



SISTEMUL  
MEDICAL  **MedLife**



Q1 2021 Financial Results  
Conference call presentation

# Legal Disclaimer

---

This presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of Med Life SA's securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy Med Life SA's securities.

Neither this presentation nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor.

All investors should consider such factors in consultation with a professional advisor of their choosing when deciding if an investment is appropriate.

Med Life SA has prepared this presentation based on information available to it, including information derived from public sources that have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.

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

This report may contain forward-looking statements. These statements reflect Med Life SA's current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as "anticipate," "believe", "estimate", "expect", "intend", "plan", "project", "target", "may", "will", "would", "could" or "should" or similar terminology.

These financial projections are preliminary and subject to change; Med Life SA undertakes no obligation to update or revise these forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events. Inevitably, some assumptions may not materialize, and unanticipated events and circumstances may affect the ultimate financial results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks.

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

# AGENDA

1

Highlights 3m 2021

- Key messages 3m 2021
- Outlook

2

Financial overview

- Consolidated Statement of Profit and Loss
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flow

3

Q&A Session

# Highlights 3m 2021

- Key messages 3m 2021
- Outlook

## Key messages 3m 2021

- MedLife Medical System recorded Pro-forma Sales of RON 370.6m RON in 3m 2021, increase by 40.3% compared to 3m 2020;
- IFRS Sales for 3m 2021 of 337.7m RON, increased by 27.9% compared to 3m 2020 (26.8% like to like);
- Strong operating performance, in line with the strategy of recent years and budgeted figures (21.9% Pro-forma EBITDA margin and 9.9% Pro-forma Net profit margin);
- The market started to regain dynamic; the ecosystem created facilitates to capture demand for medical services in the post-pandemic recovery period;
- In 3m 2021 MedLife medical units focused on screening and diagnostic programs, which came to the aid of patients suffering from comorbidities and those who have gone through the disease and who want to monitor their health in the medium and long term;



## Key messages 3m 2021 (Cont.)

- The surgeries also gained a large scale, the Romanians being aware that the postponement is not a solution for their problems and that they can come with confidence to MedLife units, not being exposed to high risks in terms of internal organization;
- Developed dedicated programs for corporate segment, as employers become more and more concerned about the health of their employees;
- First three months also marked the increase of existing facilities by 40 million euros by signing a syndicated loan in total amount of approximately 143 million euros, as announced to shareholders and investors, funds that will be dedicated to consolidating and expanding the group at national level;
- Regarding the research department, the Group continued in 2021 to help monitor the pandemic exclusively from its own resources;

# Outlook

Main development segments include:

1. strengthening of the research department: the acceleration of the research initiatives initiated since the beginning of last year & maintaining the role of regional watchdog in monitoring the pandemic;
2. consolidation and expansion of the current hospital units: develop MedPark concept in all cities in which we have hospitals and create regional medical hubs;
3. strengthen the medical infrastructure at the level of all our units nationwide in a systematic way and expand the only platform that covers the entire country with medical units;
4. M&A program: the Group is in the process of finalizing the acquisitions announced last year and is working on another 4-5 transactions;
5. The new funds available will be used relatively quickly as management expects to announce 3-4 new transactions in the coming months; financing will be used together with own funds;
6. Specific interest in segments of medical services that are offered less by MedLife medical units, which may prove important for the Group's dynamics in the coming years;

# Financial overview

- Consolidated Statement of Profit and Loss
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flow



# Consolidated Statement of Profit and Loss (1/3)

Description	3m 2020 IFRS	3m 2021 IFRS	%VAR	Pro-forma adj.	3m 2021 Pro-forma	%VAR
Sales	264,164,778	337,763,672	27.9 %	32,893,939	370,657,611	40.3 %
Other operating income	881,106	1,045,041	18.6 %	1,112,934	2,157,975	144.9 %
<b>OPERATING INCOME</b>	<b>265,045,884</b>	<b>338,808,713</b>	<b>27.8 %</b>	<b>34,006,873</b>	<b>372,815,586</b>	<b>40.7 %</b>
<b>OPERATING EXPENSES</b>	<b>(246,722,831)</b>	<b>(285,199,614)</b>	<b>15.6 %</b>	<b>(32,955,476)</b>	<b>(318,155,090)</b>	<b>29.0 %</b>
<b>OPERATING PROFIT</b>	<b>18,323,053</b>	<b>53,609,099</b>	<b>192.6 %</b>	<b>1,051,397</b>	<b>54,660,496</b>	<b>198.3 %</b>
<b>EBITDA</b>	<b>44,568,844</b>	<b>79,689,694</b>	<b>78.8 %</b>	<b>1,438,428</b>	<b>81,128,122</b>	<b>82.0 %</b>
<b>EBITDA before IFRS 16</b>	<b>34,054,155</b>	<b>69,262,948</b>	<b>103.4 %</b>	<b>1,438,428</b>	<b>70,701,376</b>	<b>107.6 %</b>
Net finance cost	(5,022,253)	(5,909,581)	17.7 %	(141,226)	(6,050,807)	20.5 %
Other financial expenses	(3,846,566)	(4,696,904)	22.1 %	(3,963)	(4,700,867)	22.2 %
<b>FINANCIAL RESULT</b>	<b>(8,868,819)</b>	<b>(10,606,485)</b>	<b>19.6 %</b>	<b>(145,189)</b>	<b>(10,751,674)</b>	<b>21.2 %</b>
<b>RESULT BEFORE TAXES</b>	<b>9,454,235</b>	<b>43,002,614</b>	<b>354.9 %</b>	<b>906,208</b>	<b>43,908,822</b>	<b>364.4 %</b>
Income tax expense	(3,028,978)	(6,899,724)	127.8 %	(151,572)	(7,051,296)	132.8 %
<b>NET RESULT</b>	<b>6,425,257</b>	<b>36,102,890</b>	<b>461.9 %</b>	<b>754,635</b>	<b>36,857,525</b>	<b>473.6 %</b>
Other comprehensive income	(739,004)	-	(100.0)%	-	-	(100.0)%
<b>Total comprehensive income</b>	<b>5,686,253</b>	<b>36,102,890</b>	<b>534.9 %</b>	<b>754,635</b>	<b>36,857,525</b>	<b>548.2 %</b>

## Margins

EBIT %	6.9%	15.9%	<b>14.7%</b>
EBITDA %	16.9%	23.6%	<b>21.9%</b>
EBITDA before IFRS 16 %	12.9%	20.5%	<b>19.1%</b>
Net Result %	2.4%	10.7%	<b>9.9%</b>

# Consolidated Statement of Profit and Loss (1/3)

*explained*

## 1) 3m 2021 Pro-forma vs. 3m 2020 IFRS

- ❑ **Sales** increased by **40.3%**, to 370m RON
- ❑ **OPEX** increased by **29%**, to 318m RON
- ❑ Threefold increase in **EBIT**, to 54.6m RON, leading to **14.7%** margin (6.9% in the same period last year), due to improved financial performance and cost cutting measures
- ❑ **EBITDA** increased by **82%** to 81m RON, leading to **21.9%** margin (16.9% in the same period last year)
- ❑ **EBITDA before IFRS 16** doubled, reaching 70.7m RON, leading to **19.1%** margin (12.9% in the same period last year)
- ❑ 5.7 X increase in **Net Result**, to 36.8m RON
- ❑ Split of **Net Result**: 89% to Group Owners, 11% to NCI
- ❑ **Pro-forma adj.** include:
  1. Financial Results of the Acquired Companies in amount of 32.9m RON (Veridia for the period January-February 2021; Pharmachem, CED Pharma group and Medica Sibiu for the period January – March 2021)
  3. 590k RON one-off expenses

# Consolidated Statement of Profit and Loss (2/3)

## Operational KPIs

Business line	Info	3m 2020 IFRS	3m 2021 IFRS	%VAR	Share of total IFRS Sales	Pro-forma adj.	3m 2021 Pro-forma	Share of total Pro-forma Sales
Clinics	<b>Revenue</b>	<b>83,931,695</b>	<b>95,325,290</b>	<b>13.6%</b>	<b>28.2%</b>	<b>2,026,060</b>	<b>97,351,350</b>	<b>26.3%</b>
Clinics	Visits	513,144	548,587	6.9%				
Clinics	Avg fee	163.6	173.8	6.2%				
Stomatology	<b>Revenue</b>	<b>15,431,961</b>	<b>22,015,560</b>	<b>42.7%</b>	<b>6.5%</b>	<b>-</b>	<b>22,015,560</b>	<b>5.9%</b>
Stomatology	Visits	27,657	33,468	21.0%				
Stomatology	Avg fee	558.0	657.8	17.9%				
Hospitals	<b>Revenue</b>	<b>57,044,996</b>	<b>78,277,792</b>	<b>37.2%</b>	<b>23.2%</b>	<b>-</b>	<b>78,277,792</b>	<b>21.1%</b>
Hospitals	Patients	20,772	25,417	22.4%				
Hospitals	Avg fee	2,746.3	3,079.7	12.1%				
Laboratories	<b>Revenue</b>	<b>43,404,778</b>	<b>76,135,269</b>	<b>75.4%</b>	<b>22.5%</b>	<b>1,150,235</b>	<b>77,285,504</b>	<b>20.9%</b>
Laboratories	Analyses	1,519,966	1,922,244	26.5%				
Laboratories	Avg fee	28.6	39.6	38.7%				
Corporate	<b>Revenue</b>	<b>48,017,114</b>	<b>50,687,977</b>	<b>5.6%</b>	<b>15.0%</b>	<b>44,240</b>	<b>50,732,217</b>	<b>13.7%</b>
Corporate	Subscriptions	683,031	718,978	5.3%				
Corporate	Avg fee	70.3	70.5	0.3%				
Pharmacies	<b>Revenue</b>	<b>12,632,608</b>	<b>11,292,107</b>	<b>-10.6%</b>	<b>3.3%</b>	<b>29,673,404</b>	<b>40,965,511</b>	<b>11.1%</b>
Pharmacies	Clients	77,107	58,419	-24.2%				
Pharmacies	Sales per	163.8	232.0	41.6%				
Others	<b>Revenue</b>	<b>3,701,627</b>	<b>4,029,677</b>	<b>8.9%</b>	<b>1.2%</b>	<b>-</b>	<b>4,029,677</b>	<b>1.1%</b>
<b>Total</b>		<b>264,164,778</b>	<b>337,763,672</b>	<b>27.9%</b>	<b>100.0%</b>	<b>32,893,939</b>	<b>370,657,611</b>	<b>100.0%</b>

# Consolidated Statement of Profit and Loss (3/3)

## OPEX Evolution

Description	3m 2020 IFRS	3m 2021 IFRS	%VAR	% of OPERATING EXPENSES			% of SALES		
				3m 2020 IFRS	3m 2021 IFRS	Change	3m 2020 IFRS	3m 2021 IFRS	Change
Consumable materials and repair materials	41,623,485	64,628,057	55.3%	16.9%	22.7%	5.8 p.p	15.8%	19.1%	3.4 p.p
Commodities	9,855,800	8,552,747	-13.2%	4.0%	3.0%	-1 p.p	3.7%	2.5%	-1.2 p.p
Utilities	3,675,435	3,617,837	-1.6%	1.5%	1.3%	-0.2 p.p	1.4%	1.1%	-0.3 p.p
Repairs maintenance	2,853,841	3,580,206	25.5%	1.2%	1.3%	0.1 p.p	1.1%	1.1%	0 p.p
Rent	2,088,731	1,874,600	-10.3%	0.8%	0.7%	-0.2 p.p	0.8%	0.6%	-0.2 p.p
Insurance premiums	787,441	863,065	9.6%	0.3%	0.3%	0 p.p	0.3%	0.3%	0 p.p
Promotion expense	2,304,963	2,285,005	-0.9%	0.9%	0.8%	-0.1 p.p	0.9%	0.7%	-0.2 p.p
Communications	1,089,226	1,133,271	4.0%	0.4%	0.4%	0 p.p	0.4%	0.3%	-0.1 p.p
Third party expenses & Salaries expenses, <i>out of which:</i>	154,092,993	168,124,736	9.1%	62.5%	58.9%	-3.5 p.p	58.3%	49.8%	-8.6 p.p
<i>Third party expenses (including doctor's agreements)</i>	<i>74,068,671</i>	<i>89,128,860</i>	<i>20.3%</i>	<i>30.0%</i>	<i>31.3%</i>	<i>1.2 p.p</i>	<i>28.0%</i>	<i>26.4%</i>	<i>-1.7 p.p</i>
<i>Salary and related expenses (including social contrib.)</i>	<i>80,024,322</i>	<i>78,995,876</i>	<i>-1.3%</i>	<i>32.4%</i>	<i>27.7%</i>	<i>-4.7 p.p</i>	<i>30.3%</i>	<i>23.4%</i>	<i>-6.9 p.p</i>
Depreciation	26,245,791	26,080,595	-0.6%	10.6%	9.1%	-1.5 p.p	9.9%	7.7%	-2.2 p.p
Other administration and operating expenses	2,105,125	4,459,495	111.8%	0.9%	1.6%	0.7 p.p	0.8%	1.3%	0.5 p.p
<b>OPERATING EXPENSES</b>	<b>246,722,831</b>	<b>285,199,614</b>	<b>15.6%</b>	<b>100%</b>	<b>100%</b>	<b>0 p.p</b>	<b>93.4%</b>	<b>84.4%</b>	<b>-9 p.p</b>

Release of **9 p.p.** in margin due to:

- Increase in Consumable & repair materials with **3.4 p.p.** of Sales due to reagents and materials related to PCR testing;
- Decrease in Commodities with **1.2 p.p.** of Sales
- Decrease in Third party expenses & Salaries expenses with **8.6 p.p.** of Sales due to personnel related cost cutting measures;



# Consolidated Statement of Financial Position (1/2)

Description	December 31, 2020 IFRS	March 31, 2021 IFRS	%VAR
Non-current assets	904,446,206	902,487,247	-0.2%
Current assets, excluding Cash and cash equivalents	197,077,260	206,821,602	4.9%
Cash and cash equivalents	81,970,397	112,545,854	37.3%
<b>TOTAL ASSETS</b>	<b>1,183,493,863</b>	<b>1,221,854,703</b>	<b>3.2%</b>
Current liabilities (excluding interest bearing liabilities)	199,597,812	204,726,847	2.6%
Financial Debt	676,523,965	675,540,135	-0.1%
Other long term debt	18,119,743	17,727,479	-2.2%
Deferred tax liability	20,345,799	20,345,799	0.0%
<b>TOTAL LIABILITIES</b>	<b>914,587,319</b>	<b>918,340,260</b>	<b>0.4%</b>
Equity attributable to owners of the Group	241,273,524	272,191,300	12.8%
Non-controlling interests	27,633,021	31,323,143	13.4%
<b>EQUITY</b>	<b>268,906,545</b>	<b>303,514,443</b>	<b>12.9%</b>



# Consolidated Statement of Financial Position (2/2)

## Debt position

### Leasing liabilities

Description	December 31, 2020 IFRS	March 31, 2021 IFRS	%VAR
Current portion – Leasing	41,166,069	40,598,572	-1.4%
Long term portion – Leasing	147,097,180	137,915,419	-6.2%
<b>Total</b>	<b>188,263,249</b>	<b>178,513,991</b>	<b>-5.2%</b>

### Financial debt

Description	December 31, 2020 IFRS	March 31, 2021 IFRS	%VAR
Overdraft	27,127,907	25,109,861	-7.4%
Current portion of long-term debt	46,436,217	49,027,238	5.6%
Long-term debt	414,696,592	422,889,045	2.0%
<b>Total</b>	<b>488,260,716</b>	<b>497,026,144</b>	<b>1.8%</b>
<b>Net Debt</b>	<b>594,553,568</b>	<b>562,994,281</b>	<b>-5.3%</b>
Net debt to EBITDA ratio	<b>2.8</b>	<b>2.3</b>	

# Consolidated Statement of Cash Flow

Description	March 31, 2020 IFRS	March 31, 2021 IFRS
<b>Net income before taxes</b>	<b>9,454,235</b>	<b>43,002,613</b>
Adjustments for non-monetary items	34,848,169	37,294,674
<b>Operating cash flow before working capital and other monetary changes</b>	<b>44,302,404</b>	<b>80,297,287</b>
Cash generated from working capital changes	(2,733,975)	(11,873,808)
Other monetary changes (income tax and net interest paid)	(2,703,447)	(10,347,715)
<b>Net cash from operating activities</b>	<b>38,864,982</b>	<b>58,075,764</b>
<b>Net cash used in investing activities</b>	<b>(6,092,972)</b>	<b>(19,300,161)</b>
<b>Net cash from/ (used in) financing activities</b>	<b>16,591,352</b>	<b>(8,200,146)</b>
<b>Net change in cash and cash equivalents</b>	<b>49,363,362</b>	<b>30,575,457</b>
Cash and cash equivalents beginning of the period	38,886,218	81,970,397
<b>Cash and cash equivalents end of the period</b>	<b>88,249,580</b>	<b>112,545,854</b>

Cash flow for the period characterized by good operating performance:

1. 49% increase in net cash from operating activities;
2. 217% increase in cash used in investing activities;
3. Cash used in financing activities of 8.2m RON



# Q&A Session

Thank you!