

MLP Care announces strong growth in second quarter

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MLP Sağlık Hizmetleri A.Ş. the leading private healthcare service provider in Turkey, has announced its financial results for the second quarter and the first half of 2019.

Financial Highlights

- In Q2 2019, revenues increased to TL889 million, up by 23% (Q2 2018: TL720 million). When revenues of managed hospitals are included, the revenue growth in Q2 2019 is at 25%. Thus, the real growth was well above the inflation rate of 15.7% in the last 12 months.
- In Q2 2019, Adj. EBITDA increased by 21%, bringing the EBITDA margin to 15.0%. Despite rising unit costs, the Adj. EBITDA margin in Q2 2019 was maintained at similar levels in Q2 2018. Excluding other income/ (expenses) items, the EBITDA growth was at 50%.
- Despite the good results in operations, net loss of TL42 million was recorded in Q2 2019 due to finance expenses of TL130 million.
- The net debt/Adj. EBITDA ratio was 2.5x in H1 2019 and 2.6x after including obligations under operational leases related to IFRS 16.

Operating Highlights

- Foreign medical tourism revenue (FMT) continued to grow rapidly with the support of strong marketing activities and increased by 62% in Q2 2019 in line with our expectations. Thus, the share of FMT in total revenue increased to 12%.
- Contrary to the negative EBITDA effect of TL11.5 million in the first six months of last year, Pendik and Mersin hospitals recorded only TL1.4 million negative EBITDA in H1 2019.

Dr. Muharrem Usta, Chairman and Chief Executive Officer of MLP Care, commented:

"In the second quarter of 2019, we recorded real growth above inflation in both revenue and EBITDA figures. Our foreign medical tourism (FMT) revenue continues to grow parallel to our expectations with the support of our successful advertising efforts.

While the healthcare insurance market in Turkey continues to grow rapidly, the number of people with top-up insurance increased over 1 million for the first time in June 2019. It has been a source of pride for us to maintain our strong position in this market. The agreement signed with Bupa Ac?badem Sigorta in April started to contribute positively to our growth trend in the private healthcare insurance segment.

In addition, we are excited to accelerate our studies in the fields of digitalisation and artificial intelligence as a result of our long-term strategy. As one of the leading companies in the healthcare sector, we believe that our efforts in these fields will be among the leading healthcare trends in our country and will inspire the sector."