

Q3 2024 Results Presentation

15 November 2024



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The projections should not be considered a comprehensive representation of Med Life SA's cash generation performance.

Therefore, the final results achieved may vary significantly from the forecasts, and the variations may be material.

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9mo 2024 Highlights

- Key Messages
- Outlook

Key messages

Steady growth in the financial and operational performance that demonstrates the positive effects of integrating companies into the Group and the returns on recent investments, which are beginning to show their effectiveness.

Consolidated pro-forma Turnover of RON 2 billion, **up by 24%** compared to same period last year.

Strong organic growth of 17% in revenues, with robust demand for medical services, both in the area of prevention and complex interventions.

40% increase in pro-forma EBITDA, to RON 304 million, reaching a **16.1%** pro-forma EBITDA margin.

8x increase in pro-forma Net result, to RON 30.5 million.

Completed several **acquisitions**, thus **consolidating** the Group's **presence** and **operations** at national level. The main acquisitions completed during the year were:

- **Personal Genetics** - a human medical genetics center with national coverage, acquisition that makes MedLife the operator with the greatest expertise in the area of genetics and molecular biology in Romania.
- **Antares Clinic Group** - one of the most important providers of private medical services in the Moldova region (east side of the country), consolidating the Group's position in the region.
- **Medvarix Clinic** - a center of excellence in the treatment of varicose veins, which consolidates MedLife's presence in the Banat region (west side of the country).
- **Euromedica Baia Mare Group** – located in the north side of the country, the Group operates a medium-sized hospital offering multidisciplinary services, an outpatient clinic, a laboratory, and an imaging department. The acquisition was completed in September.
- **Routine Med Group** – an integrated diagnostic and treatment regional service provider which operates a hospital facility that offers day and continuous hospitalization and an outpatient unit, complemented by laboratory and medical imaging services. Through this acquisition, announced in October, MedLife expands its national footprint in the southeast region of Romania. *(closing to be made)*
- **VP-Med Hungary** – a clinic located in Budapest, which primarily offers modern varicose vein surgical procedures, such as laser surgery and radiofrequency surgery, as well as interventions that do not require anesthesia. The acquisition, concluded in September, adds more strength to our presence in Hungary.

Outlook

Strategic priorities:

- the opening of Medici's Hospital in Timisoara and MedLife Hospital in Craiova, both set to be operational by the end of the year;
- continued development of the MedLife Park project.

Focus on:

- optimizing the Group's operational workflows and procedures to capitalize on economies of scale and the accumulated expertise of each unit - a strategy that has begun to demonstrate its effectiveness;
- enhance profit margins while progressively lowering the net debt / EBITDA ratio.

Acquisitions and expansion:

- we remain interested and open to new development opportunities, both domestically and in neighboring countries, as we work to strengthen our position in Romania and consider potential expansion into other regional markets. However, we believe that a cautious approach to M&As is essential for enhancing profit margins and steadily lowering the net debt / EBITDA ratio.

We will continue to invest in **top technology** and **digital transformation**, as we believe the future of medicine depends on embracing the latest **innovations**.

We will continue to improve the medical platform and to expand the portfolio of services, and thus provide an **integrated service package**, as we see robust growth in medical services, indicating that Romanians are increasingly valuing preventive care and health in general.

9mo 2024 Financial Results

- Consolidated Statement of Profit and Loss
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- QoQ Evolution
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- OPEX Evolution
- Consolidated Statement of Financial Position
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Consolidated Statement of Profit and Loss

	9M 2023 IFRS	9M 2024 IFRS	% var.	Pro-forma adjusted	9m 2024 Pro-forma	% var.
Gross sales	1,627,415,774	1,978,668,707	21.6 %	44,946,344	2,023,615,051	24.3 %
Net sales (less NHP)	1,627,415,774	1,978,668,707	21.6 %	(93,547,116)	1,885,121,591	15.8 %
Other operating income	12,865,976	5,808,476	(54.9)%	1,237,223	7,045,699	(45.2)%
OPERATING INCOME	1,640,281,750	1,984,477,183	21.0 %	(92,309,893)	1,892,167,290	15.4 %
OPERATING EXPENSES	(1,563,475,986)	(1,871,549,924)	19.7 %	104,517,927	(1,767,031,997)	13.0 %
OPERATING PROFIT	76,805,764	112,927,259	47.0 %	12,208,033	125,135,292	62.9 %
EBITDA	217,705,083	289,936,464	33.2 %	14,150,618	304,087,082	39.7 %
Net finance cost	(57,394,710)	(78,602,920)	37.0 %	(818,376)	(79,421,296)	38.4 %
Other financial expenses	(4,242,058)	3,554,105	(183.8)%	12,469	3,566,574	(184.1)%
FINANCIAL RESULT	(61,636,769)	(75,048,815)	21.8 %	(805,907)	(75,854,722)	23.1 %
RESULT BEFORE TAXES	15,168,996	37,878,444	149.7 %	11,402,126	49,280,570	224.9 %
Income tax expense	(11,365,857)	(17,050,287)	50.0 %	(1,715,402)	(18,765,689)	65.1 %
NET RESULT	3,803,139	20,828,157	447.7 %	9,686,725	30,514,882	702.4 %
Margins						
EBIT %	4.7%	5.7%			6.6%	
EBITDA %	13.4%	14.7%			16.1%	
Net result %	0.2%	1.1%			1.6%	

RON figures.

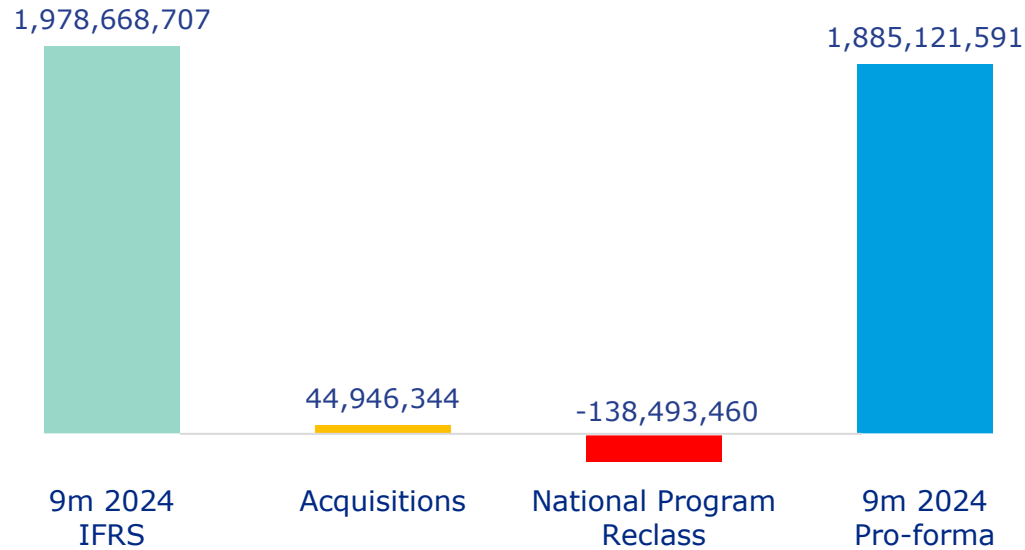
Consolidated pro-forma Turnover of RON 2bn, up by 24% YoY, with a strong evolution in all business lines;

Pro-forma EBITDA increased by 40% to RON 304.1m, reaching a margin of 16.1% (14.7% on an IFRS basis, increase from 13.4% in the same period last year);

Pro-forma Net result increased 8x to RON 30.5m, reaching a margin of 1.6% (1.1% on an IFRS basis, increase from 0.2% in 9mo 2023), still affected by high yields environment that lead to higher financing costs.

Pro-forma Figures

Pro-forma Revenues



From IFRS Revenues to Pro-forma Revenues

RON 44.9m adjustments from acquisitions (mainly Antares Clinic Group & Euromedica Hospital, followed by VP Med and Personal Genetics);

RON 138m reclass related to the National Program for chemotherapy drugs.

Pro-forma EBITDA

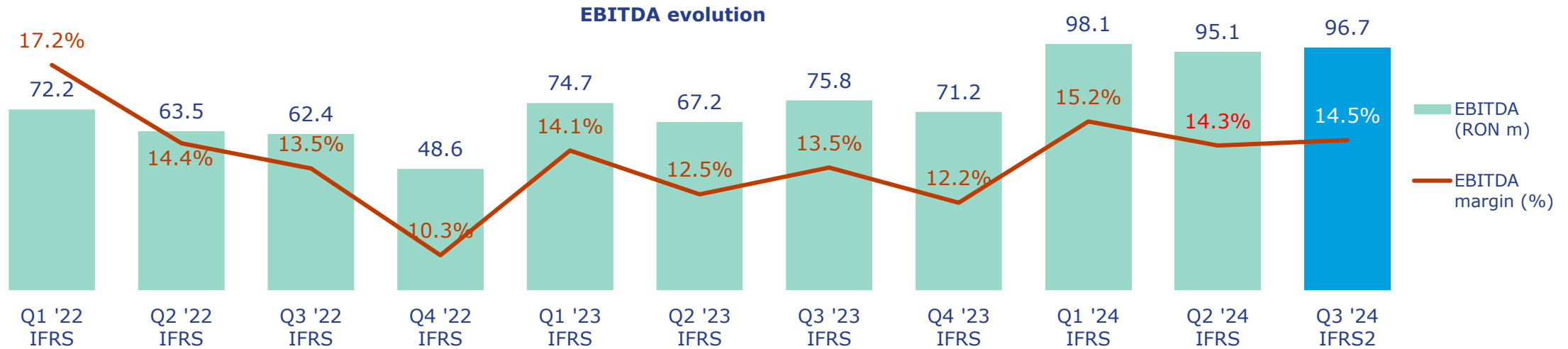


From IFRS EBITDA to Pro-forma EBITDA

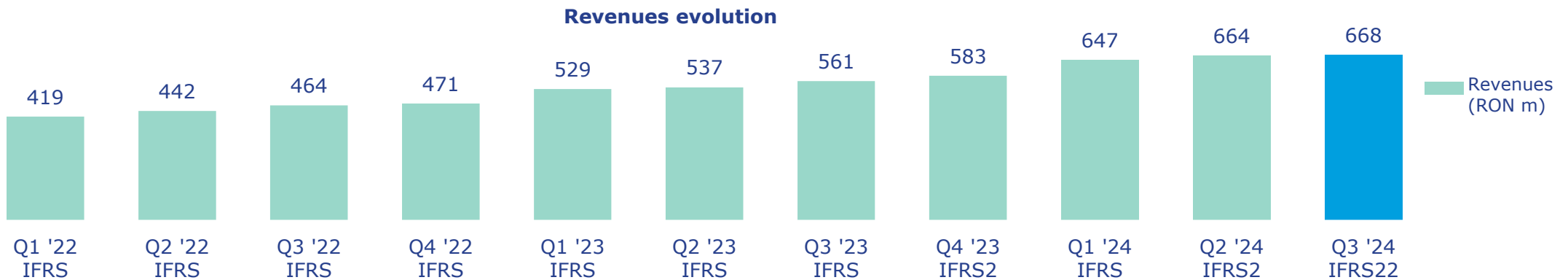
RON 6.9m impact in pro-forma EBITDA coming from acquisitions;

RON 7.2m one-off expenses adjusted in pro-forma EBITDA.

QoQ Evolution



Gradual improvements in EBITDA levels compared to the similar periods of last year.



Steady growth in Revenues on a quarterly basis, showing the ability to increase the platform, both through acquisitions, as well as organically.

Operational KPIs

Business line	Category	9m 2023 IFRS	9m 2024 IFRS	% var.	% Total IFRS Sales
Clinics	Revenue	608,211,330	741,702,586	21.9%	37.5%
	Visits	2,837,293	3,181,076	12.1%	
	Average fee	214.4	233.2	8.8%	
Dentistry	Revenue	92,506,777	95,033,275	2.7%	4.8%
	Visits	138,157	142,476	3.1%	
	Average fee	669.6	667.0	-0.4%	
Hospitals	Revenue	353,143,067	468,675,295	32.7%	23.7%
	Visits	102,962	117,878	14.5%	
	Average fee	3,429.8	3,975.9	15.9%	
Laboratories	Revenue	171,739,754	225,891,790	31.5%	11.4%
	Visits	5,463,886	6,613,519	21.0%	
	Average fee	31.4	34.2	8.7%	
Corporate	Revenue	189,373,911	224,533,480	18.6%	11.3%
	Visits	867,342	885,435	2.1%	
	Average fee	218.3	253.6	16.1%	
Pharmacies	Revenue	46,287,876	50,395,133	8.9%	2.5%
	Visits	346,530	344,051	-0.7%	
	Average fee	133.6	146.5	9.7%	
Others	Revenue	166,153,060	172,437,148	3.8%	8.7%
TOTAL		1,627,415,774	1,978,668,707	21.6%	100%

Revenue saw a robust 22% increase, with 17% driven by organic growth. All business lines continued their positive trajectory, underscoring the strong reputation of the network's doctors, advanced medical technology, and high-quality patient care.

The largest increases were recorded by hospitals (+33%), laboratories (+32%), followed by clinics (+22%) and the corporate division (+19%).

Pharmacies and dentistry business lines are on a growth path in 2024 compared to last year, registering in the first 9 months of the year increases of 8.9% and 2.7%, respectively.

OPEX Evolution

				% OPEX			% Sales		
	9m 2023 IFRS	9m 2024 IFRS	% var.	9m '23 IFRS	9m '24 IFRS	% var.	9m '23 IFRS	9m '24 IFRS	% var.
Consumable materials and repair materials	286,957,439	358,380,674	24.9%	18.4%	19.1%	0.8 p.p	17.6%	18.1%	0.5 p.p
Commodities	155,327,826	166,982,925	7.5%	9.9%	8.9%	-1 p.p	9.5%	8.4%	-1.1 p.p
Utilities	24,745,270	25,989,889	5.0%	1.6%	1.4%	-0.2 p.p	1.5%	1.3%	-0.2 p.p
Repairs maintenance	14,196,703	15,759,646	11.0%	0.9%	0.8%	-0.1 p.p	0.9%	0.8%	-0.1 p.p
Rent	9,695,457	12,445,787	28.4%	0.6%	0.7%	0 p.p	0.6%	0.6%	0 p.p
Insurance premiums	4,236,979	4,939,941	16.6%	0.3%	0.3%	0 p.p	0.3%	0.2%	0 p.p
Promotion expense	27,136,312	34,535,848	27.3%	1.7%	1.8%	0.1 p.p	1.7%	1.7%	0.1 p.p
Communications	4,591,991	4,815,404	4.9%	0.3%	0.3%	0 p.p	0.3%	0.2%	0 p.p
Third party expenses & Salaries expenses, out of which:	873,441,906	1,044,758,757	19.6%	55.9%	55.8%	0 p.p	53.7%	52.8%	-0.9 p.p
<i>Third party expenses (including doctor's agreements)</i>	456,459,369	560,862,681	22.9%	29.2%	30.0%	0.8 p.p	28.0%	28.3%	0.3 p.p
<i>Salary and related expenses (including social contributions)</i>	416,982,537	483,896,076	16.0%	26.7%	25.9%	-0.8 p.p	25.6%	24.5%	-1.2 p.p
Depreciation	140,899,319	177,009,205	25.6%	9.0%	9.5%	0.4 p.p	8.7%	8.9%	0.3 p.p
Impairment / Release under IFRS 9 provision on TR	1,002,093	4,838,914	382.9%	0.1%	0.3%	0.2 p.p	0.1%	0.2%	0.2 p.p
Other administration and operating expenses	21,244,691	21,092,934	-0.7%	1.4%	1.1%	-0.2 p.p	1.3%	1.1%	-0.2 p.p
TOTAL	1,563,475,986	1,871,549,924	19.7%	100%	100%	0 p.p	96.1%	94.6%	-1.5 p.p

1.5 p.p. YoY decrease of Operating Expenses as % of Sales, from 96.1% to 94.6%.

The decrease of the Commodities line as % of Sales is linked to the decrease of the pharma business' share in total Group.

Consolidated Statement of Financial Position

	December 31, 2023 IFRS	September 30, 2024 IFRS	% var.
Non-current assets	2,102,828,820	2,275,513,231	8.2%
Current assets, excluding Cash and cash equivalents	433,237,518	519,653,862	19.9%
Cash and cash equivalents	100,271,093	154,826,369	54.4%
TOTAL ASSETS	2,636,337,431	2,949,993,462	11.9%
Current liabilities (excluding interest bearing liabilities)	487,952,032	657,338,447	34.7%
Financial debt	1,561,520,588	1,689,226,583	8.2%
Other long term debt	47,775,013	44,217,509	-7.4%
Deferred tax liability	44,897,775	45,580,031	1.5%
TOTAL LIABILITIES	2,142,145,408	2,436,362,570	13.7%
Equity attributable to owners of the Group	415,291,298	439,392,920	5.8%
Non-controlling interests	78,900,725	74,237,972	-5.9%
EQUITY	494,192,023	513,630,892	3.9%

RON figures.

Debt Position

	December 31, 2023 IFRS	September 30, 2024 IFRS	% var.
Leasing liabilities			
Current portion – Leasing	99,589,187	108,985,823	9.4%
Long term portion - leasing	309,158,946	300,504,069	-2.8%
TOTAL	408,748,133	409,489,892	0.2%
Financial debt			
Overdraft	29,835,472	27,002,718	-9.5%
Current portion of long-term debt	82,297,342	126,629,463	53.9%
Long-term debt	1,040,639,641	1,126,104,510	8.2%
TOTAL	1,152,772,455	1,279,736,691	11.0%
Net Debt	1,461,249,495	1,534,400,214	5.0%
Net debt to Pro-forma EBITDA ratio	4.6	4.02	

Net debt / Pro-forma EBITDA ratio decreased from 4.6x to 4.02x, supported mainly by the increase in EBITDA levels.

Consolidated Statement of Cash Flow

	September 30, 2023 IFRS	September 30, 2024 IFRS
Net income before taxes	15,168,996	37,878,444
Adjustments for non-monetary items	197,978,433	255,606,909
Operating cash flow before working capital and other monetary changes	213,147,428	293,485,353
Cash used in working capital changes	-46,756,218	-19,747,400
Other monetary changes (income tax and net interest paid)	-41,903,183	-60,274,763
Net cash from operating activities	124,488,027	213,463,190
Net cash used in investing activities	-200,682,155	-198,774,388
Net cash from financing activities	108,396,606	39,866,475
Net cash in cash and cash equivalents	32,202,477	54,555,276
Cash and cash equivalents beginning of the period	89,068,154	100,271,093
Cash and cash equivalents end of the period	121,270,631	154,826,369

Increased contribution from EBITDA, with net cash from operating activities of RON 213m, 71% higher compared to same period last year.



Q&A session

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Thank you!

