

## MLP Sağlık Hizmetleri A.Ş. ("MLP Care")

MLP Sağlık Hizmetleri A.Ş. (BIST: MPARK), the leading private healthcare service provider in Turkey, today announces its financial results for the first three months ended March 31, 2024.

(All figures in this fact sheet include the impact of IAS 29 unless otherwise stated.)

## Summary Financials

(TL million)	Q1 2024	Q1 2023	Change
<b>Revenues</b>	<b>7,960</b>	<b>6,010</b>	<b>32.5%</b>
<b>EBITDA<sup>1</sup></b>	<b>2,034</b>	<b>1,330</b>	<b>53.0%</b>
EBITDA margin (%) <sup>1</sup>	25.5%	22.1%	343bps
<b>Net Profit/(Loss) Before Tax</b>	<b>1,338</b>	<b>897</b>	<b>49.2%</b>
Net Profit/(Loss)	752	343	119.1%
<b>Net Profit/(Loss) equity holders of the parent</b>	<b>683</b>	<b>322</b>	<b>112.4%</b>
<b>Free Cash Flow</b>	<b>2,202</b>	<b>2,035</b>	<b>8.2%</b>
Capital Expenditure	133	209	(36.5%)
<b>Net Debt</b>	<b>3,622</b>	<b>3,732</b>	<b>(2.9%)</b>
Net Debt / EBITDA	0.5x	0.9x	

<sup>1</sup> EBITDA and EBITDA margin calculated by deducting general administrative expenses from gross profit and adding depreciation and amortization expenses

## Financial Highlights

- ✓ In Q1 2024, total revenues increased by 32% to TL 7,960 million (Q1 2023: TL 6,010 million). Domestic private medical insurance posted the highest growth among all segments.
- ✓ In Q1 2024, EBITDA increased by 53% to TL 2,034 million (Q1 2023: TL 1,330 million). EBITDA margin increased due to improved operating leverage.
- ✓ In Q1 2024, net profit increased by 119% to TL 752 million (Q1 2023: TL 343 million). Net profit allocated to equity holders of the parent increased by 112% to TL 683 million in Q1 2024 (Q1 2023: TL 322 million).
- ✓ Net debt/EBITDA ratio came in at 0.5x in Q1 2024, while net debt excluding IFRS 16 decreased by TL 537 million to TL 593 million.

## Operating Highlights

- ✓ Turkish Medical Association (TMA) price tariff was increased by %41 in December 28, 2023 which has been effective from January, 2024.
- ✓ The Social Security Insurance (SSI) price tariff saw a ca. 50% increase on May 9, 2024.
- ✓ The license for Özel Ortadoğu Hospital in Ankara was acquired by our Company on April 16, 2024. The hospital, with a capacity of 182 beds, will continue its operations as Medical Park Incek Hospital.
- ✓ With Medical Park Pendik Hospital receiving JCI certification, the total number of JCI-accredited hospitals has now reached seven.

**Dr. Muharrem Usta, Chairman and Chief Executive Officer of MLP Care, commented:**

"We made a strong start to the first quarter of 2024 with increasing occupancy rates and improving operational leverage. In April, we expanded our hospital network by acquiring a hospital with a capacity of 182 beds in Ankara. In the new year, we are deepening our efforts in the field of sustainability. As we prepare to publish our fourth sustainability report this year according to both GRI and TSRS standards, we will review our sustainability goals and set new KPIs."

**Revenues**

	Q1 2024	Q1 2023	Change
<b>Total Revenues (TL million)</b>	<b>7,960</b>	<b>6,010</b>	<b>32.5%</b>
Domestic Patient Revenues	6,815	4,989	36.6%
Inpatient Revenues	3,627	2,707	34.0%
Outpatient Revenues	3,188	2,282	39.7%
Foreign Medical Tourism Revenues	875	867	0.9%
Other Ancillary Business	271	153	76.6%

**Domestic Patient Revenues:** Revenues from domestic patients increased by 36.6% in Q1 2024 due to increased patient numbers and average prices. The inpatient revenues grew by 34.0% in Q1 2024. The outpatient revenues grew by 39.7% in Q1 2024.

**Foreign Medical Tourism (FMT) Revenues:** FMT revenues increased by 0.9% in Q1 2024.

**Other Ancillary Business:** Revenues from other ancillary business increased by 76.6% in Q1 2024 due to management consultancy revenues from hospitals.

**Cost of Service and Expenses (Including Hospitals and Ancillary Business)**

	Q1 2024	Q1 2023	Change (bps)
<b>(% of Revenues)</b>	<b>74.5%</b>	<b>77.9%</b>	<b>(343)</b>
Material	14.2%	13.9%	32
Doctor	24.1%	23.1%	108
Personnel	21.0%	21.9%	(88)
Outsourced services purchases	5.8%	6.6%	(77)
All other expenses	9.3%	12.5%	(318)

Material consumption as a percentage of total revenue increased by 32 bps to 14.2% in Q1 2024 due to the rise in drug prices.

Doctor costs as a percentage of total revenue increased by 108 bps to 24.1% in Q1 2024.

Personnel expenses as a percentage of total revenue decreased by 88 bps to 21.0% in Q1 2024.

Outsourced services purchases that consists of laboratory, imaging, cleaning, catering, security expenses as a percentage of the total revenue decreased by 77 bps to 5.8% in Q1 2024.

All other expenses (energy, rent, foreign and domestic marketing expenses, etc.) as a percentage of total revenue decreased to 9.3% in Q1 2024 mainly due to effect of operating leverage.

### Cash Flow

The operating cash flow increased by 4.0% to TL 2,335 million in Q1 2024 due to the robust EBITDA growth. Therefore, the operating cash flow/EBITDA ratio was at 114.8% in Q1 2024.

Free cash flow increased by 8.2% to TL 2,202 million in Q1 2024 due to lower capex and strong EBITDA growth. Therefore, free cash flow/EBITDA ratio was at 108.3% in Q1 2024.

Maintenance-related capital expenditures as a percentage of revenues was at 1.1% in Q1 2024. Total capital expenditures as a percentage of revenues was at 1.7% in Q1 2024.

### Borrowings and Indebtedness

Net debt by currency (TL million)	Q1 2024	Vertical %	2023	Vertical %	Change
TL	1,643	45%	2,213	59%	(25.8%)
USD + Euro (*)	(1,050)	(29%)	(1,083)	(29%)	(3.1%)
<b>Total loan, financial leasing</b>	<b>593</b>	<b>16%</b>	<b>1,130</b>	<b>30%</b>	<b>(47.5%)</b>
TL (IFRS 16)	2,896	80%	2,460	66%	17.7%
USD + Euro (IFRS 16)	133	4%	142	4%	(5.9%)
<b>Total lease liabilities (IFRS16)</b>	<b>3,030</b>	<b>84%</b>	<b>2,602</b>	<b>70%</b>	<b>16.4%</b>
<b>Total net debt</b>	<b>3,622</b>	<b>100%</b>	<b>3,732</b>	<b>100%</b>	<b>(2.9%)</b>

(\*)There is a net long position of USD 30.1 million in foreign currency.

The net debt/EBITDA ratio was decreased to 0.5x in Q1 2024 on the back of strong operating performance from 0.6x in 2023.

In Q1 2024, net debt excluding obligations under operational leases related to TFRS 16 decreased by TL 537 million to TL 593 million.

The net debt/EBITDA ratio without IFRS 16 lease liability decreased to 0.1x in Q1 2024 from 0.2x in 2023.

Total net debt including obligations under operational leases related to TFRS 16 decreased by 3% to TL 3,622 million.

### Share Buy-Back Program

As of March 31, 2024, total nominal value of purchased shares have become TL 19,857,500 which represents 9.5452% of the share capital. As of May 24, 2024 total nominal value of repurchased shares have become TL 20,535,000 which represents 9.8708% of the share capital.

## EBITDA RECONCILIATION

TL million	Q1 2024	Q1 2023	Change
<b>Revenue</b>	<b>7,960</b>	<b>6,010</b>	<b>32.5%</b>
Cost of service (-)	(5,885)	(4,513)	30.4%
<b>Gross profit</b>	<b>2,076</b>	<b>1,497</b>	<b>38.7%</b>
General administrative expenses (-)	(649)	(621)	4.4%
Depreciation and amortization expenses (Cost of service)	564	417	35.2%
Depreciation and amortization expenses (General administrative expenses)	43	37	15.8%
<b>EBITDA<sup>1</sup></b>	<b>2,034</b>	<b>1,330</b>	<b>53.0%</b>
<b>EBITDA margin (%)<sup>1</sup></b>	<b>25.5%</b>	<b>22.1%</b>	<b>343bps</b>

<sup>1</sup> EBITDA and EBITDA margin calculated by deducting general administrative expenses from gross profit and adding depreciation and amortization expenses

## SUMMARY CONSOLIDATED INCOME STATEMENT

TL million	Unaudited	Unaudited	Change (%)
	Q1 2024	Q1 2023	
<b>Revenue</b>	<b>7,960</b>	<b>6,010</b>	<b>%32.5</b>
Cost of service (-)	(5,885)	(4,513)	%30.4
<b>Gross profit</b>	<b>2,076</b>	<b>1,497</b>	<b>%38.7</b>
General administration expenses (-)	(649)	(621)	%4.4
Other income from operations	288	82	%250.2
Other expenses from operations (-)	(276)	(86)	%220.1
<b>Operating profit/(loss)</b>	<b>1,439</b>	<b>871</b>	<b>%65.1</b>
Income from investing activities	0	17	(%98.7)
Expense from investing activities (-)	--	(4)	(%100.0)
<b>EBIT</b>	<b>1,439</b>	<b>884</b>	<b>%62.7</b>
<i>EBIT margin</i>	<i>18.1%</i>	<i>14.7%</i>	<i>336bps</i>
Interest (expenses) / income, net (-)	(587)	(610)	(%3.8)
Net foreign exchange profit / (loss) (including hedging cost)	(9)	(27)	(%65.6)
Monetary gain / (loss)	495	650	(%23.8)
<b>Net profit / (loss) before tax</b>	<b>1,338</b>	<b>897</b>	<b>%49.2</b>
Tax income / (expense) from operations	(586)	(554)	%5.8
<b>Net profit / (loss)</b>	<b>752</b>	<b>343</b>	<b>%119.1</b>
Net profit / (loss) non-controlling interest	69	22	%219.7
<b>Net profit / (loss) equity holders of the parent</b>	<b>683</b>	<b>322</b>	<b>%112.4</b>

## SUMMARY CONSOLIDATED BALANCE SHEET

TL million	Unaudited March 31, 2024	Audited December 31, 2023
Cash and cash equivalents	2,557	3,236
Financial investments	--	--
Trade receivables	4,441	4,208
Inventory	1,282	1,239
Short term other assets	969	1,051
<b>Current assets</b>	<b>9,248</b>	<b>9,734</b>
Tangible and intangible fixed assets	9,494	9,618
Right of use assets	9,590	8,332
Deferred tax assets	1,346	2,082
Long term other assets	3,216	2,930
<b>Non-current assets</b>	<b>23,645</b>	<b>22,962</b>
<b>Total assets</b>	<b>32,894</b>	<b>32,695</b>
Trade payables	4,717	4,697
Short term other liabilities	2,309	2,005
Short term financial liabilities (incl, financial and operational leases)	2,673	3,524
<b>Current liabilities</b>	<b>9,699</b>	<b>10,226</b>
Long term other liabilities	457	482
Deferred tax liabilities	4,071	3,709
Long term financial liabilities (incl, financial and operational leases)	3,506	3,444
<b>Non-current liabilities</b>	<b>8,033</b>	<b>7,635</b>
Shareholders' equity	14,925	14,584
Non-controlling interest	236	250
<b>Equity</b>	<b>15,161</b>	<b>14,834</b>
<b>Total liabilities &amp; equity</b>	<b>32,894</b>	<b>32,695</b>

## ABOUT MLP CARE

We are the most widespread private healthcare service provider in Turkey in terms of number of hospitals, beds and geographic scope based on our footprint of 30 hospitals and more than 5,900 beds in 13 cities across Turkey and Baku, Azerbaijan as of reporting date. We provide a full range of healthcare services from gynecology, cardiology, oncology, orthopaedics, intensive care to complex treatments such as organ and bone marrow transplants. We have more than 20 thousand personnel, including over 2,800 physicians, managed by a head office team, which integrates field operations, sets strategy and monitors real-time performance across all hospitals.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain certain forward-looking statements concerning our 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 Company's actual performance.

## ENQUIRIES

For financial reports and further information regarding MLP Care, please visit our website at <http://investor.mlpcare.com/en/> or you may contact:

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