

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

MLP Sağlık Hizmetleri A.Ş. (BIST: MPARK), the leading private healthcare service provider in Türkiye, announces its financial results for the full year ended December 31, 2024. All figures in this release include the impact of IAS 29 unless otherwise stated.

Summary Financials

(TL million)	2024	2023	Change	Q4 2024	Q4 2023	Change
Revenues	39,690	32,412	22.5%	10,392	9,161	13.4%
EBITDA¹	10,203	8,350	22.2%	2,671	2,858	(6.5%)
EBITDA margin (%) ¹	25.7%	25.8%	(6bps)	25.7%	31.2%	(549bps)
Net Profit/(Loss) Before Tax	7,744	9,128	(15.2%)	1,470	4,433	(66.8%)
Net Profit/(Loss)	5,786	6,855	(15.6%)	1,062	3,592	(70.4%)
Net Profit/(Loss) equity holders of the parent	5,210	6,540	(20.3%)	915	3,414	(73.2%)
Net Profit/(Loss) excluding Monetary Gain/(Loss)	4,231	1,663	154.5%	700	370	89.1%
Net Debt	5,261	4,683	12.4%			
Net Debt / EBITDA	0.5x	0.6x				

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

Financial Highlights

- ✓ In Q4 2024, total revenues increased by 13% to TL 10,392 million (Q4 2023: TL 9,161 million). Domestic private medical insurance posted the highest growth among all segments. Therefore, total revenues increased by 22% to TL 39,690 million in 2024 (2023: TL 32,412 million).
- ✓ In Q4 2024, EBITDA decreased by 7% to TL 2,671 million (Q4 2023: TL 2,858 million). This decline was due to the high base effect from the previous year. The high base in the prior year was driven by the full impact of the SSI increase in September, which was reflected in the last quarter, and especially the increase in the number of inpatients. In 2024, EBITDA grew by 22% to TL 10,203 million (2023: TL 8,350 million).
- ✓ The contraction in the EBITDA margin in Q4 2024 was mainly due to the high base effect, while the EBITDA margin remained flat in 2024 despite the dilutive impact of the six newly added hospitals to our portfolio.
- ✓ In Q4 2024, net profit decreased by 70% to TL 1,062 million (Q4 2023: TL 3,592 million). In 2024, net profit decreased by 16% to TL 5,786 million (2023: TL 6,855 million).
- ✓ Net profit excluding monetary gain increased by 89% to TL 700 million (Q4 2023: TL 370 million). Net profit excluding monetary gain increased by 155% to TL 4,231 million (2023: TL 1,663 million).
- ✓ Net debt/EBITDA ratio came in at 0.5x in 2024, while net debt excluding IFRS 16 decreased by TL 704 million to TL 714 million.

Operating Highlights

- ✓ Turkish Medical Association (TMA) price tariff was increased by 25% in June was effective from July 1, 2024. Previously, a 41% increase was made in January 2024.
- ✓ The Social Security Insurance (SSI) price tariff saw a ca. 50% increase on May 11, 2024.
- ✓ In 2024, we added six new hospitals to our Group, four in Turkey and two abroad.
 - On April 16, 2024, a hospital operating in Ankara was acquired. The hospital, with a capacity of 182 beds, continues its operations as Medical Park İncek Hospital.

- On June 24, 2024, two hospitals operating in Kocaeli and Istanbul were incorporated into our company through long-term leasing. The hospital in Kocaeli, with a capacity of 100 beds, continues its operations as VM Medical Park Gebze Hospital, while the hospital in Istanbul, with a capacity of 80 beds, continues as Medical Park Ataşehir Hospital.
- On June 28, 2024, a hospital operating in İzmir was acquired. The hospital, with a capacity of 143 beds, continues its operations as Medical Park İzmir Hospital.
- The Kosova Medical Park Hospital in Pristina, with a capacity of 80 beds, started its operations at October.
- On October 3, 2024, a hospital in Dubai, United Arab Emirates, was acquired. The hospital continues its operations as Liv Hospital Dubai.
- ✓ On October 9, 2024, by redeeming 17,025,000 shares corresponding to 8.18% of the Company's capital in accordance with the capital reduction procedures that do not require fund outflow, the process of reducing the issued capital from TL 208,037,202 to TL 191,012,202 was completed.

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

“2024 has been a year in which we achieved strong real growth and witnessed the results of our strategic investments. The increase in capacity utilization rates and patient traffic at our large hospitals has enabled us to benefit from economies of scale. By adding a total of six hospitals to our network in 2024, we have accelerated our growth journey.

In terms of our sustainability efforts, we made significant strides in 2024. In November, we signed the United Nations Global Compact, a global initiative that promotes sustainable and responsible business practices. In our first participation in the S&P Global Corporate Sustainability Assessment in 2024, we achieved a score above the healthcare sector average. This success once again highlights the scope and strategic importance of our sustainability initiatives.”

Revenues

	2024	2023	Change	Q4 2024	Q4 2023	Change
Total Revenues (TL million)	39,690	32,412	22.5%	10,392	9,161	13.4%
Domestic Patient Revenues	34,425	26,790	28.5%	9,158	7,594	20.6%
Inpatient Revenues	18,161	14,527	25.0%	4,730	4,055	16.7%
Outpatient Revenues	16,264	12,263	32.6%	4,427	3,540	25.1%
Foreign Medical Tourism Revenues	4,326	4,803	(9.9%)	1,088	1,337	(18.7%)
Other Ancillary Business	939	819	14.6%	147	229	(36.0%)

Domestic Patient Revenues: Revenues from domestic patients increased by 28.5% in 2024 due to increased patient numbers and average prices. Inpatient revenue and outpatient revenue grew by 25.0% and 32.6%, respectively, in 2024.

Foreign Medical Tourism (FMT) Revenues: FMT revenues decreased by 9.9% in 2024 due lower patient flow and relatively stable USD/TL exchange rates compared to domestic unit price increases.

Other Ancillary Business: Revenues from other ancillary business increased by 14.6% in 2024 due to management consultancy revenues from hospitals.

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

	2024	2023	Change (bps)	Q4 2024	Q4 2023	Change (bps)
(% of Revenues)	74.3%	74.2%	6	74.3%	68.8%	549
Material	12.9%	13.8%	(92)	11.9%	13.1%	(115)
Doctor	25.2%	23.5%	168	25.8%	23.4%	245
Personnel	20.3%	19.5%	78	19.8%	17.0%	276
Outsourced services purchases	6.1%	6.0%	12	6.1%	5.5%	68
All other expenses	9.8%	11.4%	(159)	10.6%	9.9%	76

Material consumption as a percentage of total revenue decreased by 92 bps to 12.9% in 2024 due to effective inventory management.

Doctor costs as a percentage of total revenue increased by 168 bps to 25.2% in 2024 due to salary improvement of the doctors in newly added hospitals to our portfolio.

Personnel expenses as a percentage of total revenue increased by 78 bps to 20.3% in 2024 due to salary adjustments of the personnel in January and July.

Outsourced services purchases that consists of laboratory, imaging, cleaning, catering, security expenses as a percentage of the total revenue increased by 12 bps to 6.1% in 2024.

All other expenses (energy, rent, foreign and domestic marketing expenses, etc.) as a percentage of total revenue decreased by 159 bps to 9.8% in 2024 due to relatively lower utility expense.

Cash Flow

The operating cash flow increased by 15.5% to TL 9,479 million in 2024 due to strong EBITDA growth. Therefore, the operating cash flow/EBITDA ratio was at 92.9% in 2024.

Free cash flow increased by 17.4% to TL 5,739 million in 2024 due to strong operational performance. Therefore, free cash flow/EBITDA ratio was at 56.2% in 2024.

Maintenance-related capital expenditures as a percentage of revenues was at 6.6% 2024. Total capital expenditures as a percentage of revenues was at 8.9% in 2024.

Borrowings and Indebtedness

Net debt by currency (TL million)	2024	Vertical %	2023	Vertical %	Change
TL	1,688	32%	2,777	59%	(39.2%)
USD + Euro (*)	(975)	(19%)	(1,360)	(29%)	(28.3%)
Total loan, financial leasing	714	14%	1,418	30%	(49.7%)
TL (IFRS 16)	4,432	84%	3,087	66%	43.6%
USD + Euro (IFRS 16)	115	2%	177	4%	(34.8%)
Total lease liabilities (IFRS16)	4,548	86%	3,265	70%	39.3%
Total net debt	5,261	100%	4,683	100%	12.4%

(*)There is a net long position of USD 26.0 million in foreign currency.

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

In 2024, net debt excluding obligations under operational leases related to TFRS 16 decreased by TL 704 million to TL 714 million.

Total net debt including obligations under operational leases related to TFRS 16 increased by 12% to TL 5,261 million.

EBITDA RECONCILIATION

TL million	2024	2023	Change	Q4 2024	Q4 2023	Change
Revenue	39,690	32,412	22.5%	10,392	9,161	13.4%
Cost of service (-)	(28,831)	(23,128)	24.7%	(7,472)	(6,110)	22.3%
Gross profit	10,859	9,284	17.0%	2,920	3,050	(4.3%)
General administrative expenses (-)	(3,367)	(3,160)	6.5%	(926)	(856)	8.1%
Depreciation and amortization expenses (Cost of service)	2,526	2,028	24.6%	632	601	5.2%
Depreciation and amortization expenses (General administrative expenses)	185	199	(7.0%)	45	62	(28.6%)
EBITDA¹	10,203	8,350	22.2%	2,671	2,858	(6.5%)
EBITDA margin (%)¹	25.7%	25.8%	(6bps)	25.7%	31.2%	(549bps)

¹ 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	Audited 2024	Audited 2023	Change (%)	Audited Q4 2024	Audited Q4 2023	Change (%)
Revenue	39,690	32,412	22.5%	10,392	9,161	13.4%
Cost of service (-)	(28,831)	(23,128)	24.7%	(7,472)	(6,110)	22.3%
Gross profit	10,859	9,284	17.0%	2,920	3,050	(4.3%)
General administration expenses (-)	(3,367)	(3,160)	6.5%	(926)	(856)	8.1%
Other income from operations	781	1,376	(43.3%)	112	378	(70.5%)
Other expenses from operations (-)	(1,143)	(1,188)	(3.8%)	(296)	(412)	(28.3%)
Operating profit/(loss)	7,130	6,312	13.0%	1,810	2,160	(16.2%)
Income from investing activities	1,845	113	1,535.8%	(1)	1	n.m.
Expense from investing activities (-)	(6)	(15)	(61.1%)	0	0	1563.5%
EBIT	8,969	6,409	39.9%	1,810	2,162	(16.3%)
<i>EBIT margin</i>	<i>22.6%</i>	<i>19.8%</i>	<i>282bps</i>	<i>17.4%</i>	<i>23.6%</i>	<i>(618bps)</i>
Interest (expenses) / income, net (-)	(2,757)	(2,344)	17.7%	(705)	(923)	(23.6%)
Net foreign exchange profit / (loss) (including hedging cost)	(22)	(130)	(82.9%)	4	(26)	n.m.
Monetary gain / (loss)	1,554	5,192	(70.1%)	361	3,221	(88.8%)
Net profit / (loss) before tax	7,744	9,128	(15.2%)	1,470	4,433	(66.8%)
Tax income / (expense) from operations	(1,958)	(2,273)	(13.9%)	(408)	(841)	(51.5%)
Net profit / (loss)	5,786	6,855	(15.6%)	1,062	3,592	(70.4%)
Net profit / (loss) non-controlling interest	576	315	82.7%	147	178	(17.6%)
Net profit / (loss) equity holders of the parent	5,210	6,540	(20.3%)	915	3,414	(73.2%)

SUMMARY CONSOLIDATED BALANCE SHEET

TL million	Audited December 31, 2024	Audited December 31, 2023
Cash and cash equivalents	2,728	4,060
Trade receivables	6,087	5,280
Inventory	1,004	1,554
Short term other assets	1,370	1,319
Current assets	11,188	12,214
Tangible and intangible fixed assets	16,958	12,068
Right of use assets	12,574	10,455
Deferred tax assets	2,438	2,612
Long term other assets	4,133	3,677
Non-current assets	36,104	28,812
Total assets	47,291	41,025
Trade payables	5,991	5,894
Short term other liabilities	3,115	2,516
Short term financial liabilities (incl, financial and operational leases)	4,073	4,422
Current liabilities	13,179	12,831
Long term other liabilities	1,177	605
Deferred tax liabilities	5,487	4,655
Long term financial liabilities (incl, financial and operational leases)	3,916	4,322
Non-current liabilities	10,579	9,581
Shareholders' equity	22,627	18,300
Non-controlling interest	907	314
Equity	23,534	18,614
Total liabilities & equity	47,291	41,025

ABOUT MLPCARE

We are the most widespread private healthcare service provider in Türkiye in terms of number of hospitals, beds and geographic scope based on our footprint of 34 hospitals and more than 6,300 beds in Türkiye, Azerbaijan, Hungary, Kosovo and Dubai 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 22 thousand personnel, including over 3,200 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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