

Q1 2024 Results Presentation

10 May 2024



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

AGENDA

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3mo 2024 Highlights

- Key messages
- Outlook

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Financial overview

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

3

Q&A Session

3mo 2024 Highlights

- Key messages
- Outlook

Key messages

- Consistent evolution of the financial and operational performance of the Group;
- **Consolidated pro-forma Turnover** of RON 647 million, **up by 22%** compared to same period last year;
- Strong **organic growth** of **15%** in revenues, with sustained demand for medical services, creating growth premises for the rest of the year;
- Robust **increase** in **EBITDA margins** YoY, on the back of integration of the acquired companies in the Group and sustained organic development investments which started to contribute to overall profitability;
- 33% increase in **pro-forma EBITDA**, to RON 99 million;
- 65% increase in **pro-forma net result**, to RON 14 million;
- Completed the acquisition of Personal Genetics (genetics laboratory), thus becoming the provider with the greatest expertise in the area of genetics and molecular biology in Romania.

Outlook

Focus on:

- optimizing the operational flows and procedures within the group, in order to further leverage the economies of scale and cumulated expertise of each unit;
- consolidating profitability margins y.o.y. after important investments carried out in the past years, both in terms of M&A and organic projects;
- gradual reduction of net debt to EBITDA levels.

Strategic priorities:

- continued development of the MedLife Medical Park project;
- finalization of the Medici`s Hospital in Timisoara & MedLife Hospital in Craiova;
- CAPEX estimated to EUR 25m for 2024, including maintenance CAPEX.

In terms of **acquisitions**, we will maintain the acquisitive profile that brought this growth, as well as organic investments, maintaining, however, as in the first quarter, a special attention on the improvement of margins compared to the previous year and reducing the net debt/EBITDA ratio.



Financial overview

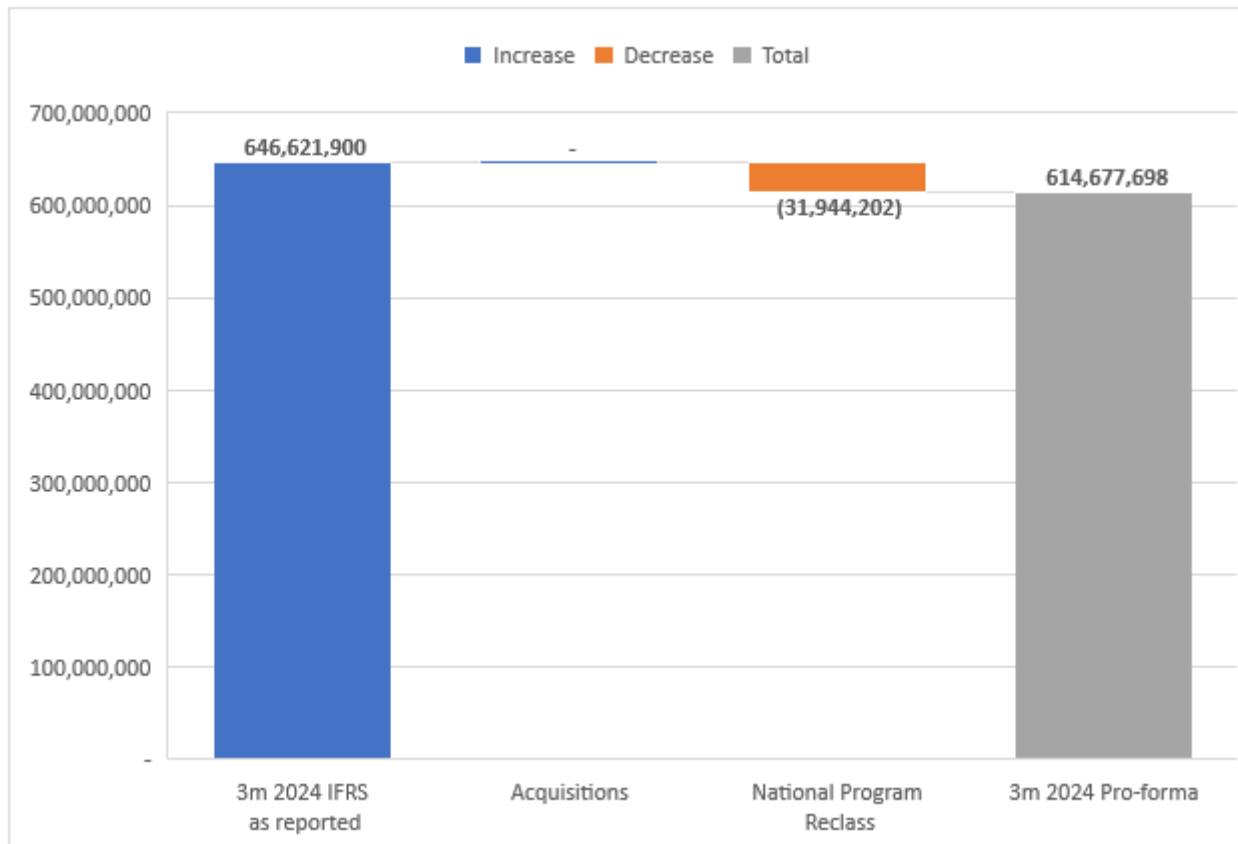
- Consolidated Statement of Profit and Loss
- Consolidated Statement of Financial Position
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Consolidated Statement of Profit and Loss

Description	3m 2023 IFRS	3m 2024 IFRS	%VAR	Pro-forma adj.	3m 2024 Pro-forma	%VAR
Gross Sales	529,453,478	646,621,900	22.1 %	-	646,621,900	22.1 %
Net Sales (less NHP)	529,453,478	646,621,900	22.1 %	(31,944,202)	614,677,698	16.1 %
Other operating income	3,316,888	1,789,203	(46.1)%	-	1,789,203	(46.1)%
OPERATING INCOME	532,770,366	648,411,103	21.7 %	(31,944,202)	616,466,901	15.7 %
OPERATING EXPENSES	(505,186,874)	(606,642,061)	20.1 %	32,861,974	(573,780,087)	13.6 %
OPERATING PROFIT	27,583,492	41,769,042	51.4 %	917,771	42,686,813	54.8 %
EBITDA	74,733,807	98,148,097	31.3 %	917,771	99,065,868	32.6 %
Net finance cost	(15,222,700)	(24,765,529)	62.7 %	-	(24,765,529)	62.7 %
Other financial expenses	126,520	2,060,344	1528.5 %	-	2,060,344	1528.5 %
FINANCIAL RESULT	(15,096,179)	(22,705,185)	50.4 %	-	(22,705,185)	50.4 %
RESULT BEFORE TAXES	12,487,313	19,063,857	52.7 %	917,771	19,981,628	60.0 %
Income tax expense	(4,062,738)	(5,958,819)	46.7 %	(146,843)	(6,105,662)	50.3 %
NET RESULT	8,424,575	13,105,038	55.6 %	770,928	13,875,966	64.7 %
Margins						
EBIT %	5.2%	6.5%			6.9%	
EBITDA %	14.1%	15.2%			16.1%	
Net Result %	1.6%	2.0%			2.3%	

- Consolidated pro-forma Turnover of RON 647m, up by 22% YoY, with a strong evolution in almost all business lines;
- Pro-forma EBITDA increased by 33% to RON 99m, reaching a margin of 16.1% (15.2% IFRS basis, increase from 14.1% in the same period last year);
- Net Result increased by 65% to RON 13.8m, reaching a margin of 2.3% (2.0% on IFRS basis, increase from 1.6% in the same period last year), still affected by high yields environment which resulted in higher financing cost.

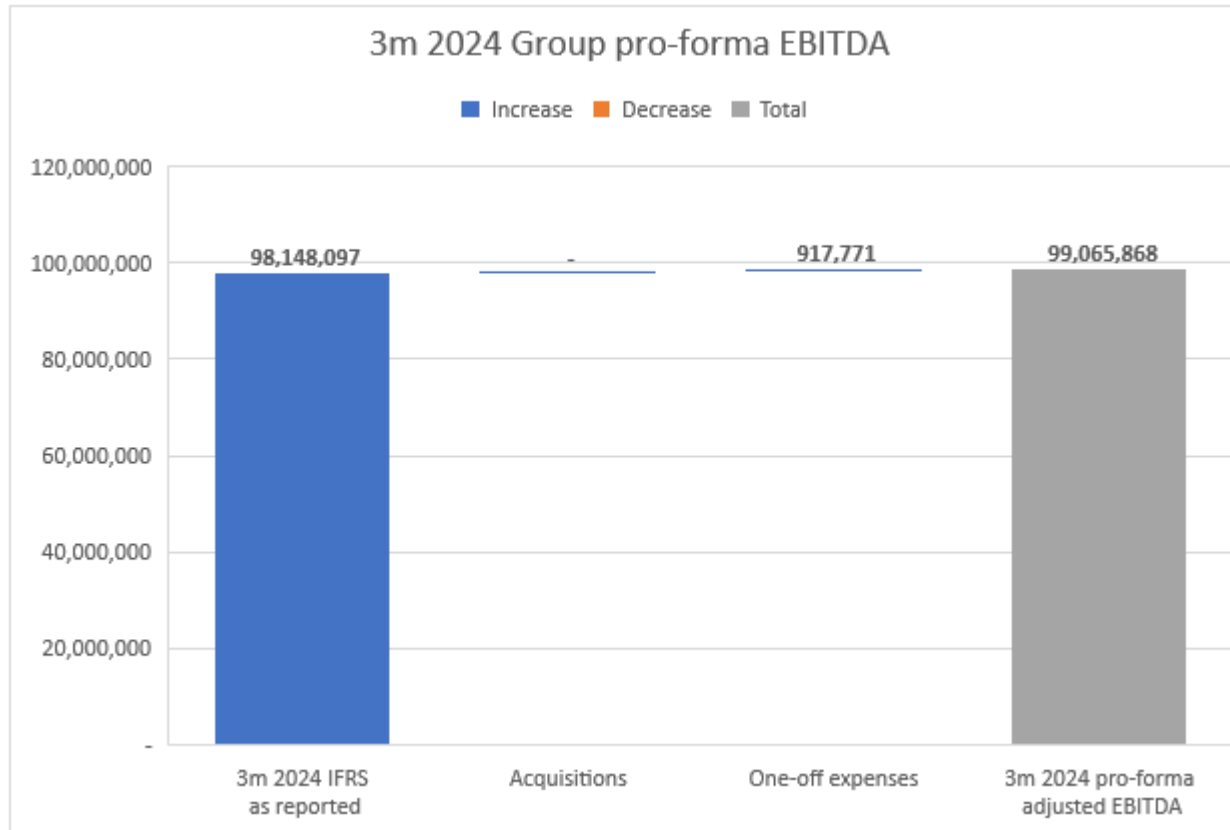
Consolidated Statement of Profit and Loss – Pro-forma Revenues



From IFRS Revenues to Pro-forma Revenues:

- No normalization adjustments from acquisitions, with Personal Genetics SPA completed in April (Sales of RON 14m in 2023);
- RON 32 million reclass related to the National Program for chemotherapy drugs.

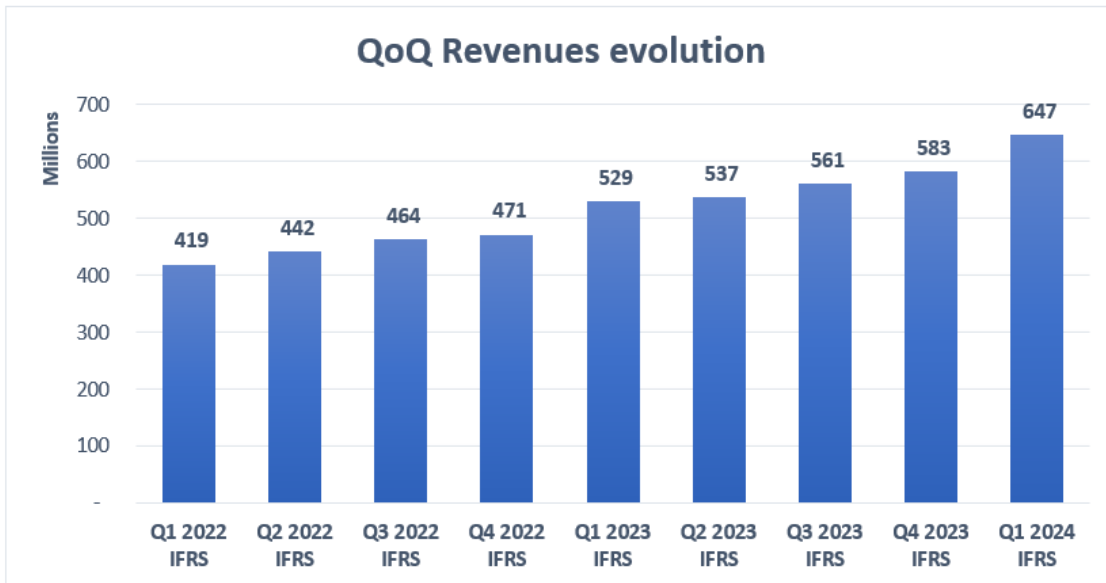
Consolidated Statement of Profit and Loss – Pro-forma EBITDA



From IFRS EBITDA to Pro-forma EBITDA:

- No impact in EBITDA pro-forma coming from acquisitions;
- ~ RON 1 million one-off expenses adjusted in pro-forma EBITDA.

Consolidated Statement of Profit and Loss – QoQ Evolution



- Gradual improvements in EBITDA levels during 2023 & continuing trend YoY in 2024;
- In terms of Revenues, the quarterly trend shows the ability to increase the platform quarter by quarter, both through acquisitions, as well as organically.

Consolidated Statement of Profit and Loss – Operational KPIs

Business line	Info	3m 2023 IFRS	3m 2024 IFRS	%VAR	Share of total IFRS Sales
Clinics	Revenue	199,260,702	247,277,200	24.1%	38.2%
Clinics	Visits	863,694	1,064,126	23.2%	
Clinics	Avg fee	230.7	232.4	0.7%	
Stomatology	Revenue	32,289,809	32,271,456	-0.1%	5.0%
Stomatology	Visits	46,681	51,045	9.3%	
Stomatology	Avg fee	691.7	632.2	-8.6%	
Hospitals	Revenue	108,295,119	150,892,857	39.3%	23.3%
Hospitals	Patients	33,259	39,375	18.4%	
Hospitals	Avg fee	3,256.1	3,832.2	17.7%	
Laboratories	Revenue	57,199,089	68,316,673	19.4%	10.6%
Laboratories	Analyses	1,853,301	2,039,379	10.0%	
Laboratories	Avg fee	30.9	33.5	8.5%	
Corporate	Revenue	57,953,029	74,151,620	28.0%	11.5%
Corporate	Subscriptions	846,217	888,582	5.0%	
Corporate	Avg fee	68.5	83.4	21.9%	
Pharmacies	Revenue	18,481,757	16,660,891	-9.9%	2.6%
Pharmacies	Clients	124,312	119,827	-3.6%	
Pharmacies	Sales per	148.7	139.0	-6.5%	
Others	Revenue	55,973,973	57,051,204	1.9%	8.8%
Total		529,453,478	646,621,900	22.1%	100.0%

- Solid growth of 22% in Revenues, out of which 15% organic growth, with almost all business lines continuing their upward trend, highlighting the excellence and high quality services provided in clinics, hospitals, laboratories the corporate area, that recorded increases of 24%, 39%, 20%, and 28% respectively;
- Stomatology business line had a flat evolution, nevertheless with an upward trend compared to Q3 - Q4 2023;
- The pharmacies business line saw a decrease as a result of the adjustments of the drugs' portfolio for a more efficient operational management, process that took place in Q2 2023.

Consolidated Statement of Profit and Loss – OPEX

Description	3m 2023 IFRS	3m 2024 IFRS	%VAR	% of OPERATING EXPENSES			% of SALES		
				3m 2023	3m 2024	Change	3m 2023	3m 2024	Change
Consumable materials and repair materials	91,017,054	112,319,796	23.4%	18.0%	18.5%	0.5 p.p	17.2%	17.4%	0.2 p.p
Commodities	56,109,225	57,659,250	2.8%	11.1%	9.5%	-1.6 p.p	10.6%	8.9%	-1.7 p.p
Utilities	8,522,964	9,972,397	17.0%	1.7%	1.6%	0 p.p	1.6%	1.5%	-0.1 p.p
Repairs maintenance	4,335,216	4,977,495	14.8%	0.9%	0.8%	0 p.p	0.8%	0.8%	0 p.p
Rent	2,686,451	3,444,059	28.2%	0.5%	0.6%	0 p.p	0.5%	0.5%	0 p.p
Insurance premiums	1,313,225	1,661,093	26.5%	0.3%	0.3%	0 p.p	0.2%	0.3%	0 p.p
Promotion expense	7,860,349	10,218,076	30.0%	1.6%	1.7%	0.1 p.p	1.5%	1.6%	0.1 p.p
Communications	1,585,066	1,554,767	-1.9%	0.3%	0.3%	-0.1 p.p	0.3%	0.2%	-0.1 p.p
Third party expenses & Salaries expenses, <i>out of which:</i>	278,479,708	341,785,101	22.7%	55.1%	56.3%	1.2 p.p	52.6%	52.9%	0.3 p.p
<i>Third party expenses (including doctor's agreements)</i>	<i>147,723,764</i>	<i>185,849,073</i>	<i>25.8%</i>	<i>29.2%</i>	<i>30.6%</i>	<i>1.4 p.p</i>	<i>27.9%</i>	<i>28.7%</i>	<i>0.8 p.p</i>
<i>Salary and related expenses (including social contrib.)</i>	<i>130,755,944</i>	<i>155,936,028</i>	<i>19.3%</i>	<i>25.9%</i>	<i>25.7%</i>	<i>-0.2 p.p</i>	<i>24.7%</i>	<i>24.1%</i>	<i>-0.6 p.p</i>
Depreciation	47,150,315	56,379,055	19.6%	9.3%	9.3%	0 p.p	8.9%	8.7%	-0.2 p.p
Impairment / Release under IFRS 9 provision on TR	1,002,093	1,558,186	55.5%	0.2%	0.3%	0.1 p.p	0.2%	0.2%	0.1 p.p
Other administration and operating expenses	5,125,208	5,112,786	-0.2%	1.0%	0.8%	-0.2 p.p	1.0%	0.8%	-0.2 p.p
OPERATING EXPENSES	505,186,874	606,642,061	20.1%	100%	100%	0 p.p	95.4%	93.8%	-1.6 p.p

- Decrease of Operating Expenses as % in Sales with 1.6 p.p. YoY, from 95.4% to 93.8%;
- The decrease of the *Commodities* line as % in Sales in line with last year trend, with a decrease of pharma business share in total Group.

Consolidated Statement of Financial Position

Description	December 31, 2023 IFRS	March 31, 2024 IFRS	%VAR
Non-current assets	2,102,828,820	2,132,627,060	1.4%
Current assets, excluding Cash and cash equivalents	433,237,518	471,887,451	8.9%
Cash and cash equivalents	100,271,093	142,577,229	42.2%
TOTAL ASSETS	2,636,337,431	2,747,091,740	4.2%
Current liabilities (excluding interest bearing liabilities)	487,952,032	559,710,392	14.7%
Financial Debt	1,561,520,588	1,588,796,547	1.7%
Other long term debt	47,775,013	46,939,222	(1.7)%
Deferred tax liability	44,897,775	44,897,775	0.0%
TOTAL LIABILITIES	2,142,145,408	2,240,343,936	4.6%
Equity attributable to owners of the Group	415,291,298	429,223,239	3.4%
Non-controlling interests	78,900,725	77,524,565	-1.7%
EQUITY	494,192,023	506,747,804	2.5%

Consolidated Statement of Financial Position – Debt

Leasing liabilities

	December 31, 2023 IFRS	March 31, 2024 IFRS	%VAR
current portion - leasing	99,589,187	98,500,939	-1.1%
long term portion - leasing	309,158,946	315,710,074	2.1%
Total	408,748,133	414,211,013	1.3%

Financial debt

	December 31, 2023 IFRS	March 31, 2024 IFRS	%VAR
Overdraft	29,835,472	23,848,731	(20.1)%
Current portion of long-term debt	82,297,342	100,279,776	21.9%
Long-term debt	1,040,639,641	1,050,457,027	0.9%
Total	1,152,772,455	1,174,585,534	1.9%

Net Debt	1,461,249,495	1,446,219,318	-1.0%
Net debt to pro-forma EBITDA ratio	4.6	4.3	

- Net debt to EBITDA ratio decreased from 4.6x to 4.3x, on the back of increased EBITDA levels and margins;
- We are committed to continuing the solid business growth trend, entering a cycle of gradually increasing margins and lower leverage ratios;

Consolidated Statement of Cash Flow

Description	March 31, 2023 IFRS	March 31, 2024 IFRS
Net income before taxes	12,487,313	19,063,857
Adjustments for non-monetary items	61,808,895	80,668,958
Operating cash flow before working capital and other monetary changes	74,296,208	99,732,815
Cash used in working capital changes	(6,709,272)	11,751,719
Other monetary changes (income tax and net interest paid)	(1,269,363)	(5,321,063)
Net cash from operating activities	66,317,573	106,163,471
Net cash used in investing activities	(100,895,206)	(46,539,654)
Net cash from financing activities	63,812,558	(17,317,681)
Net change in cash and cash equivalents	29,234,925	42,306,136
Cash and cash equivalents beginning of the period	89,068,154	100,271,093
Cash and cash equivalents end of the period	118,303,079	142,577,229

- Increased contribution from EBITDA, with net cash from operating activities of RON 106m, 60% higher compared to same period last year



Q&A Session

Thank you!