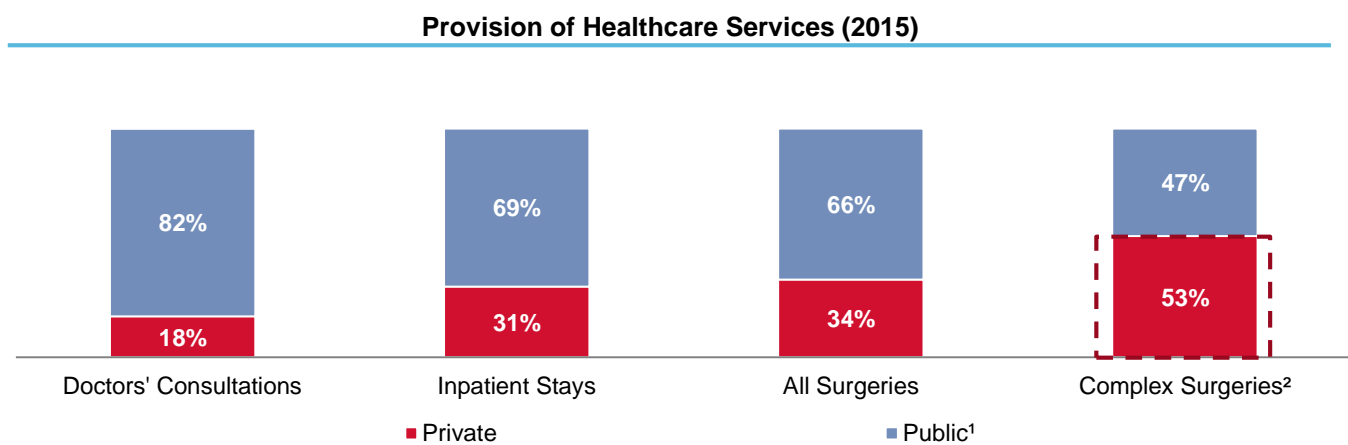
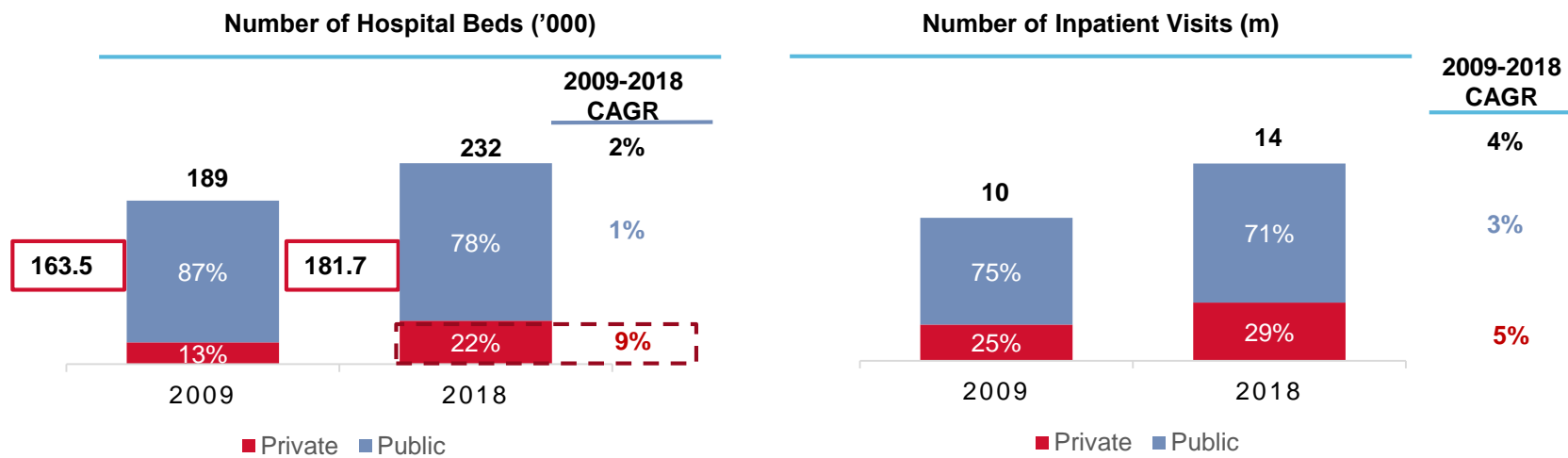
Source: OECD, Turkish Statistical Institute, TOBB Report ¹ Denotes hospitals only excluding pharmaceutical, medical equipment, dental and other.

² Denotes the OECD including 36 member countries.

³ 2018: 231,913 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



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)	

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 April 28, 2021.
 - 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)

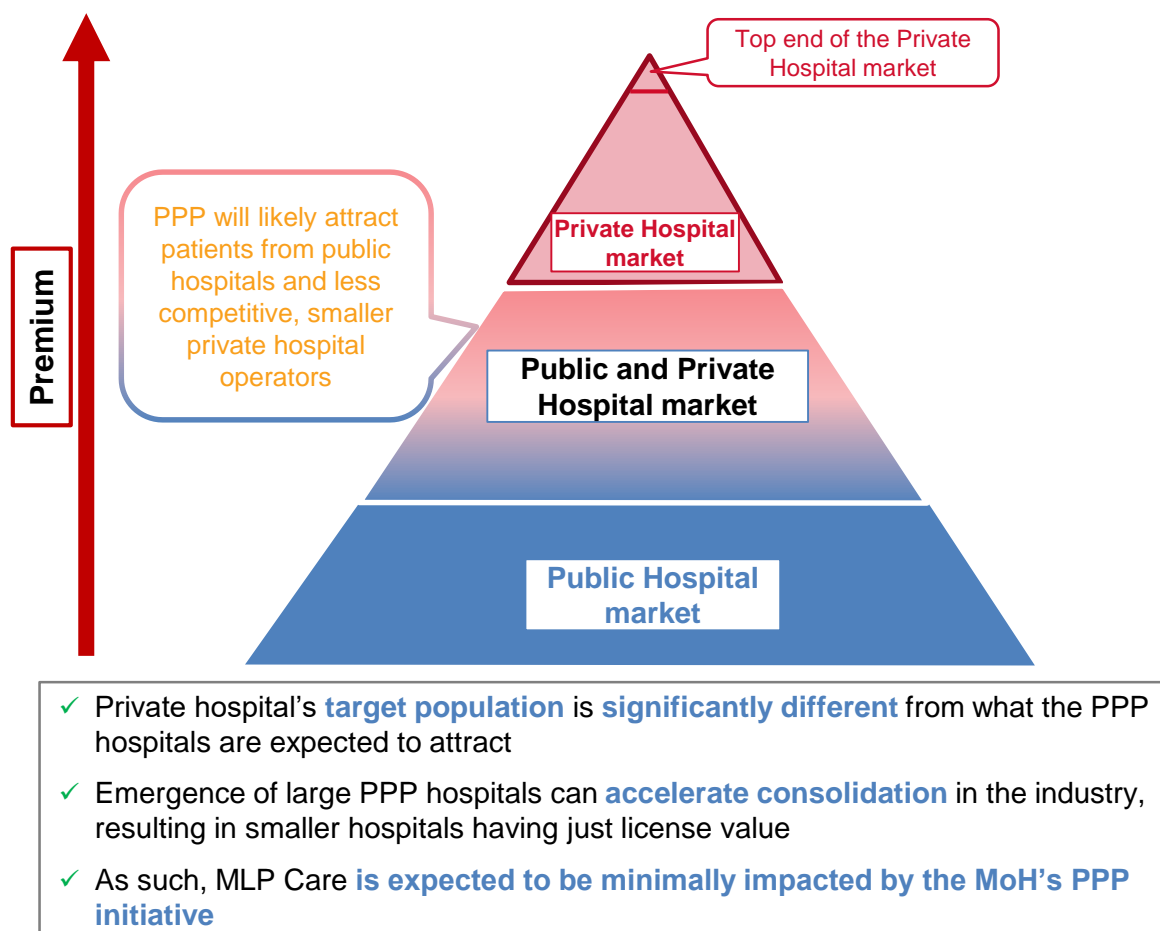


- ✓ National and local leader with a network covering the greatest number of cities
- ✓ 37% of beds located in the attractive Istanbul market
- ✓ MLP Care has the highest number of beds in nearly every city in which they are present

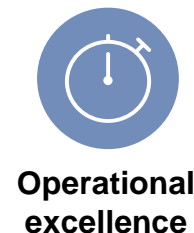
② Clear Leader in Private Hospital Provision

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



PPP success factors



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



- ✓ 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**

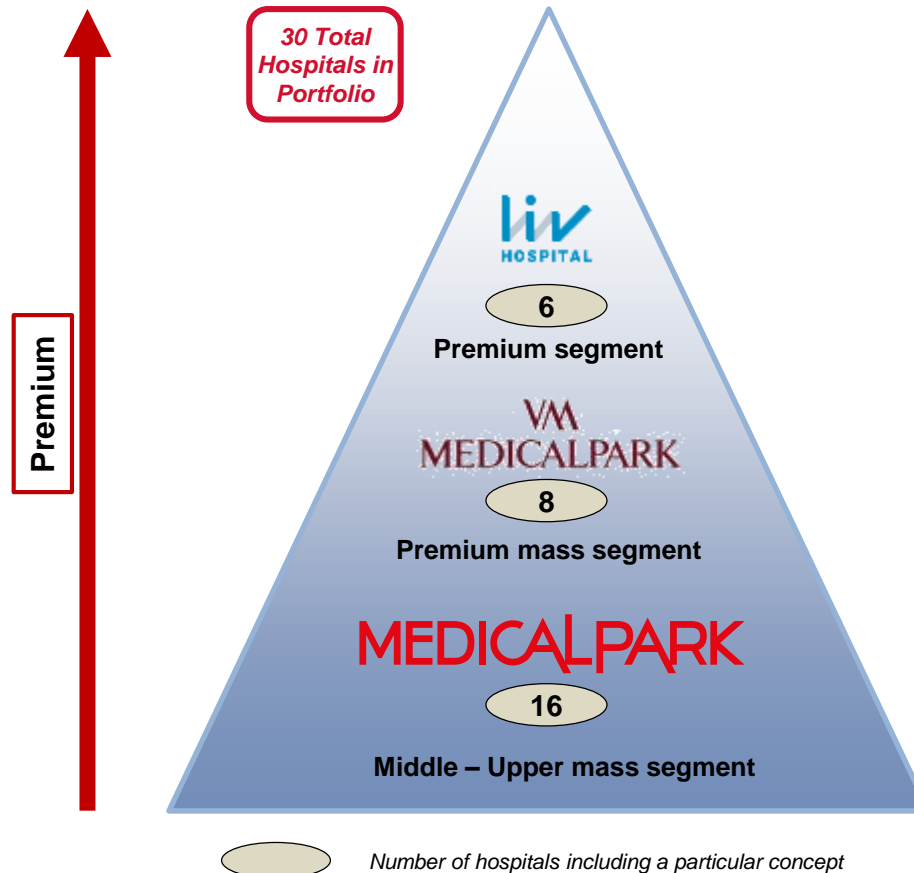


- ✓ MoH needs to **ensure patient demand** through high quality service
- ✓ **Significant increase in travel time**, especially for outpatient or unplanned visits may hinder demand

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

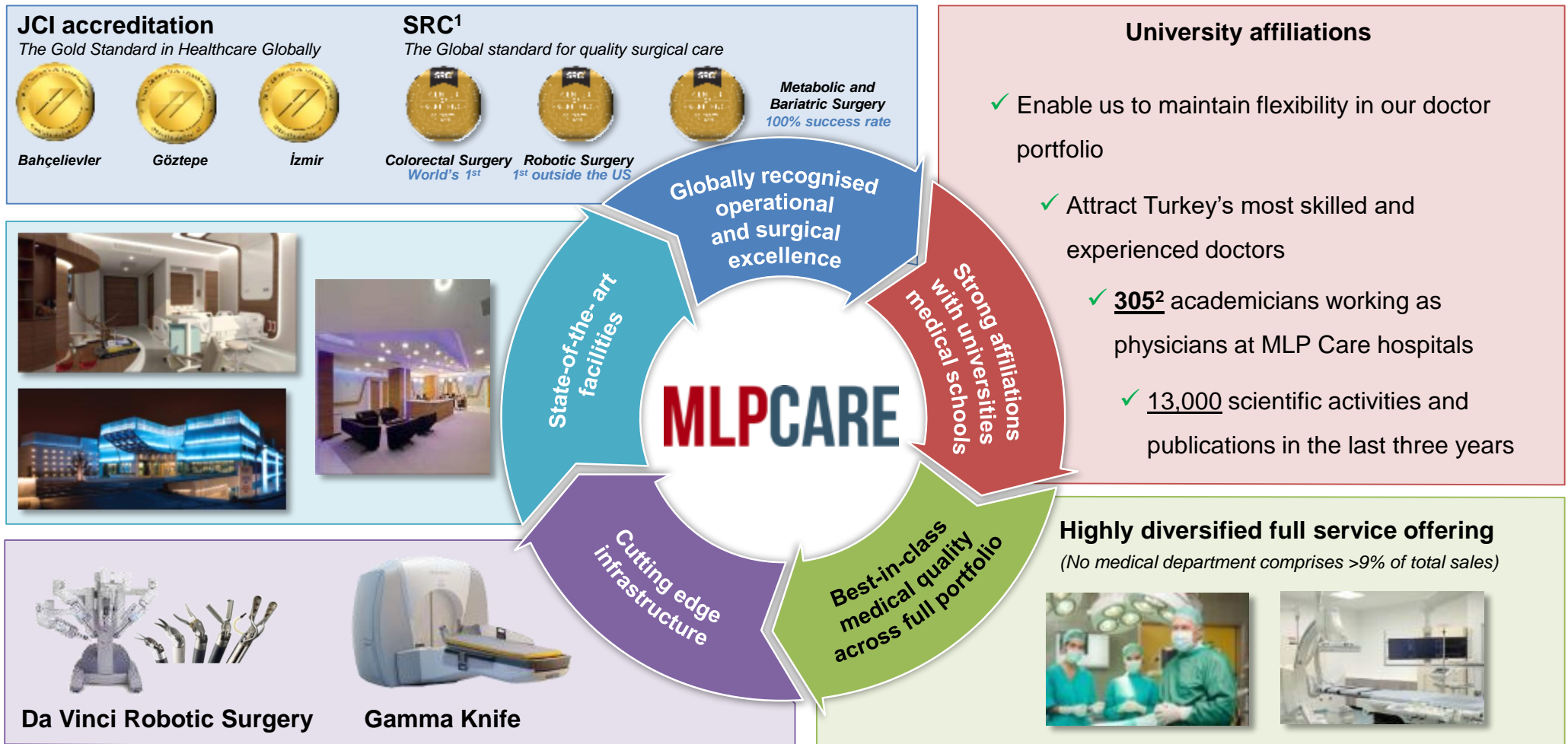
Two brands and one concept targeting three different price points with consistently outstanding medical service quality

Overview and Positioning



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

² Per regulations issued by YÖK (The Council of Higher Education), academicians from other provinces are no longer permitted to work at universities in Istanbul and Izmir. The number of academicians with an academic title and appointed in the academic staff of universities is 305.

④ Clinical Excellence And World Class Service Offering

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

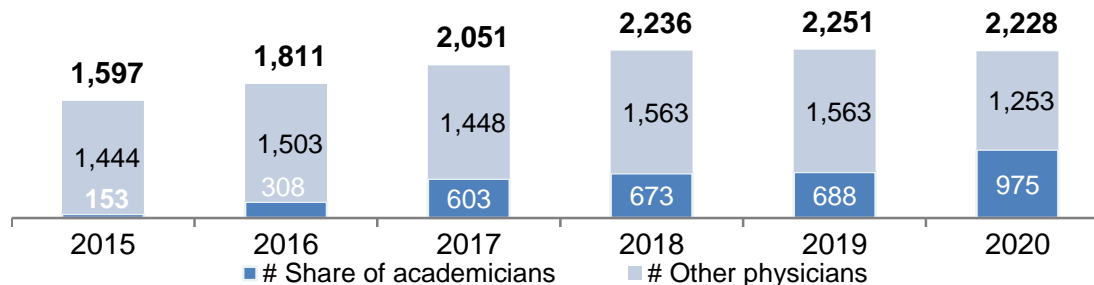
Ability to attract and retain top-tier physicians...

Key points of attraction

Top tier physicians choose MLP Care for:

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

Proven track record of physicians recruitment



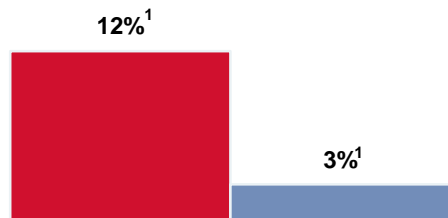
CAGR 2015-2020

7%

45%

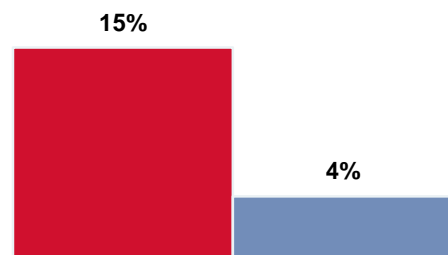
...and drive patient in-flows to grow market share in Turkey

MLP Care share in beds¹



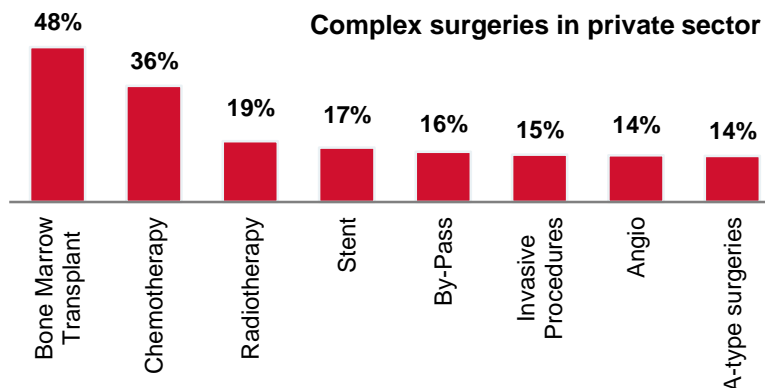
■ MLP share in private beds
■ MLP share in total beds

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: ¹ Turkish Ministry of Health ² Turkish Statistical Institute Data as of 2018 used

5 Superior Historical Financial Performance

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

Net Sales (TLm)

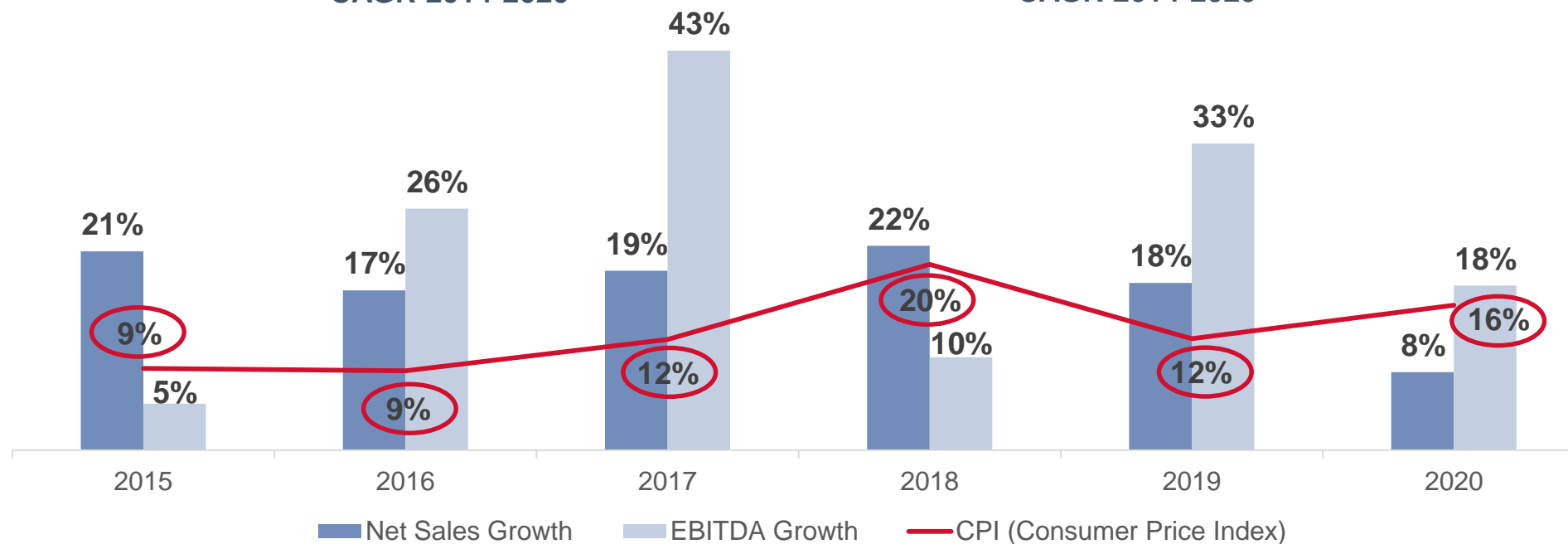
Adj. EBITDA¹ (TLm)

18%

31%

CAGR 2014-2020

CAGR 2014-2020



¹ Adj. EBITDA: Adj. EBITDA without foreign exchange effect of other income/expenses from operating activities

6 Outstanding Platform for Further Growth

Proven track record of greenfield expansions and M&A

Total Hospitals
At Year End

25

26

27

29

31

29

30

30

Greenfield

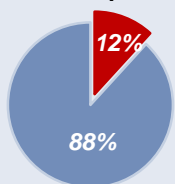
- ✓ MLP Care has added on average c.400 beds p.a.¹ through greenfield projects since 2014
- ✓ Multiple opportunities identified for expanding bed capacity in the near term

M&A

- ✓ MLP Care evaluates new opportunistic M&A opportunities in existing private hospitals
- ✓ Of the **30** hospitals, **9** were M&A
- ✓ Multiple targets in consideration

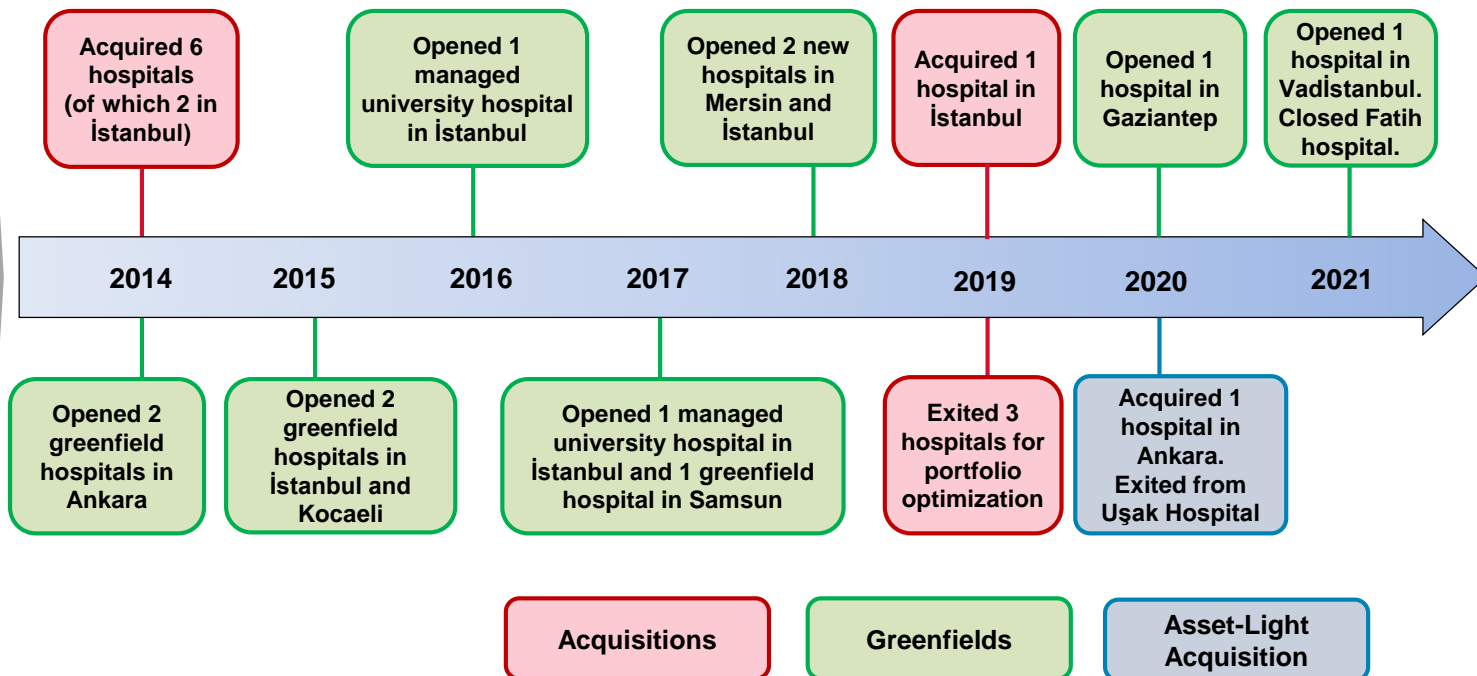
Vast amount of potential targets

Remaining private hospitals 509



Top 4 private players 68

Total private hospitals = 577



6 Outstanding Platform for Further Growth

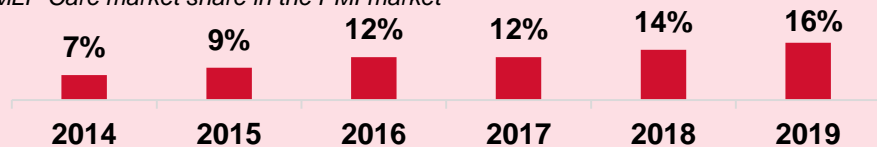
MLP Care has several avenues to continue its growth trajectory

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 **7.6x** from 2014 to 2020
- ✓ Top-up insurance is the fastest growing portion of the PMI market as MLP Care has been a pioneer in the Top-up insurance

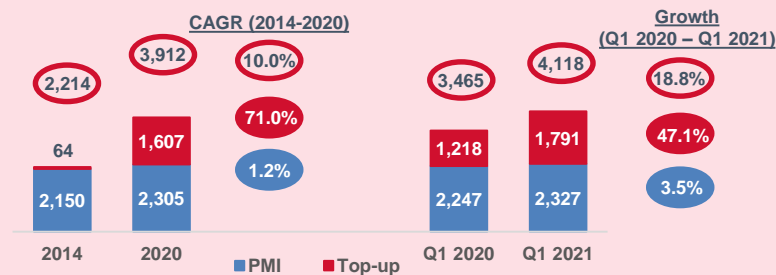
High Growth of MLP Care in the PMI (including Top-up Insurance) market

MLP Care market share in the PMI market¹



Top-up Insurance's total policies sold grew by 28x in 2014 and Q1 2021

Total # of policies sold (in thousand)



Growth through revenue diversification

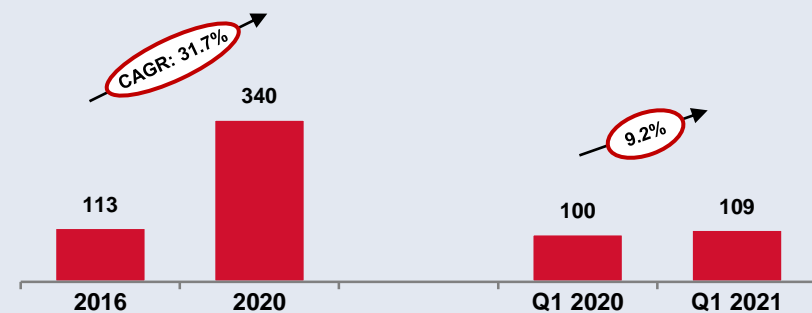
Self-pay

- ✓ Self-Pay share of total pay in MLP Care revenues has **up from c. 27% in 2014 to c. 33% in Q1 2021**
 - Driven by increased share of metropol hospitals in total revenue
 - Increased offerings for elective procedures
 - Expanded 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

MLP Care Medical Tourism Revenue (thousand TL)



Appendix

Revenue Breakdown by Payor Type – 2020

Operating Cash Flow – 2020

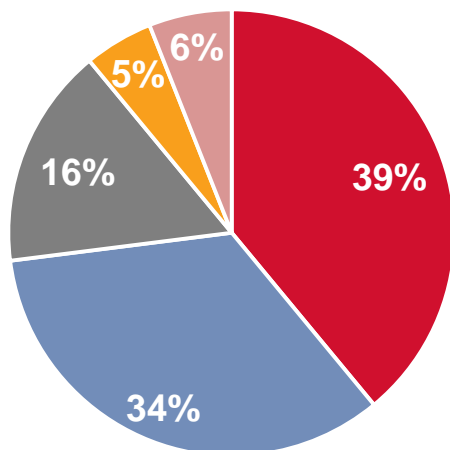
Historical Financial Statements

Capital, Shareholder Structure & Subsidiaries

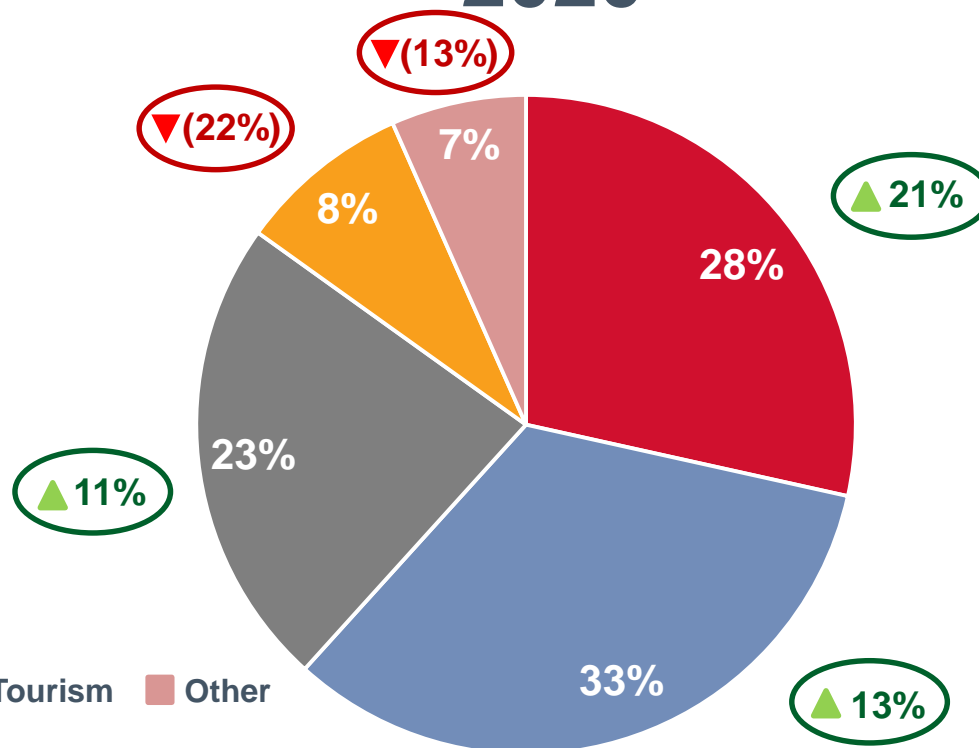
Key Historical Milestones

Revenue Diversification Through Growing Segments

2016



2020



■ SSI
 ■ Self-pay
 ■ PMI, Top-up & Contr. Inst.
 ■ Medical Tourism
 ■ Other

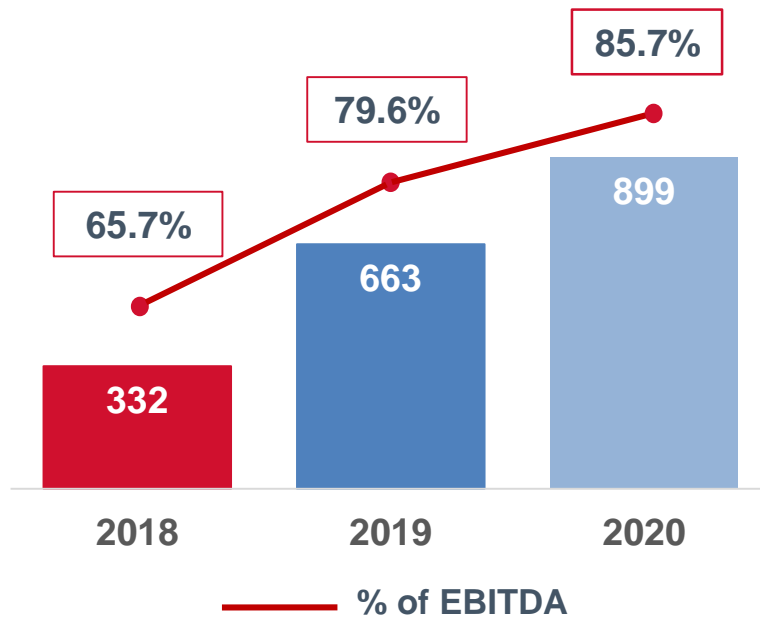
- ✓ Revenue from PMI, Top-up & Contracted Institutions grew by 11% in 2020
- ✓ Medical Tourism declined by 22% in 2020 due to pandemic
- ✓ SSI Insurance allows for a wide addressable market (c.98% of the total population)
- ✓ Share of self pay continues to increase in total



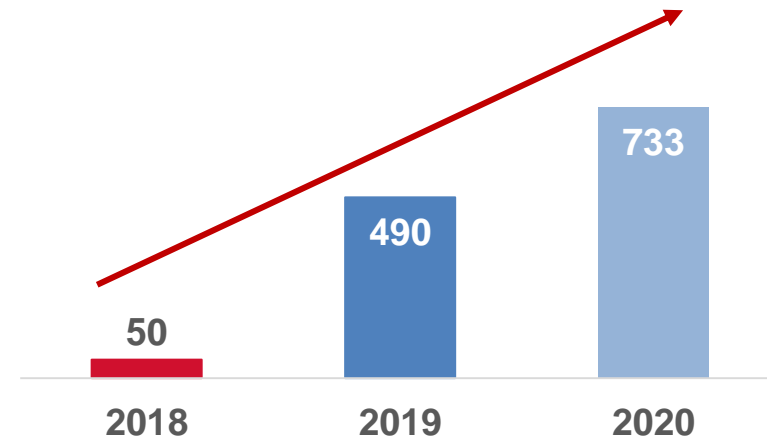
Denotes growth / decrease of Revenue vs. the same period of the last year

Operating Cash Flow and Free Cash Flow improved in 2020

Operating Cash Flow / Adj. EBITDA



Free Cash Flow



Historical Balance Sheet

TLM	Unaudited March 31, 2021	Audited December 31, 2020
Cash and cash equivalents	579	375
Trade receivables	1,217	1,155
Inventory	109	113
Short term other assets	603	542
Current assets	2,508	2,185
Tangible and intangible fixed assets	1,439	1,441
Right of use assets	296	257
Deferred tax assets	379	402
Long term other assets	303	287
Non-current assets	2,417	2,387
Total assets	4,925	4,572
Trade payables	1,077	987
Short term other liabilities	474	422
Short term financial liabilities (incl. financial and operational leases)	1,084	978
Current liabilities	2,634	2,387
Long term other liabilities	136	139
Deferred tax liabilities	183	184
Long term financial liabilities (incl. financial and operational leases)	1,546	1,514
Non-current liabilities	1,865	1,836
Shareholders' equity	346	282
Non-controlling interest	80	66
Equity	426	349
Total liabilities & equity	4,925	4,572

Historical P&L Statements

TLm	Unaudited Q1 2021	Unaudited Q1 2020	Change (%)
Revenue	1,211	979	23.7%
Cost of service (-)	(908)	(750)	21.1%
Gross profit	303	229	32.4%
General administration expenses (-)	(85)	(74)	14.6%
Other income from operations	85	82	3.2%
Other expenses from operations (-)	(57)	(67)	(15.3%)
Operating profit / (loss)	246	170	45.0%
Income from investing activities	0	82	(99.7%)
Expense from investing activities (-)	(0)	(0)	(98.0%)
EBIT	246	252	(2.3%)
<i>EBIT margin</i>	20.3%	25.8%	(542bps)
Interest expenses (-)	(123)	(108)	13.0%
Net foreign exchange profit / (loss) (including hedging cost)	(9)	(57)	(84.1%)
Net profit / (loss) before tax	115	87	32.6%
Tax income / (expense) from operations	(35)	(26)	38.6%
Net profit	80	61	30.2%
Net profit non-controlling interest	14	11	29.3%
Net profit equity holders of the parent	66	50	30.3%

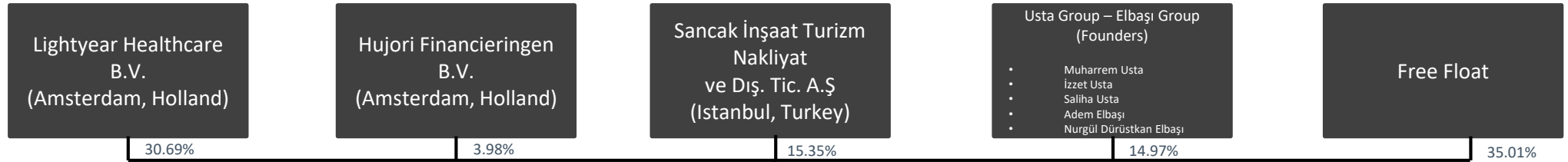
Reconciliation from Reported EBITDA to Adjusted EBITDA

TLm	Q1 2021	Q1 2020
Net profit / (loss)	80	61
Tax (income) from operations	35	25
Depreciation and amortization of tangible and intangible fixed assets	73	62
Total interest expenses/(income) and fair value differences of derivative instruments	127	160
Net (gains) / losses from the disposal of tangible and intangible assets and income from negative goodwill	(0)	(82)
Reported EBITDA	314	227
Net one-off (gains) / losses	19	4
Non-cash GAAP provision expenses	13	4
Adjusted EBITDA	346	235
Adjusted EBITDA margin (%)	28.6%	24.0%
Foreign exchange gains/(losses) from operations	33	17
Adjusted EBITDA¹	313	218
Adjusted EBITDA¹ margin (%)	25.8%	22.3%

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

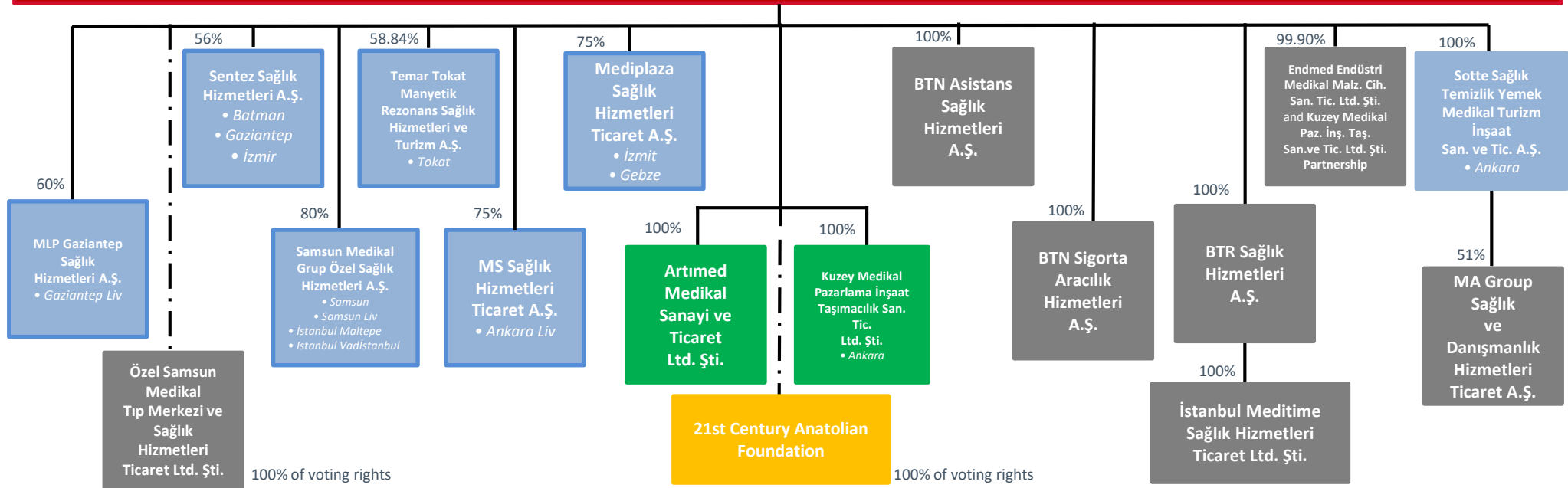
Capital, Shareholder Structure* & Subsidiaries

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

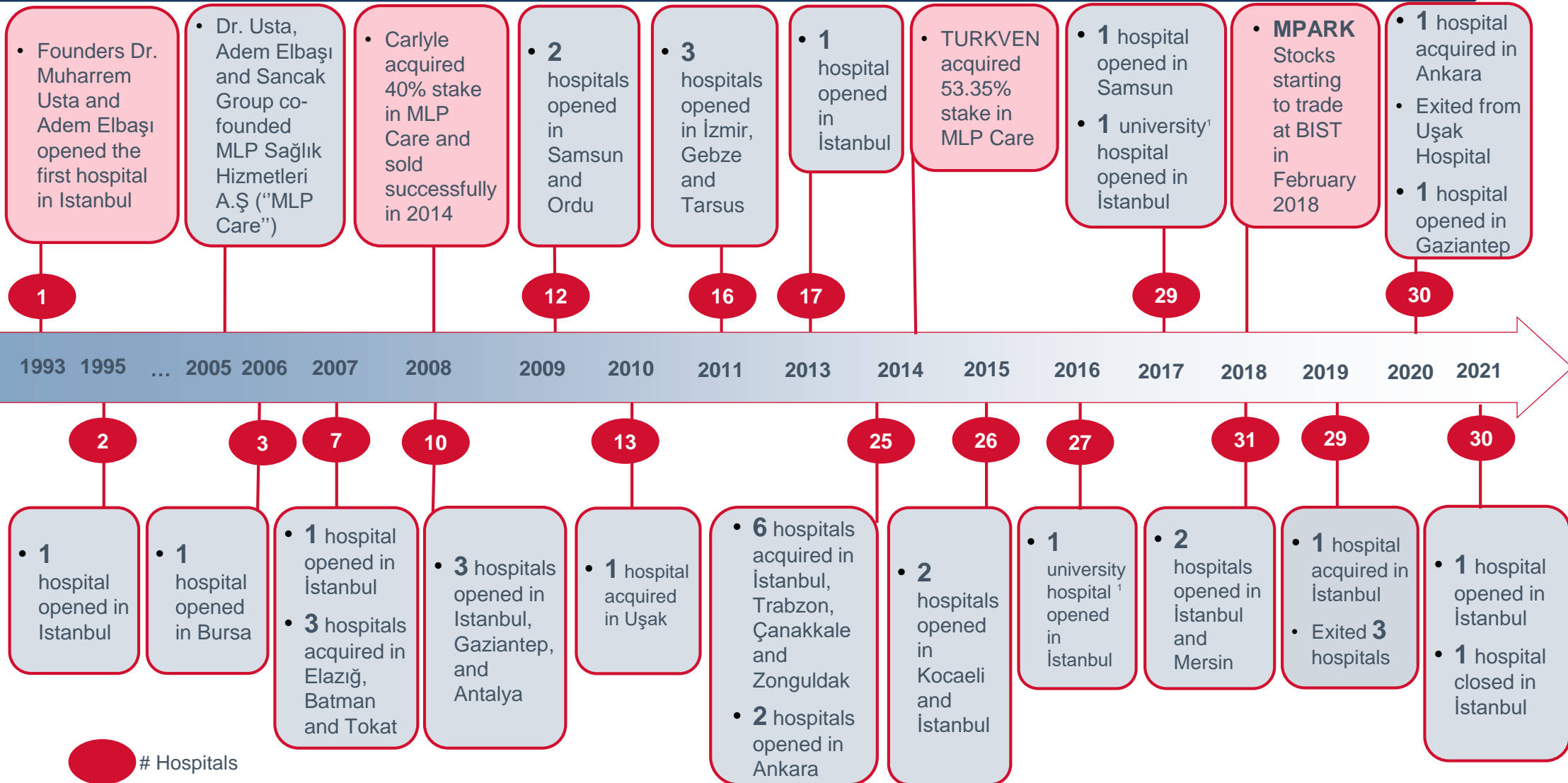


MLP Sağlık Hizmetleri A.Ş.

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Key Historic Milestones



¹Managed 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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