

TRADING UPDATE 1ST QUARTER 2020

Medicover AB (publ) issues a trading update due to Covid-19 crisis before it releases its interim announcement as planned on the 30th April 2020.

- First quarter revenue reached €238.8m (€199.7m), up 19.6% on prior year with organic revenue growth of 5.8%.
- Healthcare Services revenue reached €133.8m (€102.9m) up 30.1% on prior year with organic revenue growth of 6.3%.
- Diagnostic Services revenue reached €108.1m (€100.2m) up 7.9% on prior year with organic revenue growth of 4.9%.
- Operating profit was €6.4m (€11.3m) an operating margin of 2.7% (5.6%), reduced on the impact of Covid-19.
- EBITDA was €29.0m (€27.5m) up 5.6% on prior year and a margin of 12.2% (13.8%). EBITDAaL was €16.8m (€18.5m) down 9.0% and a margin of 7.0% (9.2%).

During the second half of March, Medicover experienced a significant drop in all elective services including elective diagnostic activities due to lock-downs and service restrictions imposed, with reductions in the range of 50-75% in the most exposed elective markets. Units not dependent upon elective services were stable, such as some diagnostic activities notably Germany, prepaid health benefits and emergency / maternity care. The reduction in revenue in the second half of March from a normal trading outlook is estimated at a shortfall of approximately €13m to €14m.

Lock-downs and service restrictions are now assumed to carry on well into May, with material contraction on second quarter revenue and significant negative impacts on second quarter results expected.

Medicover reiterates its expectation from the 25th March trading update, to see a gradual recovery during the third quarter and a return to more normalised trading patterns during the final quarter of the year and maintains its 3 year guidance.

Cash on hand at 31 March was €60.0m up from €34.8m at year end 2019 and loans payable net of cash amounted to €232.0m down from €240.5m at year end 2019. Medicover has sufficient secured credit facilities to finance all its debt maturities due in 2020 and 2021. The Group is taking prudent actions to minimise the financial impact and will reduce investment activities over the rest of 2020.

Revenue from external customers, recognised over time as services are rendered, by division, by payer and by country is disclosed in the following table.

€m	Q1 2020	% of Q1 2020	Q1 2019	% of Q1 2019	Variance
Healthcare Services	133.7		102.7		30.2%
By payer:					
Public	14.0	10.5%	5.6	5.5%	150.6%
Private	119.7	89.5%	97.1	94.5%	23.2%
Funded	60.1	44.9%	55.5	54.0%	8.3%
Fee-For-Service (FFS)	52.8	39.5%	37.6	36.6%	40.3%
Other services	6.8	5.1%	4.0	3.9%	69.9%
By country:					
Poland	92.5	69.2%	77.5	75.5%	19.4%
Romania	15.1	11.3%	15.4	15.0%	-2.3%
India	17.7	13.3%	1.3	1.3%	n/m
Other countries	8.4	6.2%	8.5	8.2%	-1.3%
Diagnostic Services	105.0		96.9		8.4%
By payer:					
Public	36.3	34.6%	35.0	36.1%	3.9%
Private	68.7	65.4%	61.9	63.9%	10.9%
Fee-For-Service (FFS)	66.8	63.6%	60.3	62.2%	10.9%
Other services	1.9	1.8%	1.6	1.7%	14.5%
By country:					
Germany	53.0	50.5%	49.4	51.0%	7.3%
Romania	15.2	14.4%	15.2	15.7%	0.0%
Ukraine	17.6	16.8%	14.6	15.1%	20.7%
Poland	9.0	8.5%	9.2	9.4%	-2.4%
Other countries	10.2	9.8%	8.5	8.8%	21.7%

Medicover, €m	Jan-Mar 2020	Jan-Mar 2019	Variance	FY 2019
Revenue	238.8	199.7	20%	844.4
Operating profit (EBIT)	6.4	11.3	-43%	46.5
Operating profit margin	2.7%	5.6%		5.5%
EBITDA	29.0	27.5	6%	120.7
EBITDA margin	12.2%	13.8%		14.3%
Adjusted EBITDA	30.3	28.0	8%	125.0
Adjusted EBITDA margin	12.7%	14.0%		14.8%
EBITDAaL	16.8	18.5	-9%	80.6
EBITDAaL margin	7.0%	9.2%		9.5%
Adjusted EBITDAaL	18.1	19.0	-5%	84.9
Adjusted EBITDAaL margin	7.6%	9.5%		10.1%
EBITA	8.9	12.5	-29%	53.7
EBITA margin	3.7%	6.3%		6.4%
Adjusted EBITA	10.2	13.0	-22%	58.0
Adjusted EBITA margin	4.3%	6.5%		6.9%
Healthcare Services, €m	Jan-Mar 2020	Jan-Mar 2019	Variance	FY 2019
Revenue	133.8	102.9	30%	449.3
Operating profit (EBIT)	1.3	2.5	-48%	20.1
Operating profit margin	1.0%	2.4%		4.5%
EBITDA	14.5	11.1	30%	61.0
EBITDA margin	10.8%	10.8%		13.6%
EBITDAaL	7.9	6.6	19%	41.0
EBITDAaL margin	5.9%	6.4%		9.1%
EBITA	3.2	3.4	-5%	25.5
EBITA margin	2.4%	3.3%		5.7%
Members (period end) (000's)	1,304	1,232	6%	1,300
Diagnostic Services, €m	Jan-Mar 2020	Jan-Mar 2019	Variance	FY 2019
Revenue	108.1	100.2	8%	408.7
Operating profit (EBIT)	10.2	13.5	-24%	43.3
Operating profit margin	9.5%	13.5%		10.6%
EBITDA	19.2	20.9	-8%	75.7
EBITDA margin	17.8%	20.8%		18.5%
EBITDAaL	13.7	16.5	-16%	56.0
EBITDAaL margin	12.7%	16.5%		13.7%
EBITA	10.8	13.8	-22%	45.1
EBITA margin	10.0%	13.8%		11.0%
Lab tests (period volume) (m)	26.9	27.6	-2.5%	106.7

All figures in this press release are unaudited except for full year figures. Please refer to the annual report for definitions of alternative performance measures.



Medicover will hold a web cast on Wednesday 15 April at 16.00 CEST with regard to this first quarter trading update. Details will be sent out shortly.

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This information is information that Medicover AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CEST on 15 April 2020.

This announcement may contain certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as “believes”, “estimates”, “anticipates”, “expects”, “assumes”, “forecasts”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in this announcement concerning the future financial returns, plans and expectations with respect to the business and management of Medicover, future growth and profitability and general economic and regulatory environment and other matters affecting Medicover. Forward-looking statements are based on current estimates and assumptions made according to the best of Medicover’s knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including Medicover’s cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors and other third parties should not place undue reliance on the forward-looking statements herein. Medicover can give no assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

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The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

Medicover is a leading international healthcare and diagnostic services company and was founded in 1995. Medicover operates a large number of ambulatory clinics, hospitals, specialty-care facilities and laboratories and the largest markets are Poland and Germany. In 2019, Medicover had revenue around €844 million and 28,800 employees. For more information, go to www.medicover.com