

# WEB CAST PRESENTATION

## Q1 results presentation

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# Solid revenue growth and profit margin despite a war and major investments

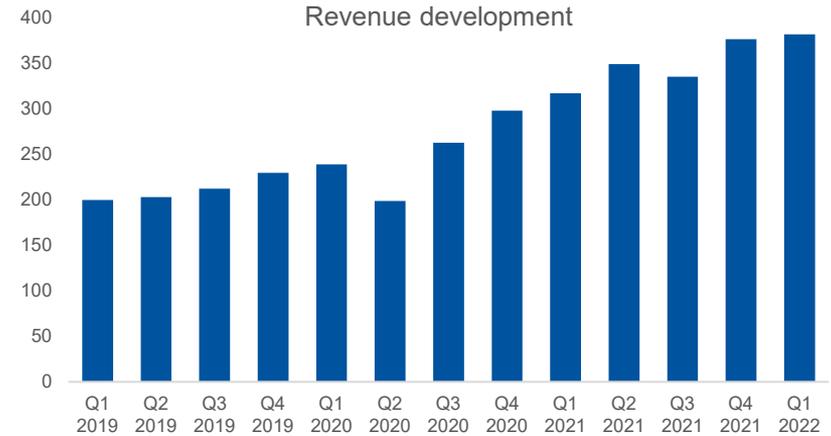
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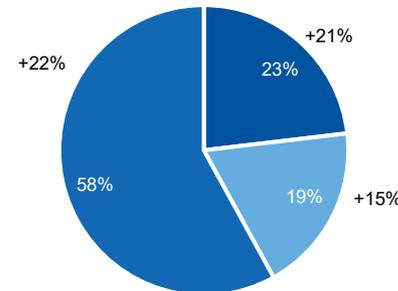
- Historically strong member growth, +84,000 members.
- Investing for growth - €27.3m in organic capital investment and €106.1m in acquisitions, total €133.4m, 96% growth.
- Cash flow (CF) from operations before working capital (WC) changes very strong at €63.0m with an increase in WC of €17.2m.
- Health Care Services highest expansion of facility footprint; +200,000m<sup>2</sup> over 12 months – strong growth driver, for 2022 and years to come.

# Highlights

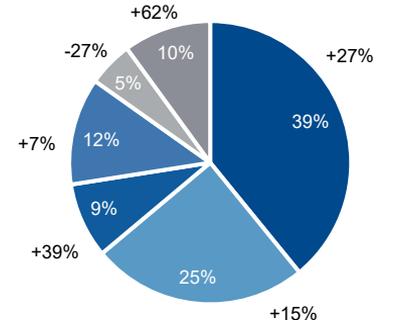
- Continued strong growth in existing markets and expanded service offering.
- Overshadowed by Russian invasion of Ukraine; inevitable impact on revenue and profit.
- Revenue amounted to €381.7m (€317.2m), up 20.3% with an organic growth of 13.8%.
- Revenue from Covid-19 amounted to €65.5m (€52.9m).
- Fee-For-Service\* (FFS) represented 58% of total revenue, grew by 21.8%.



Split revenue by payer & growth\*\*



Split revenue by country & growth\*\*

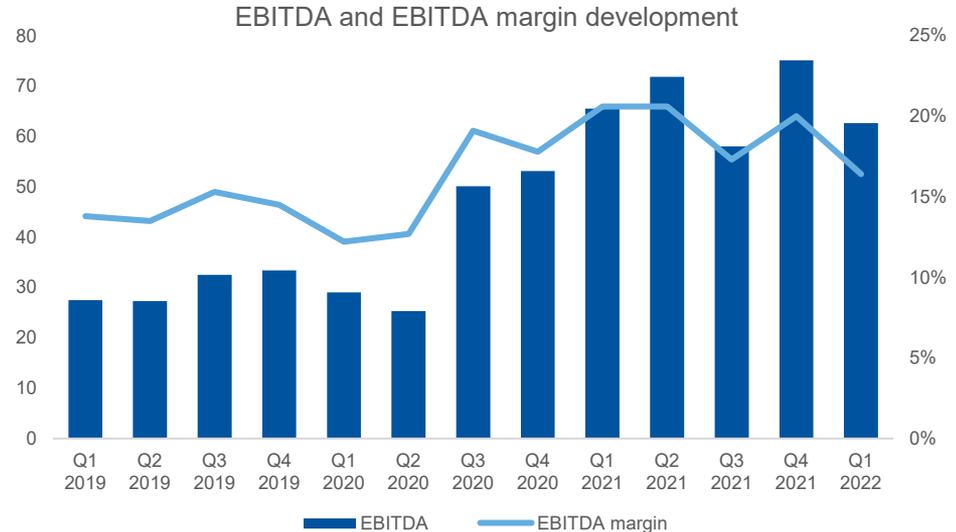


■ Public ■ Funded ■ FFS\* ■ Poland ■ Germany ■ India ■ Romania ■ Ukraine ■ Other<sup>4</sup>

\*incl other services \*\*growth compared to Q1 2021

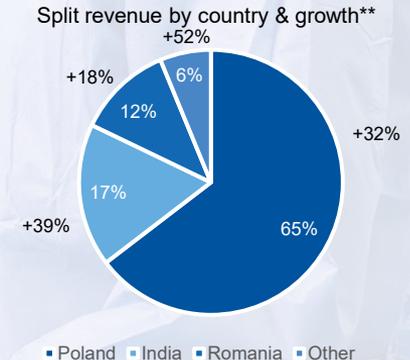
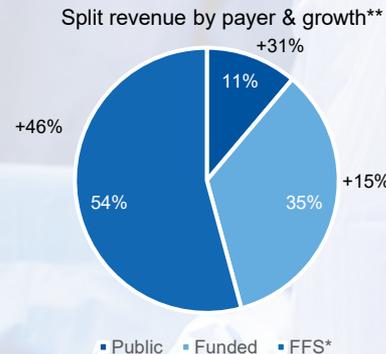
# Q1 cont.

- EBITDA amounted to €62.6m (€65.5m), decreased by 4.4%, a margin of 16.4% (20.6%).
- Adjusted EBITDA at €67.5m (€66.9m), slightly increased, a margin of 17.7% (21.1%).
- Higher medical costs reduced margin as well as the impact from Russia's invasion of Ukraine.
- EBIT was €22.5m (€41.6m), a margin of 5.9% (13.1%).
- Impairment of €-5.1m related to Ukraine assets.
- Increase in acquisition related amortisation of €-4.4m (€-2.5m).



# Healthcare Services

- Revenue was €208.1m (€157.3m), up 32.3% with an organic growth of 22.6%.
- Revenue from Covid-19 was €11.5m (€10.2m).
- FFS\* represented 54% of divisional revenue, grew by 46.3%.
- Very strong member growth of 14.1% to 1,579K members. 84,000 new members in the quarter.
- Robust demand levels in most operations.
- Acquisitions:
  - Romania: a hospital in Cluj-Napoca and set about to change its focus/scope.
  - Poland: a medical services network, gym chain and a vision care business.
  - India: a hospital.



\*incl. other services \*\*growth compared to Q1 2021

## Healthcare Services

- EBITDA amounted to €25.7m (€22.5m), a margin of 12.4% (14.3%).
- Fast expansion pace and operations at an earlier development phase are short-term dilutive to margin.
- Added ~200,000m<sup>2</sup> or an increase of >50%, with medical and dental clinics, 60 gyms, ~1,900 hospital beds in India alone and other hospitals in Romania and Poland over the last 12 months.
- Higher medical costs and utilisation in Funded business.
- Remain confident and encouraged about ability to raise prices to compensate for cost inflation, however 3-6 months lag.

EBITDA and EBITDA margin development

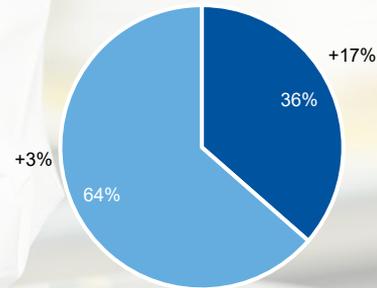


# Diagnostic Services

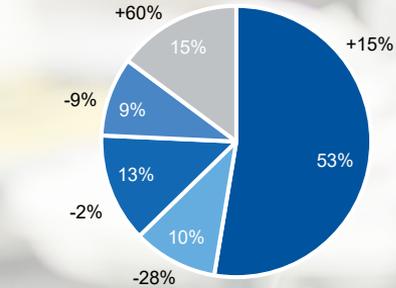
- Revenue grew 7.9% to €178.5m (€165.5m) with an organic growth of 4.6%.
- Revenue from Covid-19 was €54.0m (€42.7m) with strong demand in Germany.
- FFS\* represented 64% of divisional revenue, grew by 3.0%.
- Laboratory tests decreased by 2.0% to 32.0 million (32.6 million) related to Ukraine.
- Significant revenue reduction in Ukraine.



Split revenue by payer & growth\*\*



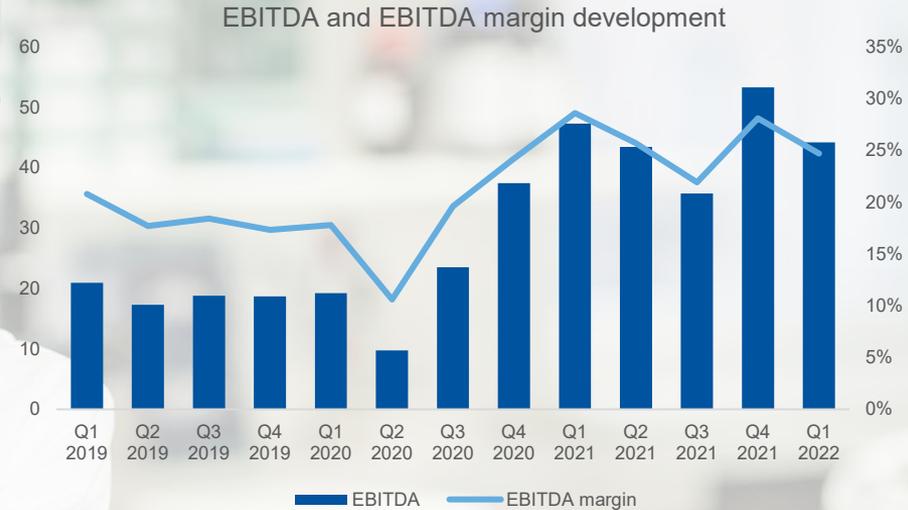
Split revenue by country & growth\*\*



\*incl. other services \*\*growth compared to Q1 2021

# Diagnostic Services

- EBITDA amounted to €44.2m (€47.3m), a margin of 24.7% (28.6%).
- Covid-19 contributed to profitability.
- Impacted negative by the conflict in Ukraine and increased costs.
- Number of BDPs amounts to 886 (756), +34 BDPs in Q1.
- Completed acquisition of NIPD Genetics and acquired a laboratory in Bosnia-Herzegovina.



# Ukraine

- A nationwide network of 346 BDPs (217 owned and 129 franchised), 8 laboratories, 3 fertility and 4 medical clinics.
- More than 3,500 employees.
- Representing 9% of total revenue in 2021, fifth largest market.
- In 2021 EBITDA amounted to €26m.
- Focus on how to support employees and their families. ~10% of staff have left the country, static since 2 weeks.
- Some BDPs are damaged or destroyed, one laboratory in Kherson under occupation and one at risk in Kharkiv.
- 188 BDPs open as of Tuesday 26th April.



Source: Institute for the Study of War (21:00 GMT, 20 April)

## Ukraine cont.

- Kyiv lab site to reopen early May.
- Essential nature of services lead us to maintain service in difficult circumstances.
- Recognised an impairment of €5.1m relating to damaged and destroyed assets as well as assets outside Medcover's control.
- Net assets amount to €35.3m (after impairment charge).
- Revenue in April approximately 10% of levels before invasion.
- Highly uncertain outlook.

€m	Q1 2022	Q1 2021	FY 2021
Revenue	19.5	26.7	117.4
Healthcare Services	1.5	1.7	7.9
Diagnostic Services	18.0	25.0	109.5
EBITDA	2.2	4.9	26.0
Net profit/(loss)	-6.3	0.9	9.2
Total assets	53.7	57.6	61.9
Net assets	35.3	34.7	40.7

# Financial overview



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# Financials

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- Net interest cost of €6.9m, interest charge for leases €4.8m, underlying debt interest of €2.1m.
- FX losses €2.2m: €1.4m due to euro denominated leases in Poland, non-cash.
- Q1 tax charge of €4.8m (€10.2m). ETR 28.2% (28.0%). Tax paid €4.0m (€2.6m) for the Q.
- Cash flow (CF) from operations before working capital (WC) changes very strong at €63.0m with an increase in WC of €17.2m.
- Loans payable net of cash & liquid short-term investments up to €256.7m from €143.4m at year-end reflecting the strong operating cash flow over the Q and strong level of growth investment.

## Financials cont.

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- 2<sup>nd</sup> SSD under social finance framework, €277m, with €35m retired for net issue of €242m.
- Settled with €216m received at year-end, €42m received in Jan 2022 and €19m received in April 2022.
- Early repayment of €40m existing SSD with a gain of €2.4m in other financial income/(expense).
- Approx. €429m liquidity available to the Group, strongly placed for organic & inorganic growth.
- Increase of ROUL by €25.1m over the Q to €371.0m (year-end €345.9m); 90.5% due to acquisitions (India, Poland, Romania); remainder due to underlying expansion of facilities in Poland, Romania and Germany. Driver for growth.
- Capital investment in Q1 of €27.3m, 81% growth and 19% maintenance, expansion of facilities in India, dental, clinics and hospital in Poland, clinics and hospital in Romania and laboratory capacity in Germany. Driver for growth.
- IFRS equity €560.5m (year-end €562.1m), including negative translation movements of €6.6m mainly due to weakening PLN, FV changes of put option liquidity obligations and €4.2m relating to acquisition of NCI in Serbia.
- Loans payable net of cash and liquid short-term investments to adjusted EBITDAaL for the Q was 1.2x.

# Investing for growth

- In addition to the €27.3m organic capital investment in 2022, Medcover has invested €106.1m in Q1 in:

- Two laboratories (CY, B&H)
- Four hospitals (PL, IN, RO)
- Medical clinics and other (PL)
- One gym business (PL)
- One vision care business (PL)

Business area	Country	EV 2022
		acquisitions (€m)
		Q1
Laboratory	Cyprus / Bosnia-Herzegovina	67,4
Inpatient facilities	Poland / India / Romania	30,2
Outpatient facilities	Poland	28,3
Gyms	Poland	9,9
Vision care	Poland	9,7
<b>Total</b>		<b>145,4</b>

- Subsequent acquisitions closed in April:
  - Nasz Lekarz clinical trial business for €17.2m, integrate into existing clinical trial support services and expand services offering.
  - 3 other smaller transactions: dental clinic, psychology service & laboratory businesses in Poland.

# Financial targets – ahead of our 2022 targets



Growth

Organic revenue growth of  
9–12%

Q1 13.8%

Profit

Adjusted EBITDA-margin  
(year-end 2022) of 15.5-16.5%

Q1 17.7%

Capital Structure

Loans payable net of cash and liquid  
short-term investments/adjusted  
EBITDAaL  $\leq$ 3.5x

Q1 1.2x

# Q&A



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