



Conference Call Presentation for H1 2017 Results

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

TOPICS OF DISCUSSION

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I. MAIN EVENTS OF H1 2017

Med Life SA signed the sales purchase agreement for the acquisition of shares/social parts of the share capital of the following companies:

- 80% of share capital of Almina Trading SA – acquisition completed on the 29th of March 2017
- 100% of share capital in Anima Speciality Medical Services SRL – acquisition completed on the 26th of May 2017.

Med Life SA purchased a building located in Banu Manta Street from Telekom and performed a sale and leaseback through financial leasing.

The harsh weather conditions experienced in January – February slightly affected Group performance.

Stake increase Stem Cells Bank and Genesys Medical Clinic :

- 40% stake increase in Stem Cells Bank in Timișoara
- 3% stake increase in Genesys Medical Clinic

Amendment concluded for the Club Loan facility that will lead to lower interest costs.

Refinancing of leasing contracts through a new loan agreement at lower financing costs.

Launch of ShareLife campaign.



II. MEDLIFE GROUP H1 FINANCIAL SNAPSHOT

- Group sales increased with RON 67.25 mil, or 28.8%, in H1 2017 as compared to H1 2016, amounting to RON 301.09 mil.
- Operating profit recorded a 61.6% increase YoY, from RON 11.06 mil in H1 2016 to RON 17.87 mil in H1 2017.
- Financial loss increased in H1 2017 by RON 476 th from a loss of RON 7.97 mil in H1 2016 to a loss of RON 8.45 mil in H1 2017 due to net foreign exchange losses recorded in H1 2017.
- Net profit of RON 6.4 mil recorded in H1 2017, higher by 233 % than the net profit for H1 2016.
- On a pro-forma basis, sales amount to RON 313.9 mil and Adjusted EBITDA to RON 38.34 mil for H1 2017.
- Long term assets amount to RON 425.88 mil as of 30 June 2017. Increase of 13.5% as compared to 31 December 2016. Increase mainly linked to financial assets recorded in relation to Anima and Almina Trading acquisition.
- Interest bearing debt increased by RON 35.78 mil, from RON 240.57 mil as of 31 December 2016 to RON 276.35 mil as of 30 June 2017. Increase linked to Banu Manta finance lease, Anima and Almina Trading acquisition financing.

II. MEDLIFE GROUP H1 FINANCIAL SNAPSHOT

Consolidated Statement of Financial Position

Description	31-Dec-16	30-Jun-17	% VAR
Non-current assets	375,364,713	425,881,734	13.5%
Current assets	90,754,747	97,659,938	7.6%
TOTAL ASSETS	466,119,460	523,541,672	12.3%
Current liabilities	145,300,339	171,800,645	18.2%
Long term liabilities	213,144,255	239,378,035	12.3%
Deferred tax liability	14,655,982	15,178,504	3.6%
TOTAL LIABILITIES	373,100,576	426,357,184	14.3%
Equity attributable to owners of the Group	81,546,473	83,955,967	3.0%
Non-controlling interests	11,472,411	13,228,521	15.3%
EQUITY	93,018,884	97,184,488	4.5%

Consolidated Statement of Profit and Loss

Description	H1 2016 IFRS	H1 2017 Pro-Forma	% VAR
Sales	233,838,443	313,880,499	34.2%
Other operating income	431,793	9,458,795	2090.6%
OPERATING INCOME	234,270,236	323,339,294	38.0%
OPERATING EXPENSES	(223,212,372)	(304,918,614)	36.6%
OPERATING PROFIT	11,057,864	18,420,680	66.6%
EBITDA	30,082,072	38,339,186	27.4%
FINANCIAL RESULT	(7,970,491)	(8,604,835)	8.0%
RESULT BEFORE TAXES	3,087,373	9,815,845	217.9%
Income tax expense	(1,165,394)	(3,189,800)	173.7%
NET RESULT	1,921,979	6,626,045	244.8%

Consolidated Statement of Cash Flow

Description	30-Jun-16	30-Jun-17
Operating cash flow before working capital changes	30,142,796	35,713,728
Cash generated from WC changes	631,888	(8,501,255)
Cash generated from operations	30,774,684	27,212,473
Net cash from operating activities	20,977,824	16,864,510
Net cash used in investing activities	(38,623,223)	(46,057,782)
Net cash from financing activities	23,827,075	20,239,463
Net change in cash and cash equivalents	6,181,676	(8,953,809)
Cash and cash equivalents beginning of the period	5,881,496	20,701,850
Cash and cash equivalents end of the period	12,063,172	11,748,041



II. MEDLIFE GROUP H1 FINANCIAL SNAPSHOT

OPEX EVOLUTION

Description	H1 2016 IFRS	H1 2017 IFRS	% VAR	% of OPERATING EXPENSES			% of SALES		
				H1 2016	H1 2017 (w/o Banu Manta)	% change	H1 2016	H1 2017 (w/o Banu Manta)	% change
Consumable materials and repair materials	39,504,120	48,788,758	23.5%	17.7%	17.1%	-0.6 p.p	16.9%	16.2%	-0.7 p.p
Commodities	9,040,752	11,136,690	23.2%	4.1%	3.9%	-0.1 p.p	3.9%	3.7%	-0.2 p.p
Utilities	2,297,929	3,149,021	37.0%	1.0%	1.1%	0.1 p.p	1.0%	1.0%	0.1 p.p
Repairs maintenance	2,191,949	2,852,920	30.2%	1.0%	1.0%	0 p.p	0.9%	0.9%	0 p.p
Rent	12,443,334	19,615,967	57.6%	5.6%	6.9%	1.3 p.p	5.3%	6.5%	1.2 p.p
Insurance premiums	925,767	993,989	7.4%	0.4%	0.3%	-0.1 p.p	0.4%	0.3%	-0.1 p.p
Promotion expense	4,010,243	5,184,694	29.3%	1.8%	1.8%	0 p.p	1.7%	1.7%	0 p.p
Communications	1,791,336	1,569,352	-12.4%	0.8%	0.6%	-0.3 p.p	0.8%	0.5%	-0.2 p.p
Third party expenses & Salaries expenses, <i>out of which:</i>	124,719,284	167,669,566	34.4%	55.9%	58.8%	2.9 p.p	53.3%	55.7%	2.4 p.p
<i>Third party expenses (including doctor's agreements)</i>	61,788,797	79,605,050	28.8%	27.7%	27.9%	0.2 p.p	26.4%	26.4%	0 p.p
<i>Salaries and related expenses (incl. social contributions)</i>	62,930,487	88,064,516	39.9%	28.2%	30.9%	2.7 p.p	26.9%	29.2%	2.3 p.p
<i>Salary and related expenses</i>	51,311,561	71,927,946	40.2%	23.0%	25.2%	2.2 p.p	21.9%	23.9%	1.9 p.p
<i>Social contributions</i>	11,618,926	16,136,570	38.9%	5.2%	5.7%	0.5 p.p	5.0%	5.4%	0.4 p.p
Depreciation	19,024,208	18,527,337	-2.6%	8.5%	6.5%	-2 p.p	8.1%	6.2%	-2 p.p
Other administration and operating expenses, <i>out of which</i>	7,263,450	13,056,052	79.8%	3.3%	1.9%	-1.3 p.p	3.1%	4.3%	1.2 p.p
<i>Banu Manta leaseback transaction impact</i>	-	7,498,881	100.0%	0.0%	N/A	N/A	0.0%	N/A	N/A
<i>Other admin and operating expenses</i>	7,263,450	5,557,171	-23.5%	3.3%	1.9%	-1.3 p.p	3.1%	1.8%	-1.3 p.p
OPERATING EXPENSES	223,212,372	292,544,346	31.1%	-	-		-	-	-
OPERATING EXPENSES w/o Banu Manta	223,212,372	285,045,465	27.7%	100.0%	100.0%	0 p.p	95.5%	94.7%	-0.8 p.p

III. KEY OPERATIONAL METRICS FOR H1 2017

Business Line	FY 2016	H1 2017
Clinics sales	130,109,363	80,825,178
Visits	909,132	555,616
Average charge	143.1	145.5
Stomatology sales	18,504,217	18,503,131
Visits	69,111	52,049
Average charge	267.7	355.5
Hospitals sales	104,977,229	59,697,348
Hospitals	56,283	30,854
Average charge	1,865.2	1,934.9
Laboratories sales*	93,161,917	54,929,531
Analyses	4,223,840	2,558,139
Average charge	22.1	21.5
Corporate sales	127,988,835	68,344,498
HPP	420,933	560,094
Average charge	304.1	122.0
Pharmacies sales	23,597,580	13,878,256
Tickets	264,604	136,218
Average charge	89.2	101.9
Other sales*	4,647,649	4,909,851

* Sales obtained for stem cells bank services are classified for the H1 2017 on Other Sales business line. Stem cells bank services sales were previously classified in Laboratories business line. In order to ensure comparison between periods, we have reclassified stem cell banks services sales for 2016 FY from Laboratories business line to Other Sales business line.





IV. Q&A SESSION

Thank you!

