



## **Q1 2026 RESULTS CONFERENCE CALL TRANSCRIPT**

Friday, May 29, 2026, 4.00 PM EET

### **MedLife Representatives:**

**Mr. Mihail Marcu, CEO and Chairman of the Board**

**Ms. Alina Irinoiu-Titu, CFO**

**Mr. Dorin Preda, Deputy CEO and Board Member**

**Ms. Ioana Birsu, Investor Relations Manager**

**Mihail Marcu:** Good day and thank you for participating today to our conference with respect to the results of MedLife for the first quarter of 2026. With me today is the team, the usual team, Dorin Preda, the Deputy CEO, Alina Irinoiu-Titu, the CFO, and Ioana Birsu, IR Manager. Alina will give the presentation and afterwards we will be with you for the Q&A session. Today, the final statement will be made by Dorin Preda, the Deputy CEO. Alina, the floor is yours.

**Alina Irinoiu:** Thank you Mihai. Good afternoon, everyone and thank you for joining our presentation today.

As always, I will start the presentation with the highlights for the first quarter of this year.

In the first 3 months, the Group recorded a consolidated pro forma turnover of RON 856.2 million, representing an increase of 10.1% compared to the similar period of 2025, out of which 9% was organic growth.

Demand in our network remained strong and we continued to grow the number of patients and clients, showing that the underlying demand for healthcare services remains solid.

Across our core business lines, clinics remained the primary growth driver, which reflects both the resilience of the Group's healthcare platform and the sustained demand for medical services, despite a still challenging economic environment.

Hospitals also delivered strong performance, followed by the laboratories division, both being supported by continued demand for complex and rather integrated healthcare services, as well as the increasing patient focus on prevention, diagnostics, and continuity of care.

As you already know, over the past years we have significantly increased the complexity of the medical services, both in the hospital division, through investments in advanced medical equipment and surgical robotics, expanded infrastructure, and highly specialized medical teams, and in the laboratory segment through the expansion from routine testing towards advanced diagnostics, including genetics and pathology services. These investments are progressively translating into stronger operational performance, increased service capacity, and enhanced medical capabilities across the network.

In terms of profitability, pro forma EBITDA reached RON 124.3 million (i.e. 10% increase versus the same period last year), while the pro forma net result amounted to RON 12.6 million. Margin-wise, we observed a slight decrease in the average ticket per patient, particularly in non-urgent and discretionary medical services that can be postponed during periods of lower consumer confidence. However, this effect was more than offset by continued growth in the number of patients and strong volume increases across the network.

In terms of expansion and projects, we had several organic development and strategic investments during this period:

- We expanded the MedLife Genesys network in Arad and opened the fourth clinic in the city. The new clinic offers over 17 medical specialties, laboratory services, and dedicated preventive care programs.
- We finalized the acquisition of Medstar, following approval from the Competition Council in January and started to consolidate in our results the group beginning of February. With this transaction we consolidate our footprint in the west part of the country, being included already in our second brand division.
- We also continued investments in advanced technologies and operational capabilities, including a EUR 2 million investment in one of the most advanced robotic neurosurgery systems in Romania, now available at MedLife Sibiu.
- We announced the first results of the Longevity100+ program, highlighting the potential of genomics and personalized medicine in prevention and early diagnosis, while supporting the development of higher value-added medical services.

- At the same time, we continued to invest in digitalization and the expansion of our technological ecosystem, with a particular focus on enhancing the MedLife app and strengthening capabilities in genomics, personalized medicine and diagnostics (including imaging)— areas that we consider as strategic priorities for the medium and long term.
- We have also continued to strengthen our corporate division and launched new products and service packages designed to the evolving needs of our corporate clients. The market response has been very positive, supporting both client acquisition and the expansion of existing partnerships. As a result, we have continued to gain market share in the corporate segment, a trend that we expect to continue in the coming periods.

Looking at the overall market dynamics, the services market is not growing, with consumer spending remaining rather slow in the first 4 months of 2026, reflecting the continued impact of fiscal adjustments and a broader period of economic normalization. Nevertheless, we delivered revenue growth of approximately 10%, demonstrating that healthcare remains a priority for Romanian consumers and that demand for quality medical services continues to be resilient despite the macroeconomic backdrop.

In terms of outlook, we believe that the stabilization measures implemented at economic level are gradually beginning to improve market sentiment and should support a more balanced environment by the end of this year.

For MedLife, our expectations remain positive. We continue to see solid demand across most of our business lines and expect to maintain a healthy growth trajectory, supported by both organic development and the contribution of recently opened and integrated facilities.

At the same time, we remain attentive to the broader macroeconomic environment. While we have not seen any material deterioration in healthcare demand so far, we will continue to closely monitor consumer spending patterns and corporate healthcare budgets, while leveraging the flexibility of our business model to respond to changing market conditions when needed.

In terms of strategic priorities, we remain focused on the areas where we see the strongest long-term opportunities for growth and differentiation.

One of our key priorities is genetics, personalized medicine, and precision diagnostics. Following the launch of the Longevity100+ program in October 2025, the first results have been encouraging and further confirm our view that prevention, predictive medicine, and personalized healthcare will become increasingly important over the coming years. This is why we will continue to expand access to genetic testing and advanced diagnostic services, building on the investments we have already made in these areas.

At the same time, we continue to invest in technology and innovation. We are preparing the launch of new interesting products in areas such as genetics, advanced diagnostics, and imaging, while also significantly upgrading the MedLife app and our broader digital ecosystem. Our goal is simple: to make healthcare more accessible, more integrated, and easier to navigate for patients, while also improving efficiency across the Group.

We see healthcare increasingly moving towards more personalized, technology-driven solutions, and we want to be at the forefront of this transformation.

On the M&A side, we remain active in the market and continue to evaluate opportunities as they arise. We don't currently see any sizeable transactions materializing in the near term, but we are very much present in the market and maintaining an active dialogue with potential targets and advisors.

Moving on to the next section, the **financial results**, and looking at the **Consolidated statement of profit and loss**:

### 3m 2026 pro forma vs. 3m 2025 IFRS

- Gross Sales (National Health Program for chemotherapy drugs included) increased by 10.1%, reaching RON 856.2 million;
- The pro forma operating profit increased by 6.9%, to RON 47 million;
- Pro forma EBITDA increased by 10% to RON 124.3 million, resulting in a margin of 16% on a pro forma basis, with 14% on IFRS and 14.5% in Q1 2025;
- The pro forma net result was RON 12.6 million, an 18.9% increase versus the similar period of last year.

#### Regarding the **Pro-forma figures**:

- in terms of the bridge in Revenues, from IFRS figures to pro forma figures, we have included RON 3 million normalization adjustments from subsidiaries integrated in Q1 2026 (namely Medstar that entered consolidation in February 2026) and extracted RON 79.6 million reclass of the National Health Program for chemotherapy drugs in all our units – I remind you that this is a business with zero direct margin contribution, but very important in supporting volume growth in complementary service areas, and was always approached as an adjustment in pro forma figures.
- in terms of the bridge in EBITDA, from IFRS figures to Pro-forma figures: RON 108 thousand correspond to the normalization adjustments from acquisitions and RON 4.4 million are one-off expenses.

Looking at the **Quarter-on-Quarter** EBITDA evolution, EBITDA margins in Q1 2026 remained broadly in line with historical levels, despite a market environment characterized by decreased consumer spending and a slight decrease in the average ticket per patient. While patients have become somewhat more selective in certain categories of spending, demand for healthcare services remained strong, allowing us to continue growing patient volumes across the Group. At the same time, the increasing contribution of higher-complexity medical services and our ongoing focus on operational efficiencies helped to support profitability levels.

On the revenue side, Q1 marked another record quarter for the Group. Growth continued to be primarily volume-driven, supported by higher patient flows across hospitals, clinics, and laboratories, as well as the contribution from facilities opened or integrated over the past year. This confirms that our growth is being driven not only by expansion, but also by the continued development of our existing network.

#### In terms of **business lines** evolution:

- Clinics continue to be the main revenue driver, accounting for 39% of total sales. Growth was largely volume-driven, with a 10.4% increase in visits, complemented by moderate pricing adjustments.
- Hospitals also delivered strong growth, with revenues increasing by 11%, driven by both a 6% YoY increase in patient volumes and a 5% increase in the average fee. The evolution of the average fee primarily reflects the ongoing shift towards higher-complexity medical services and procedures, resulting in a more favorable service mix. Hospitals remain the Group's primary growth engine, supported by the additional capacities created over recent years, which are gradually reaching higher utilization levels.
- Laboratories posted also 11% increase in revenues, supported by a 12% increase in tests performed. The average fee remained broadly stable, reflecting the combined effect of selective price increases and some slight decrease in the average ticket per patient.

- The Corporate division continued to perform very well, with subscription volumes increasing by 7.2% YoY and revenues growing by 11.6% YoY, supported by a 4.1% increase in average fees. We are particularly encouraged by the market response to the new products and service packages we introduced, which are better aligned with the evolving needs of employers and employees. We continue to see strong commercial momentum, both from new client wins and the expansion of existing contracts, supporting further market share gains and confirming that we are moving in the right direction in this segment.
- The dentistry division registered a 2.7% decline, mainly reflecting softer demand in a market segment more closely linked to purchasing power and discretionary spending. In response, we are currently reviewing and refining our strategy in the dentistry segment, with a stronger focus on medium-to-high-end services.
- Pharmacies represented 3% of total sales, with revenues growing by 30.5% YoY, mainly driven by an increase in spend per client and an improved product mix, which contributed to a higher average basket value.
- Others, which accounts for 6.6% of total sales, registered a 16.4% YoY decrease, determined mainly by lower wholesale distribution activity.

Looking at the cost structure on the next slide, the increase in consumables and repair materials as a percentage of sales was primarily driven by the growing contribution of hospitals, oncology, and laboratory services to the revenue mix, in line with prior quarters starting with Q2 2025. We also saw a moderate increase in utilities and depreciation expenses following the investments made in recent years, the gradual ramp-up of newly opened facilities as well the impact of the property revaluation performed at the end of 2025, which resulted in a higher fair value of the Group's real estate assets.

At the same time, despite the increase in VAT and the impact of the EUR appreciation on part of our procurement costs, we managed to maintain a relatively stable margin profile. This was supported by supplier negotiations, ongoing operational efficiency initiatives and the benefits generated by the scale of our operations.

Looking at the **financial position**:

- Non-current assets increased by 1.4%, mostly explained by increase in Goodwill;
- Current assets, excluding cash and cash equivalents, increased by 9%, mostly due to advanced payments and receivables timing; corresponding Current liabilities (excluding interest-bearing liabilities) also increased by 4.4%.
- Financial debt increased by 2.1%, which led to a 2.7% rise in overall net debt.
- Net Debt to pro forma EBITDA ratio remained essentially flat, compared with the end of 2025, with 3.85x as at 31 March 2026.

We target a gradual reduction of leverage towards 3.5x by the end of 2026.

Moving to the **consolidated cash flow**, Operating cash flow before working capital increased by 7.9%, to RON 123.6 million, reflecting strong underlying cash generation capacity.

Net cash from operating activities was RON 70 million, down by 22% due to timing.

Investing cash outflows decreased compared to Q1 2025, with RON 63 million being invested in Acquisition of subsidiaries and Purchase of property, plant and equipment. In terms of guidance for 2026 CAPEX budget, this stands at EUR 20 million, not including acquisitions.

This concludes our presentation for today, and we can now move to the Q&A session. We will take first the questions by phone, if any, and afterwards we can move to the questions submitted through the platform. Thank you. Operator...

**Operator:** The first question is from the line of Elias New with ODDO BHF. Please go ahead.

**Elias New:** Yes, good afternoon. I hope you can hear me and thank you for the time. I have three questions, and I'd like to take them one at a time. If we can just start with the margins. How can we think about the evolution of margins over the remainder of the year given that the Q1 EBITDA margin IFRS is at 14% and the Full Year budget is for 14.5%? So, should we expect a progressive margin improvement over the course of the year?

And the second part of the question is, you mentioned a softer consumer spending in the quarter. So, I was just wondering, did you see any deterioration here compared to the prior year quarters in Q1.

**Alina Irinoiu:** Thank you for your questions. I'll start with the first one. We keep our budget projections. We are in line with the budget, and we don't see deviations from it.

Regarding your second question, indeed, consumer consumption in Romania at different services level is affected. Nevertheless, we see that the demand of our services remains strong. Of course, not that strong or we didn't grow as much as we did last year. But still, it is a very good demand compared with the overall market sentiment. So, to answer your question, demand has slowed down, let's say, compared to last year, but it is still strong and in line with the budget.

**Elias New:** Okay, just to clarify on that. So sequentially, has consumer spending slowed down as well? So, looking at Q4 compared to Q1, just wondering anything surrounding the environment? Any color you could provide would be helpful. And I guess, just to also clarify perhaps my question on the margin side: so, in order to reach the 14.5% guidance in the budget, I guess, we would need to see some improvement from the Q1 EBITDA margin. So, should that improvement come progressively as the year progresses or how should we think about that kind of margin uplift spread throughout the remaining quarters of the year? I hope that's clear?

**Alina Irinoiu:** Yes, that's correct. So, if we keep the budget, then we will see slow progression as we go along the year. And getting back to the consumer demand, I understood that you said the consumer or consumption continued the trend from last quarter. And this is true, in Romania consumption started to decrease beginning October last year and continued this trend up to now. However, during this period, we have witnessed a good demand for medical services.

**Elias New:** That's helpful. And I guess my second question would relate to D&A. So, D&A came in somewhat higher in the Q1, that's RON 77 million. So, I know there's a lot of volatility within the D&A line for you from one quarter to next. But I was just wondering in terms of Q1 number, is there anything in particular to call out here? And how should we think about that D&A moving across the year? I'm just trying to wrap my head around that, given the quarterly volatility that you sort of report here and whether there's anything to call out?

**Alina Irinoiu:** That's true. There is an increase in absolute amount. And that is coming on one hand, due to the investment we had made progressively basically last year that now are ramped up, let's say, in full effect. Then it's also a revaluation of the assets that we have performed. The fair value of the properties that we own has increased as compared to previous year. We do the revaluation every three years.

Then looking at how we see this depreciation considering that we also have a CAPEX activity this year, so we plan to further invest. We assumed that for this year, the share in total sales will remain the same. So roughly 9%, as you see it now, shall be consistent for this year.

**Elias New:** Okay. That's very helpful. And final question on my side will be on your financial result guidance as part of the budget, which I believe is for RON 138 million. Could you just perhaps elaborate a little bit on the moving parts here? So, what assumption does this include in terms of any potential adverse FX movements of the RON compared to the euro that we've also seen in the recent weeks and months? And also given the increase in the Euribor interest rates in recent months, is this also already reflected in that financial result guidance?

**Alina Irinoiu:** Thank you for your question. We have a model that included in our budget a 2% depreciation of the RON against euro. So, this is reflected in the budget. At this moment, today, we are at roughly 3% on the market. However, let's see what happens. We expect the FX rate to normalize once we will have a new government appointed.

**Elias New:** And in terms of the Euribor interest rate moving quite adversely in recent months since the Iran crisis. Is that also already captured by the budget or is there some risk there, that also leads to essentially a higher financial result for you than what you're guiding?

**Alina Irinoiu:** I don't think I fully understood the question, but I will just say what I understood. I clarify that we have modelled and included a 2% depreciation that was in line also with consensus coming from financial institutions.

**Elias New:** No, just to clarify, my question was actually relating to the actual interest, your interest rate that you are paying given your debt is euro-denominated. And given the sort of swings we've seen in terms of interest rates, short-term interest rates in recent weeks and months? And when you compare to when you release the budget. I'm just wondering if this delta perhaps compared to your planning assumptions needs to be reflected in the budget or whether it is still is accurate in terms of the number that you are guiding for?

**Alina Irinoiu:** Okay. So, from an interest expense perspective, we have also modelled well in line with the evolution today. We have, a semiannual reset of the Euribor. It happened already in May, and it is in line with our budget. So, we are covered for the interest expense that we have on our euro loans.

**Elias New:** Okay that is great. Yeah, that answers my questions. Many thanks.

**Alina Irinoiu:** Thank you.

**Operator:** There are no further audio questions. I will now pass the floor to management to accommodate any written questions from the webcast participants.

**Dorin Preda:** Yes. Thank you very much. Actually, we see a number of questions on the app and I will try to summarize the answers because some of them have already been answered by Alina already. And others are somehow repeating and I will try to get them together by subject. So, one of the subjects is related to the profitability and the expectation that we can send to the market regarding the profitability.

As Alina was mentioning a bit earlier, we see 2026 as a year of improving profitability. As you know, some of our greenfield projects that we have done in 2025 and also 2024, which is Timisoara Hospital that has already breakeven in the last quarter of 2005, and also the Nord hospital that has breakeven early 2026, are units that are ramping up volumes and probably should contribute increasingly to the earnings throughout the year.

More than that, I think there is something that we need to say here because none of these two hospitals are yet in contract with the National Health House. So of course, the performance as we speak, is influenced by that. But from our point of view, it is not a problem of if, it is a problem of when they are going to be part of the contract with the National Health House. Once they will be in that contract their contribution to the actual performance of the year will be even much more important. This would be one of the questions.

What I can also mention is that we continue to focus on efficiencies, improvements and looking on other synergies inside the group, and we continue to do things, that we mentioned in our previous conference calls that we are trying to add different layers of either legal or operational integration among the subsidiaries so, out of this, there should be some synergies or economies that, at the end of the day, will help the overall profitability this year.

There is another question related to the leverage and how much we are exposed and what is the direction?

Of course, you can see the results in terms of net debt-to-EBITDA. Strategically, our plan is to deleverage also this year with the scope that by the end of 2026 to be around 3.5x net debt to EBITDA.

There is another question related to the FX impact. I think Alina already answered partially this question. We have looked intensively at hedging opportunities that are available in the market. Unfortunately, at least up to now, the amount that we should have paid in order to have such protection, it did not make sense because of the fact that the price that we would have paid for this type of hedging options are even more expensive than what we see today in terms of FX rate exchange.

Alina was mentioning that we have a kind of depreciation of the currency that we have already in our balance sheet. And anyway, looking forward in case that we either expand our facilities or looking on other type of structures, of course, we will try to add some other RON denominated currency facility in order to diversify a bit the structure that we have on the lending side.

**Alina Irinoiu:** There are also several questions in the area of price increases planned in the coming quarters. And our response is no. There are no further price increases that we plan, at least at this stage, as we do not think that the market can absorb other price increases than the ones we have already implemented in the first quarter. Just a reminder, we increased prices in clinics by 5%, 5% to 10% in hospitals and in laboratories with 3%.

Regarding the questions related to the large cash flow into receivables and temporary working capital variations, this is not related to the quality of the receivables. It is related to timing. The receivables are from the National Health Insurance House that have different payment mechanisms during the year as compared to year-end. So, this is why the fluctuation, but it is something manageable and recoverable as well. So, it is only about timing.

**Dorin Preda:** I think this would be the questions. I see there is one on Longevity. Longevity, as we said a bit earlier, it is a combination between technology and genomics, and we are trying to come with a new way of looking at personalized medicine. I think Alina touched already this subject during her presentation. Of course, as we speak, it is a model that will help us develop all the other business lines, maybe corporate, the corporate division as a first step. But of course, the idea is that coming with these types of products will differentiate us from the other players on the market and will bring us advantages on the long-term.

**Alina Irinoiu:** And the last question, and then I will leave Dorin to make the closing remarks, it's regarding Medstar. The question around Medstar is regarding the contribution to the group. So, it was consolidated from February. It is a business with around RON 3 million, RON 3.5 million revenues per month. In terms of EBITDA, it is a business similar with our model between 12 and 15 EBITDA margin.

That being said, thank you very much for your questions. And I will let Dorin to say some, few words for the closing.

**Dorin Preda:** Yes. Thank you very much all for participating today. I think that once we are coming close to the end of this call, there would be a few takeaways that I think are important

for you in order to understand both the current market context, but also our priorities for the upcoming period. We touched these aspects already, but I think it is worth having it clearer.

So, the first idea is that the demand for private medical services remains strong, even if the growth rate is no longer as accelerated as it used to be last year. On the other side, also, we have noticed some pressure on the average ticket size, particularly for services that are not necessarily considered as of immediate medical necessity.

However, despite all these trends, what we have seen in the first quarter is that we managed to increase the number of patients across almost all business lines which, of course, reconfirms the ongoing interest of patients and their needs for high-quality accessible and integrated medical services.

The second idea that we are prepared to launch new products and services in the coming period, especially in the area of technology and genetics, because we really think that both technology and genetics are fields that will play a very important role in the medicine of the future.

We are focused on developing model solutions that will improve patient experience and also facilitate quick access to medical services and relevant medical information with major emphasis placed on increasing interaction and accessibility through the new mobile application that we are working on.

The third, but not the last element, that I think we need to mention here is that we will continue to focus on operational efficiency and on improving the performance of the most recent open hospitals in the network.

We will continue to monitor our costs and also optimize internal processes so that, we will be able to support sustainable development of the company. In the same time, we remain in the status of continuing investment for strengthening our medical team, for digitalization of internal processes, and also for improving the quality of the services that we provide which, of course, needs to be on the same line with the patients' increasing needs.

That being said, thank you once again for your participation today, and have a very pleasant weekend. Thank you very much.