



Investor Presentation

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Haluk Akdogan, Ph.D.

hakdogan@lokmanhekim.com.tr

New York, U.S. +1 (917) 574 4992
Ankara, Turkey +90 (312) 444 9911

Why invest in Lokman Hekim



A fast growing private hospital operator in an attractive market

A diversified service provider with extensive footprint in maternity care and cardiology

A growing and skilled base of doctors and high caliber technical staff

A management focused on value for shareholders

Raising gradually the contribution of higher margin private insurance business to revenues

Improving pricing power with suppliers as we grow capacity

Low and declining leverage ratios below sector norms

Uplift in margins and earnings following capacity investments

Lokman Hekim network in Turkey

160+ physicians, 1,400+ employees, operating 500+ beds in 4 hospitals



Ankara
Etlik



Ankara
Sincan



Van



Van
Hayat

Lokman Hekim's presence outside Turkey

Northern Iraq Imaging Centre

Erbil, Iraq



Healthcare tourism sales offices

Baku, Azerbaijan

Kirkuk, Iraq

Goteborg, Sweden

Elmsford, the Netherlands

Lokman Hekim milestones



1996

- Lokman Hekim is established

2002

- Etlik Hospital becomes operational

2008

- Sincan Hospital becomes operational

2011

- IPO, investment in 1st Van hospital

2012

- Van Hayat becomes operational

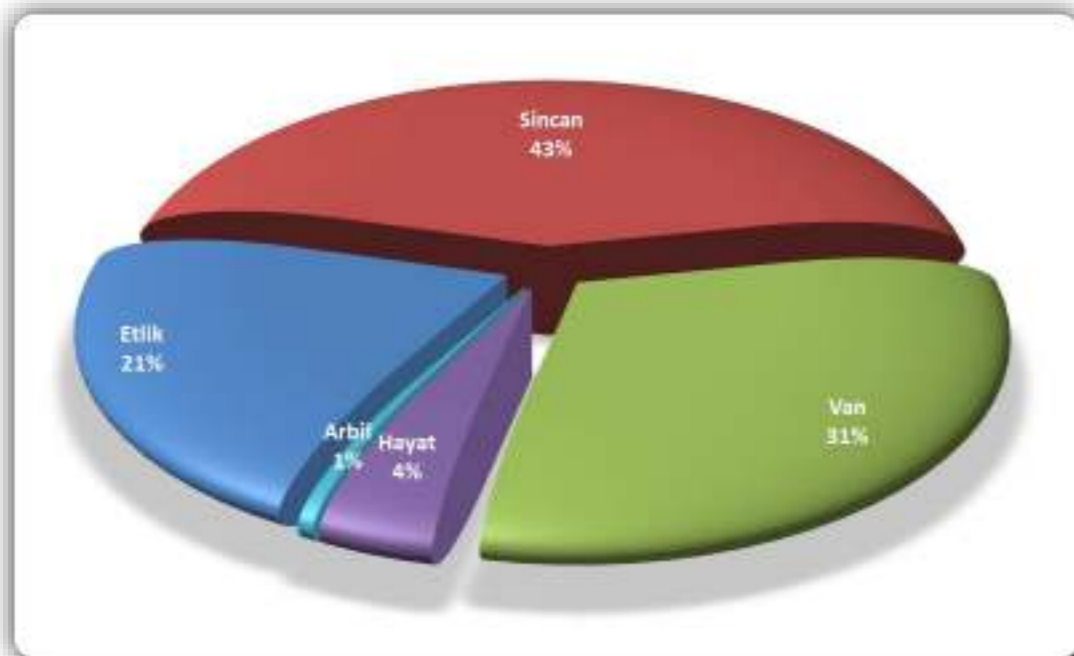
2013

- Erbil Imaging Centre joins the network

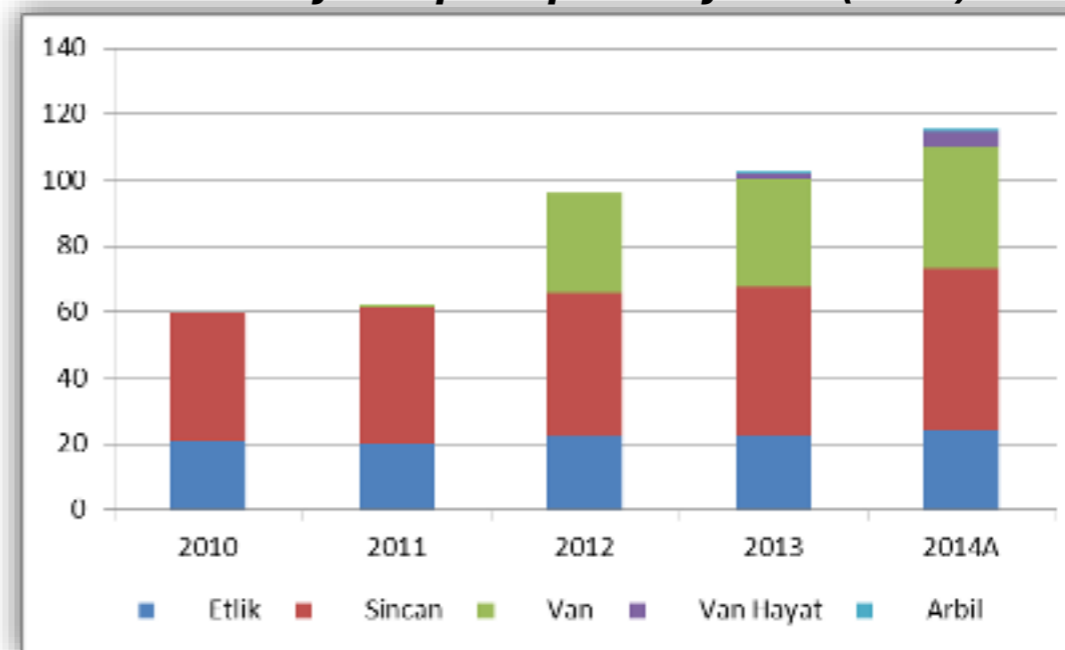
The last reported fiscal year and trends



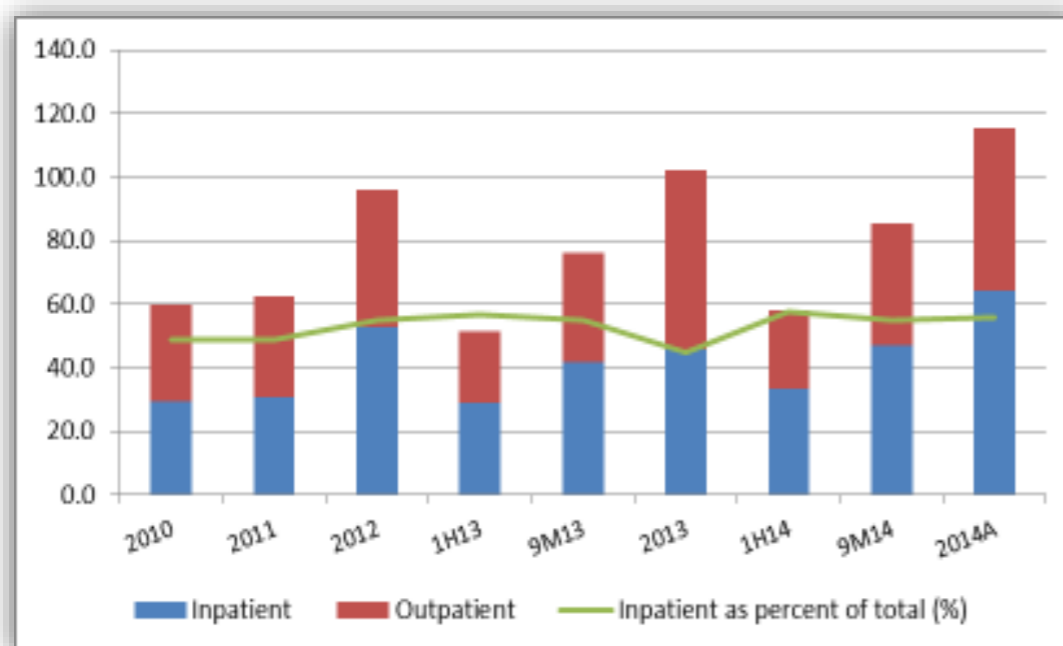
Breakdown of 2014 sales



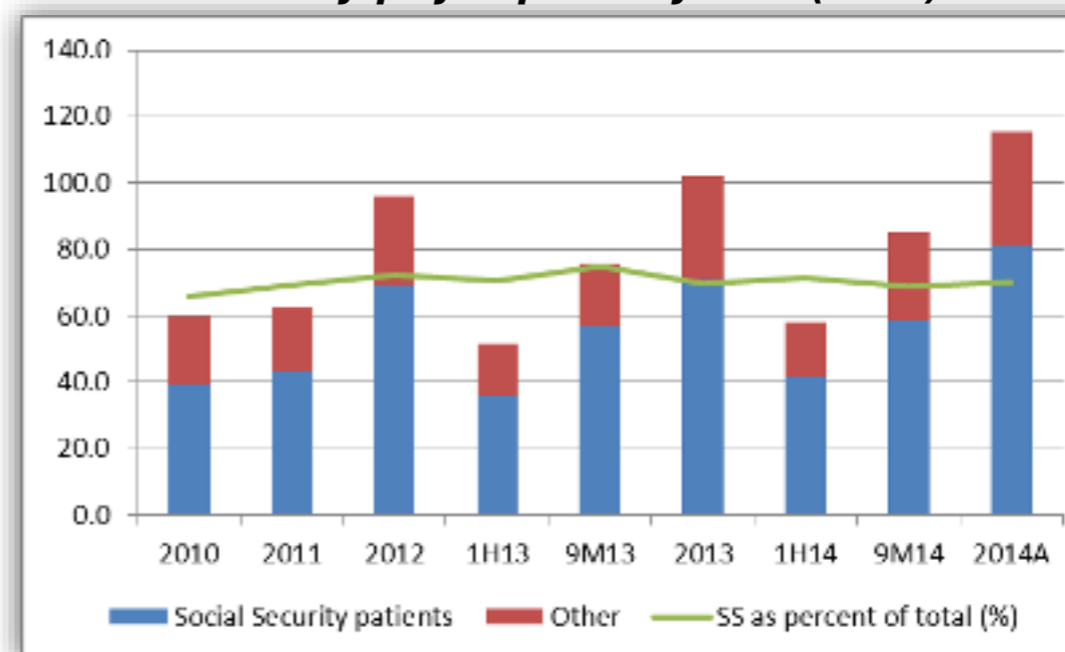
Sales by hospital past 5 years (TLm)



Sales by treatment (TLm)



Sales by payer past 5 years (TLm)



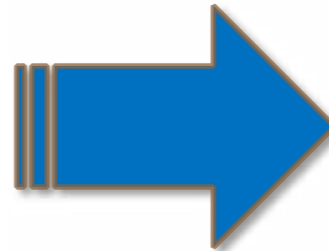
Sources: Company reports

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Lokman shares are quoted on Borsa Istanbul



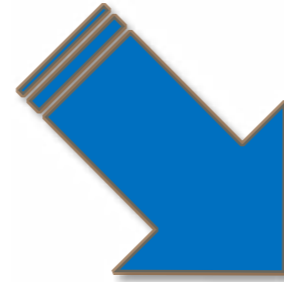
Lokman Hekim is the only company in Turkish healthcare providers industry whose shares are publicly quoted on Borsa Istanbul



Wider access to stable funding sources via capital markets



Transparency and corporate communications



Corporate governance & accountability

Share capital and market data

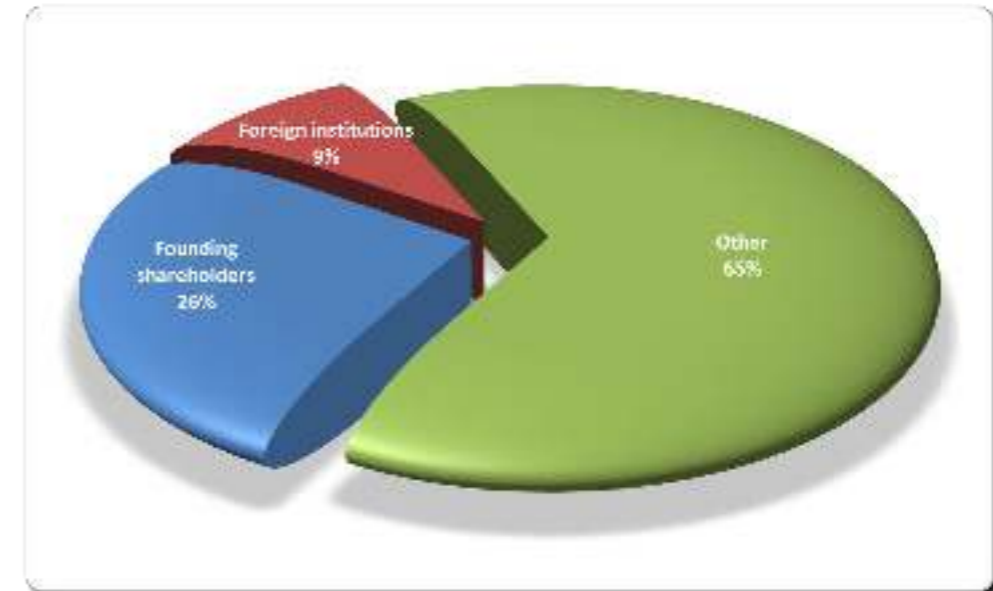


Share price data

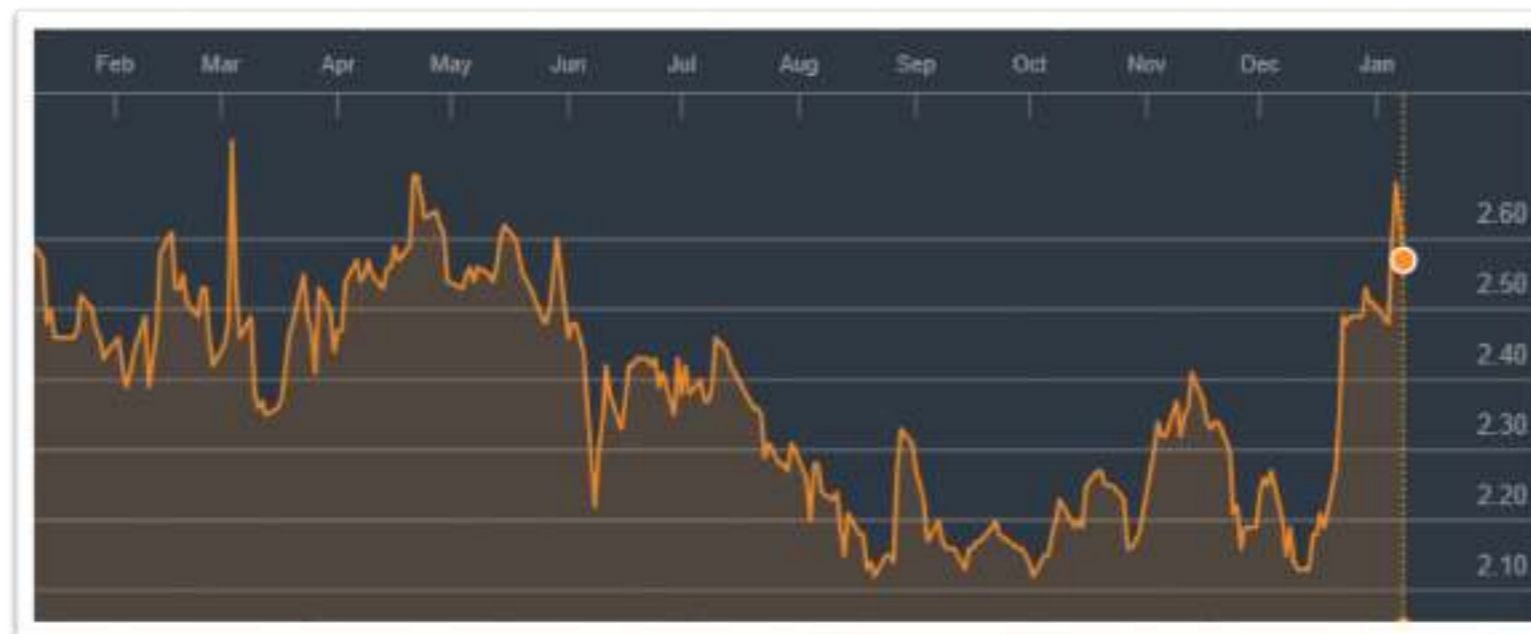
Lokman Hekim

Ticker	LKMNH
Share price (TL)	2.57
No of shares (m)	24.0
Market capitalisation (TLm)	61.7

Shareholders



Share price performance – 12 months



Sources: Borsa Istanbul, Lokman Hekim



A recap of 9M15 financials

SALES	<ul style="list-style-type: none">• We generated TL102M in consolidated net sales, up 10.4% on the year.• Core healthcare business revenue stands at TL99.3M (+16.4% YoY).
GROSS INCOME	<ul style="list-style-type: none">• At TL17.0M, our cash gross income grew 33.8% year-on-year
EBITDA	<ul style="list-style-type: none">• We generated TL12.1M of EBITDA (+34.3% year-on-year)
EBIT	<ul style="list-style-type: none">• Our EBIT stood at TL5.5M growing 62.4% year-on-year.
NET	<ul style="list-style-type: none">• Net income before minorities reads TL5.3M (+316%) with income available for shareholders standing at TL3.0M (+123%).
VAN	<ul style="list-style-type: none">• Van hospitals continue to post strong double-digit growth in traffic benefiting from operating leverage.

3Q15 results – summary financials



Income statement summary

Van hospitals have reported yet another strong quarter. Pace of growth at both Van and Van Hayat hospitals continue to outstrip rest of the group. Combined revenues in Van now make up 40% of sales, up from 35% same period last year.

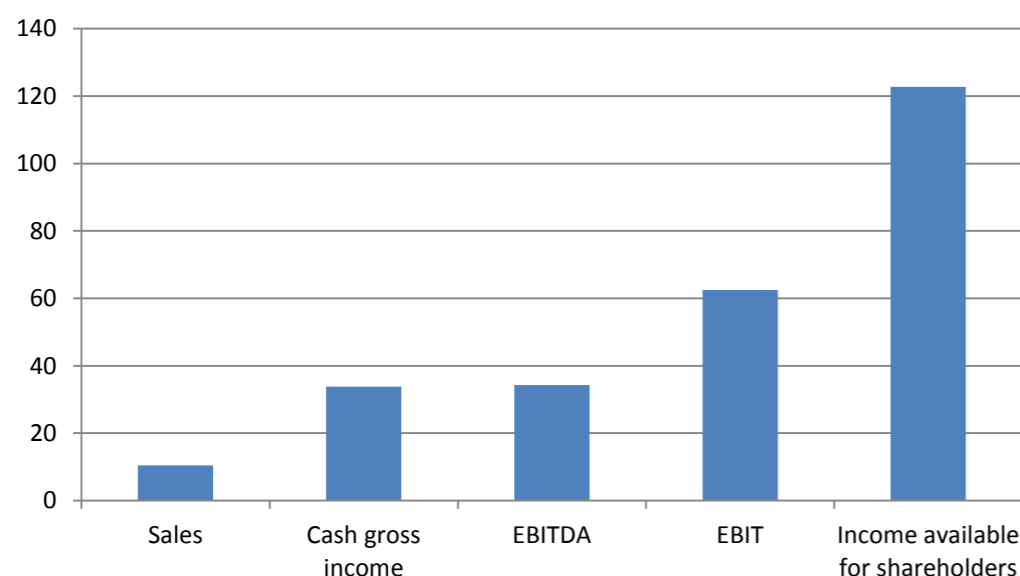
Tlm	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14
Sales	32.6	35.7	34.6	31.8	34.1	30.2	28.9
Cost of sales	-28.1	-30.0	-27.8	-26.7	-30.8	-24.5	-25.2
Cash gross income	4.5	5.7	6.8	5.1	3.3	5.7	3.7
OPEX	-1.7	-1.7	-1.5	-3.3	-1.2	-1.2	-1.3
EBITDA	2.8	4.0	5.3	1.8	2.1	4.5	2.4
Depreciation write off	-1.8	-1.9	-1.9	-1.8	-1.7	-2.4	-0.9
Net other income	-0.3	-0.2	-0.5	2.5	-0.2	-0.5	0.2
EBIT	0.7	1.9	2.9	2.5	0.1	1.6	1.6
Net interest	-1.0	-0.6	-0.8	-1.1	-0.2	-1.7	-0.5
EBT	-0.3	1.3	2.1	1.4	-0.1	-0.1	1.1
Taxes and tax credits	2.2	0.4	-0.5	-0.6	0.1	0.1	0.1
Net income	2.0	1.7	1.6	0.8	0.0	0.0	1.3
Minorities	-1.2	-0.5	-0.5	-0.4	0.3	0.0	-0.2
Income after minorities	0.7	1.2	1.1	0.4	0.3	0.0	1.1

Balance sheet summary

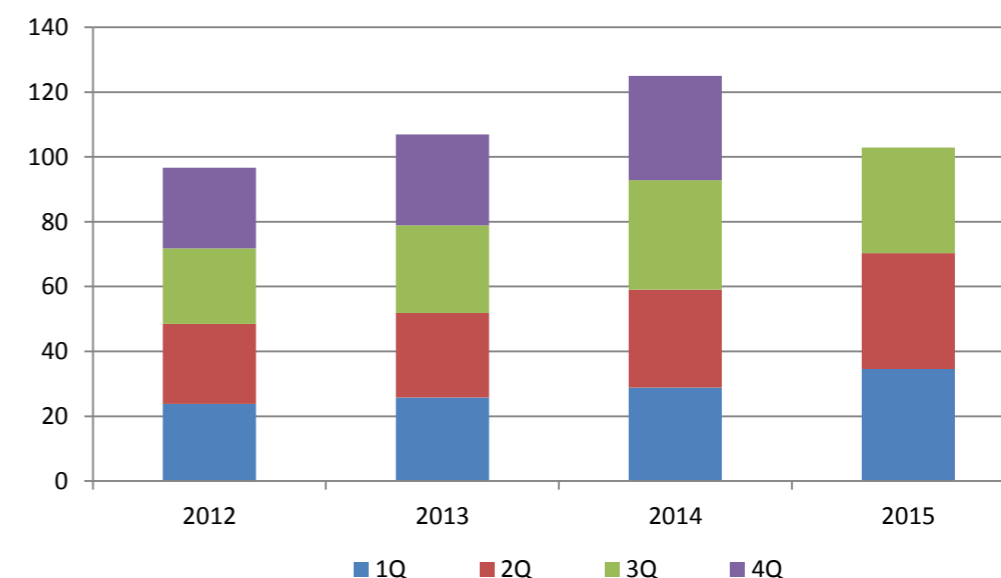
We report marked improvement in balance sheet, in particular the leverage metrics. With strong cash generation and active debt management, we have reduced net debt cTL3M since the start of the year.

Tlm	Sep-15	Dec-14	YTD (%)
Balance sheet cash	0.6	0.5	38.4
ST debt holders	15.4	19.1	-19.3
LT debt holders	15.0	14.0	7.3
Book value of equity	64.5	60.5	6.6
Enterprise value and leverage			
Net debt	29.7	32.6	-8.7
Pension liabilities	1.2	1.0	23.6
Minorities	3.3	1.1	206.4
Market value of equity	51.4	51.4	0.0
Enterprise value	85.7	86.0	-0.4
Net debt to EBITDA (x)	2.67	3.45	-22.6
Net debt to Equity (x)	0.46	0.54	-14.4
EV/Sales (x)	0.66	0.74	-11.8
EV/EBITDA (x)	7.69	9.10	-15.5

Selected growth rates as at 9M15 (YoY, %)



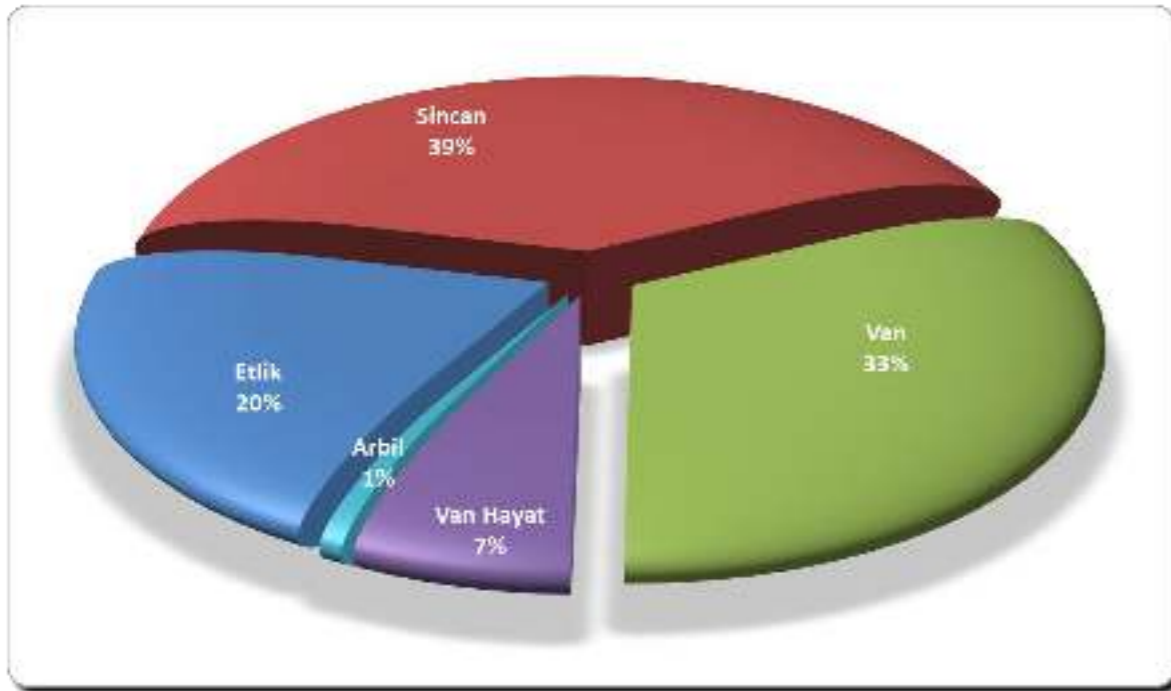
Sequential breakdown of revenues – Tlm



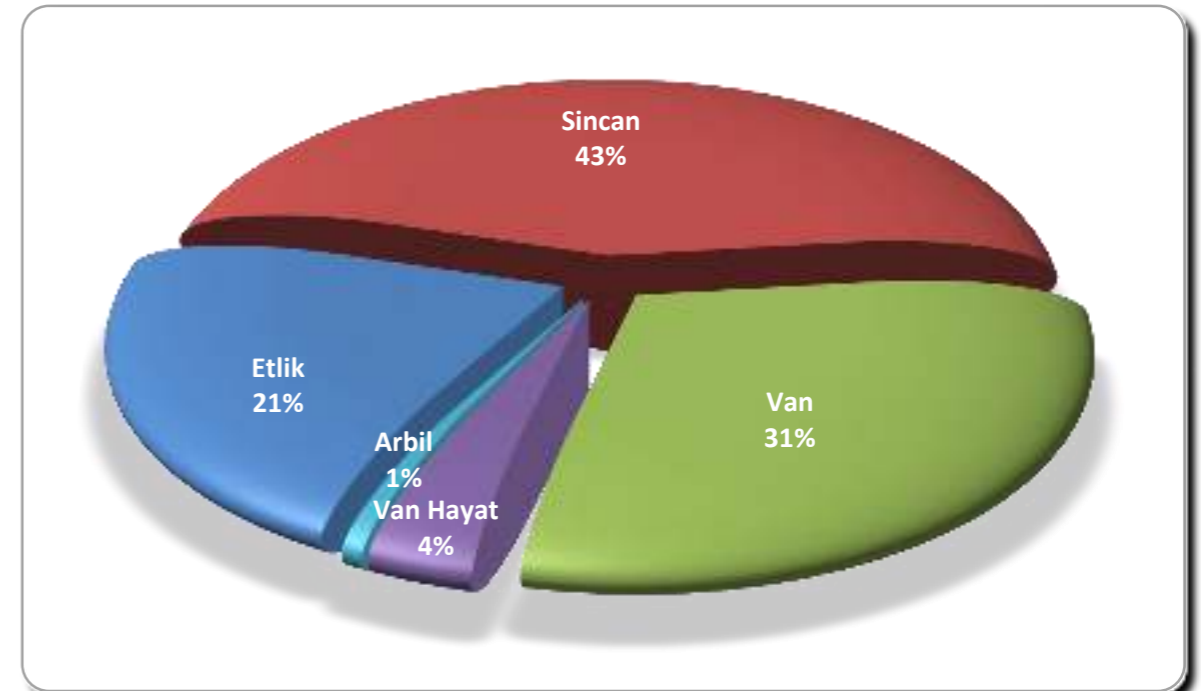
3Q15 results – trading summary



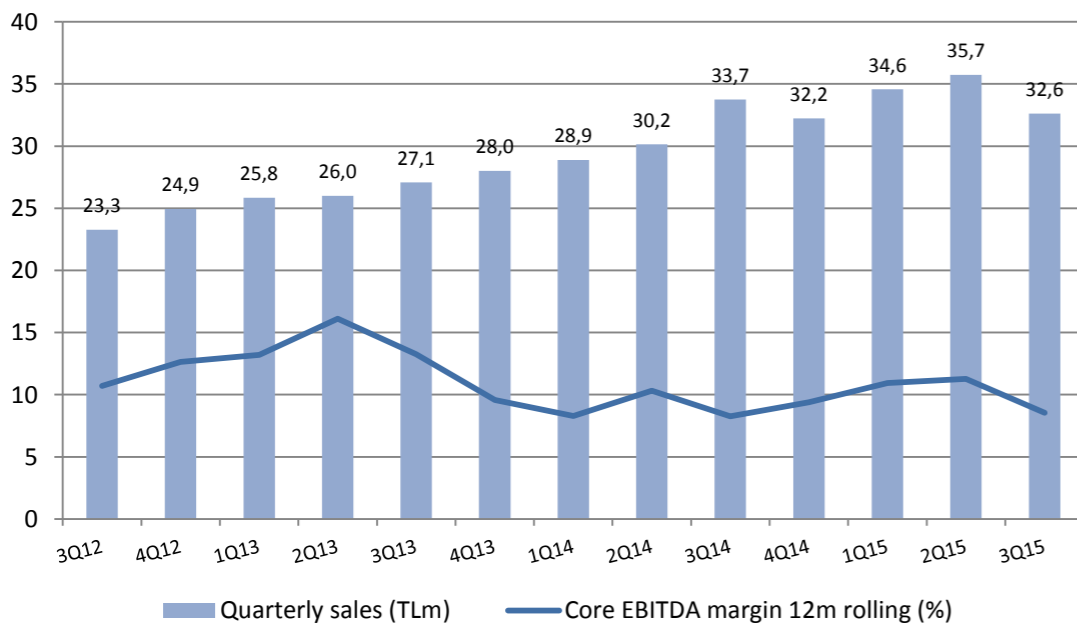
9M15 breakdown of sales (+16% YoY) by hospital



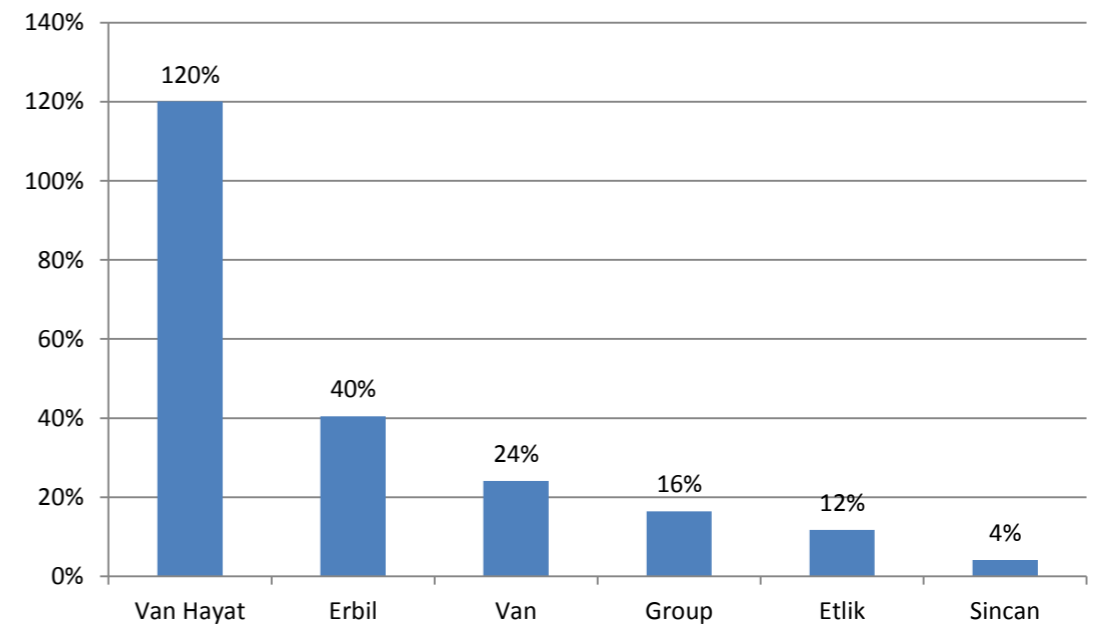
9M14 breakdown of sales by hospital



Quarterly sales trend and EBITDA margin



9M15 sales growth by hospital (YoY)

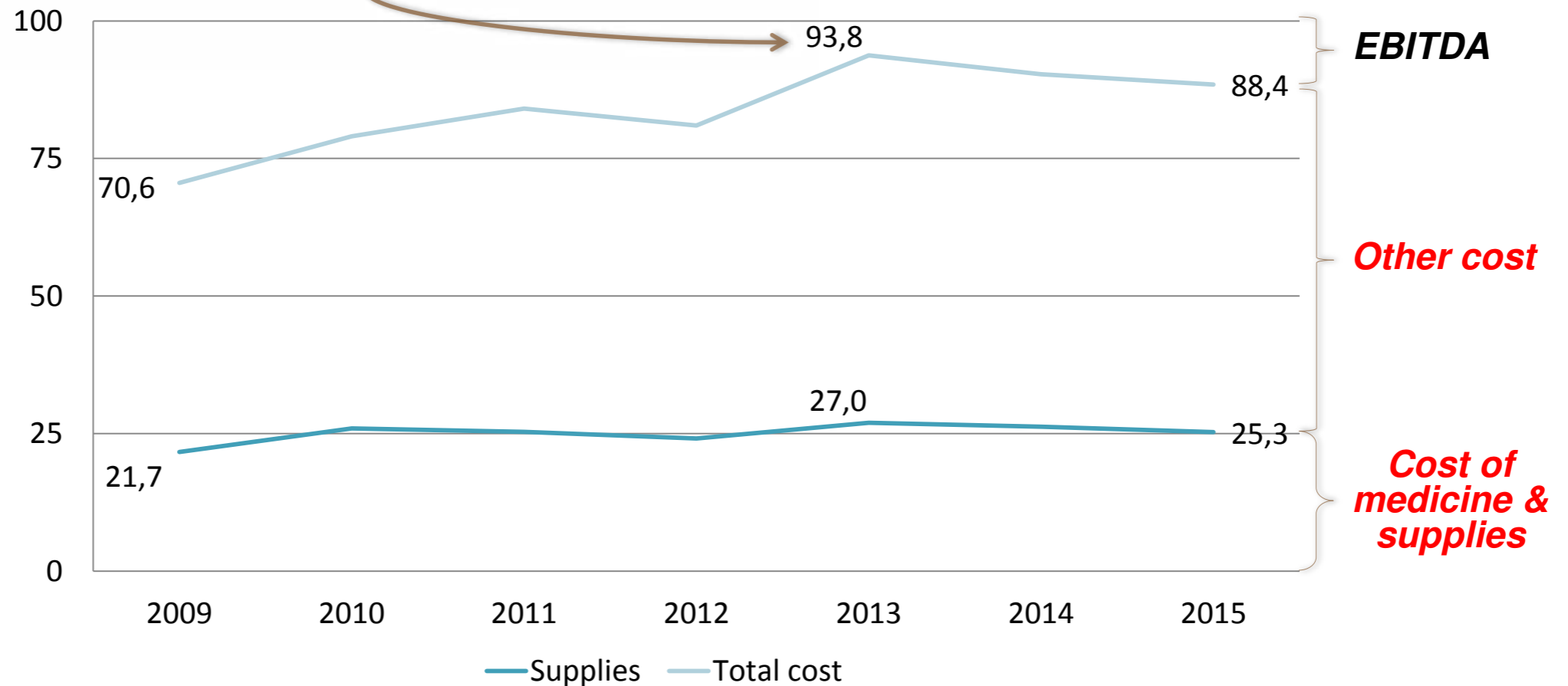


Cost margin trends – medicine & supplies



Cost of medicine and supplies tend to move in tandem with sales

Cash cost of sales peaked in 2013



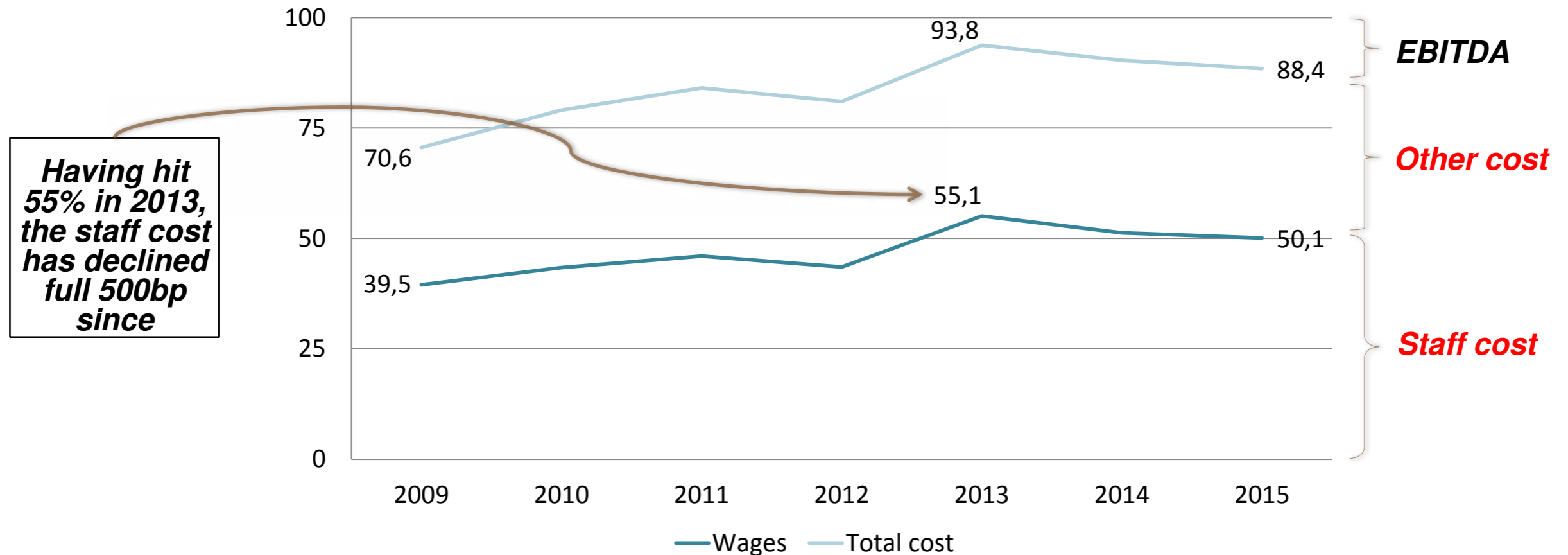
**Cash cost excludes interest expense, depreciation charges and tax expense*

Medical supplies make up 25.3% of sales as at 9M15; the cost of supplies which has peaked at 27.0% in 2013 is trending down

Cost margin trends – staff cost



Wages and salaries have been the most volatile cash cost dragging EBITDA, in part due to acquisitions



**Cash cost excludes interest expense, depreciation charges and tax expense*

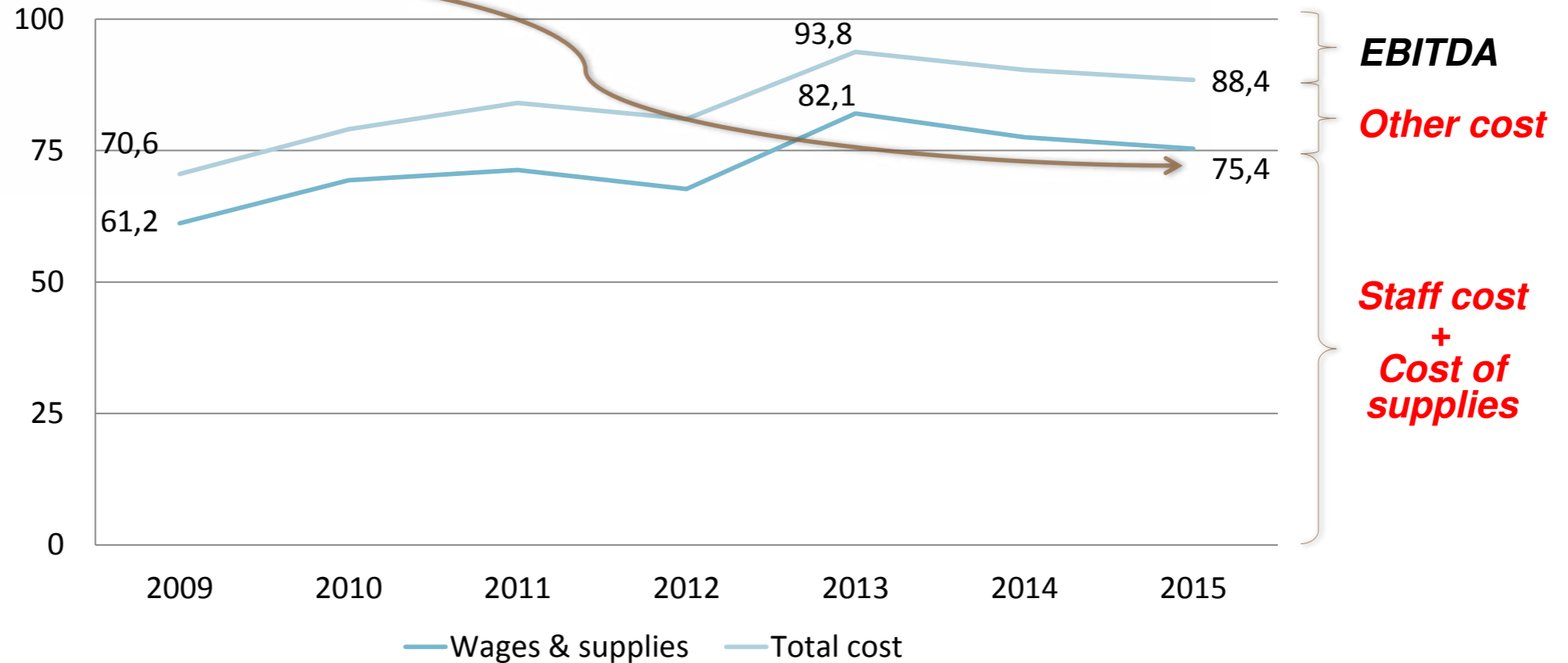
Wages and salaries make up 50.1% of sales as at 9M15

Cost margin trends – summary



Cost of supplies and staff cost are trending down but remaining above norms

Staff cost and cost of medical supplies now make up 75% of sales, down from 82% in 2013



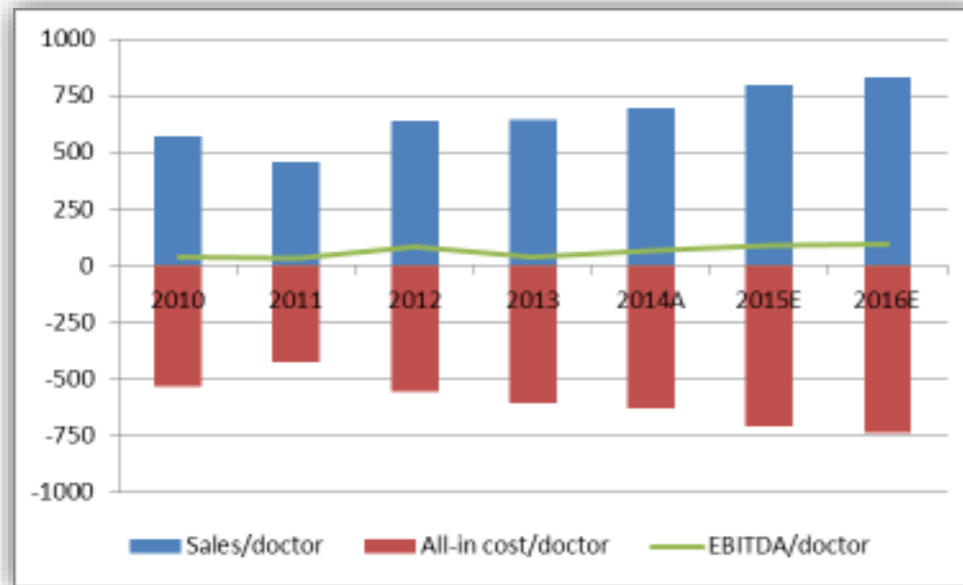
**Cash cost excludes interest expense, depreciation charges and tax expense*

Cost of supplies and wages/salaries together make up 75.4% of sales in the 9 months to September 2015, other cash costs amount to 13.0%

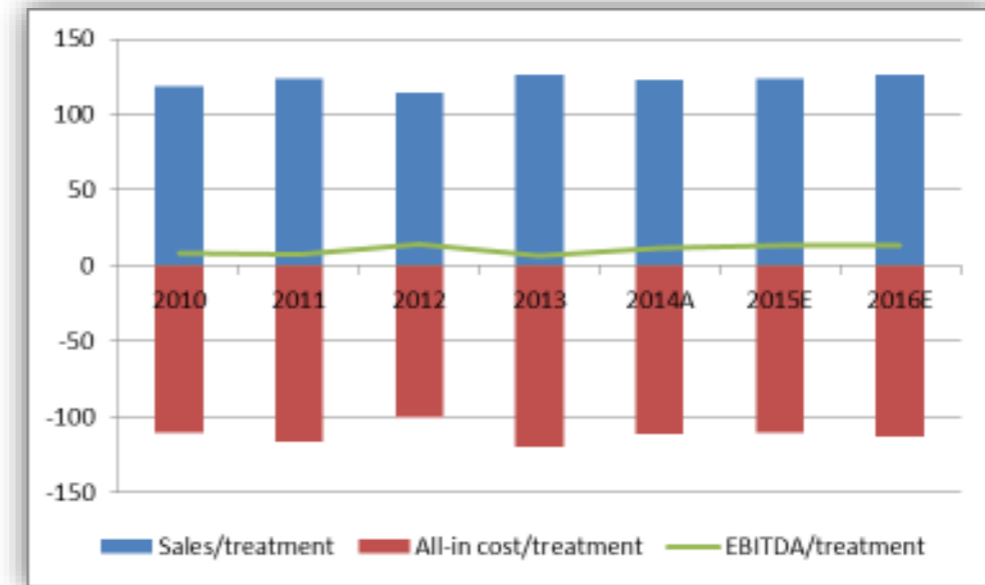
Selected efficiency at Lokman



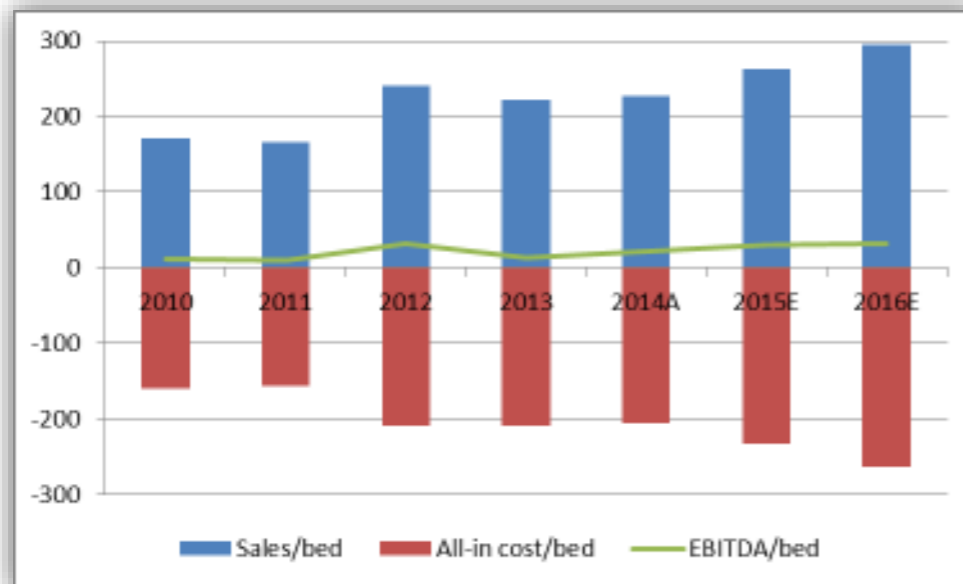
Selected efficiency by doctor (TL'000)



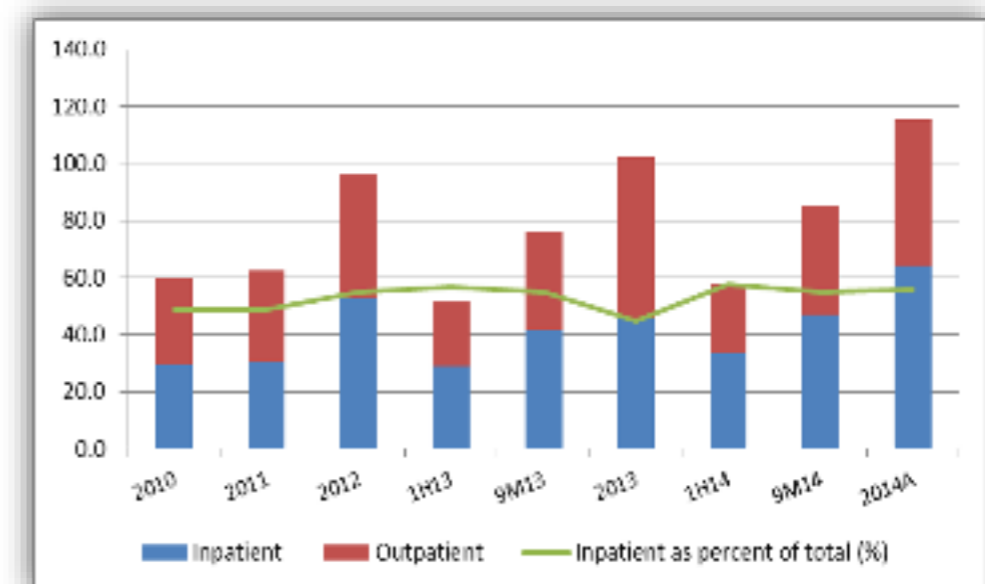
Selected efficiency by treatment (TL)



Selected efficiency by bed (TL'000)



Inpatient - outpatient breakdown of sales (TLm)



Sources: Company reports and Lokman Hekim estimates

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Lokman Hekim targets



Our long term EBITDA margin objective is 15%. We intend to accomplish this target without compromising on service quality and brand name by

1

- Turning **regional cost differentials** to our advantage

2

- Raising gradually the **contribution of higher margin private insurance** business to our sales

3

- Improving **pricing power** with suppliers by taking advantage of **economies of scale** as we acquire and grow business

4

- Using our **experience gathered in underpenetrated regions** of the country to position in Central and Eastern Anatolia

Expansion plans over the next decade*



1

- Our 10yr strategic plan envisions a quality healthcare provider network serving at least 50% of population in Turkey

2

- This target requires an investment of \$250M to be spent over a decade, consistent with \$12.5M EV per 100 “average” beds, on our assumptions.

3

- We can internally finance acquisition of one hospital w/100 bed capacity every 24 months. Anything beyond would require external funding

4

- We have identified a preliminary list of healthcare providers across the nation we intend to approach once we secure financing

5

- We are open to alternative funding means including strategic equity, private equity, institutional equity and long term debt

To become the hospital of choice across the land



Targeting underpenetrated cities in Turkey

Cities underserved by healthcare providers

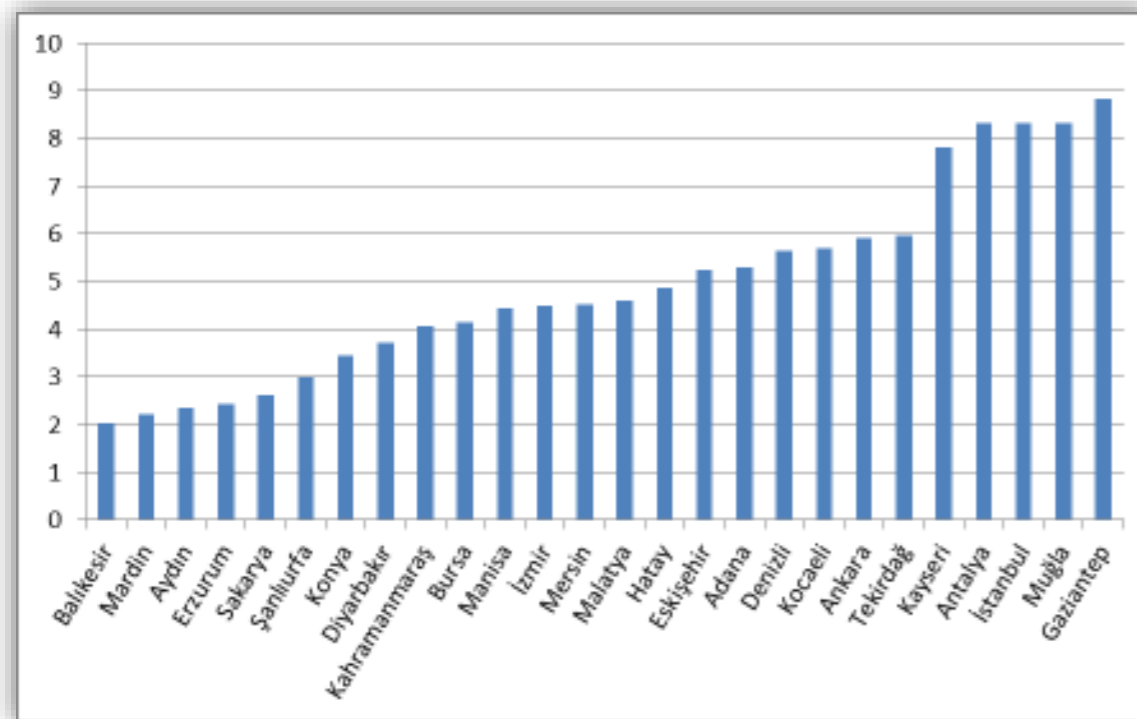
Lowest 10 by private healthcare



Lowest 10 by healthcare in total

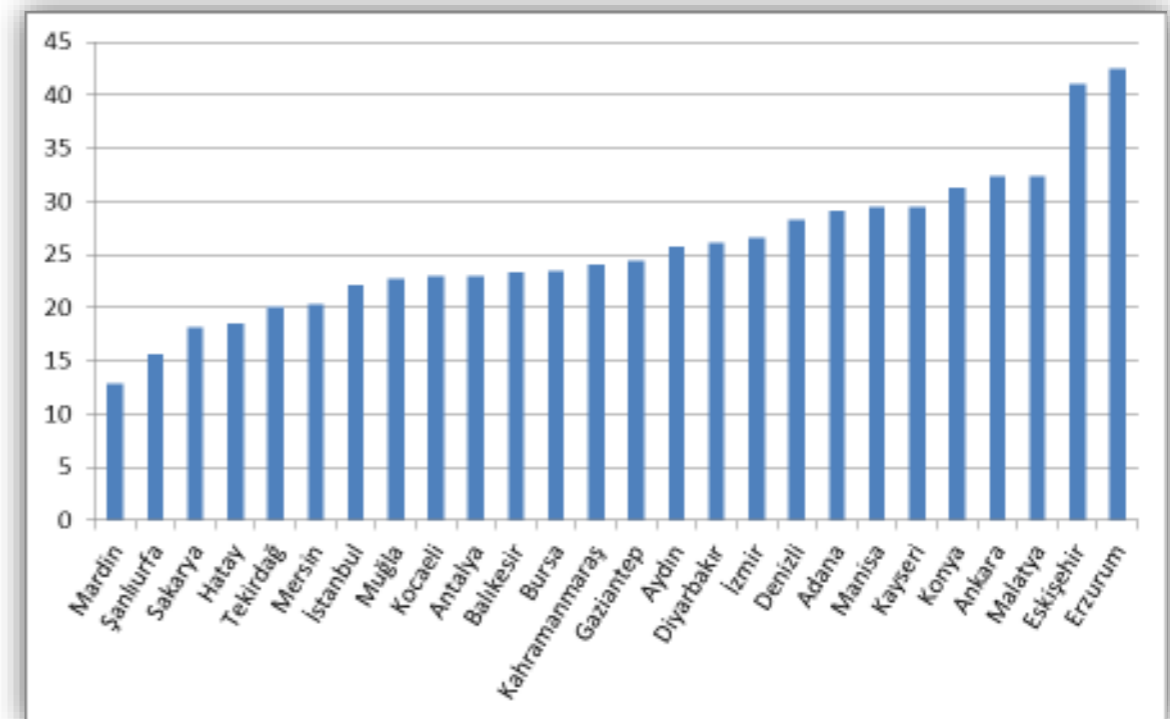


Number of private hospital beds per 10,000



Sources: Turkish Ministry of Health, Industry reports, and Lokman Hekim

Number of total hospital beds per 10,000



Sources: Turkish Ministry of Health, Industry reports, and Lokman Hekim

...and cities with favourable demographics



Young, old or fast

The youngest 10

The oldest 10

Fastest growing

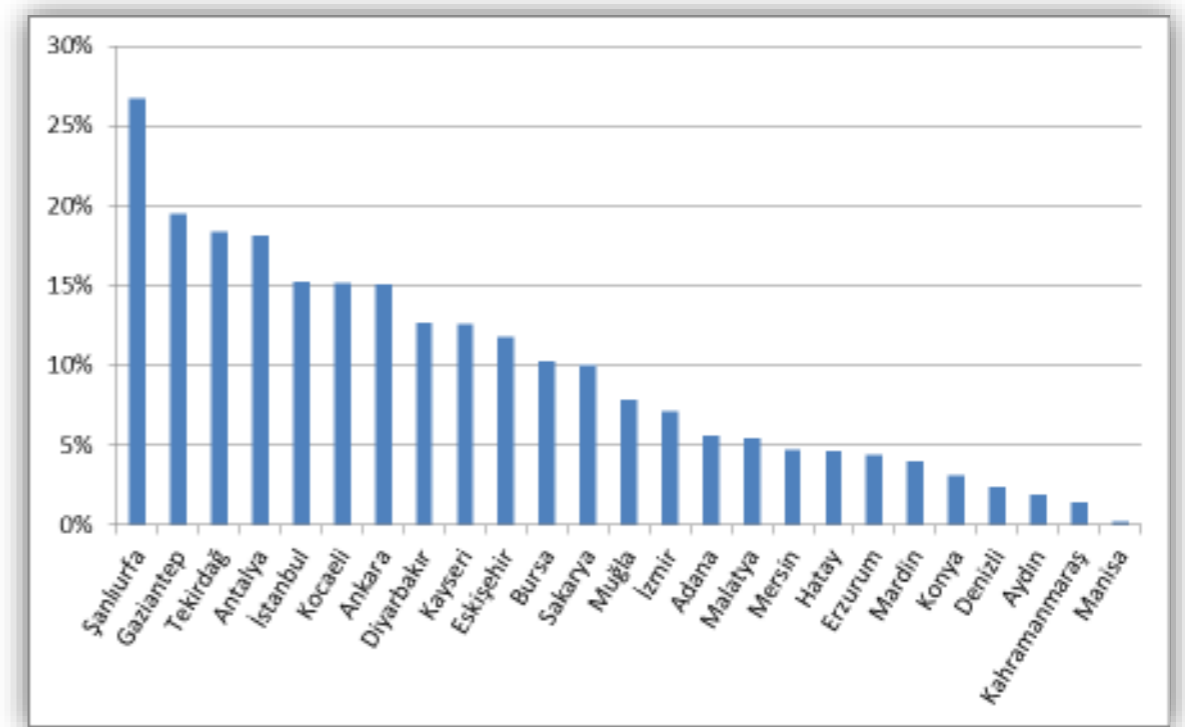
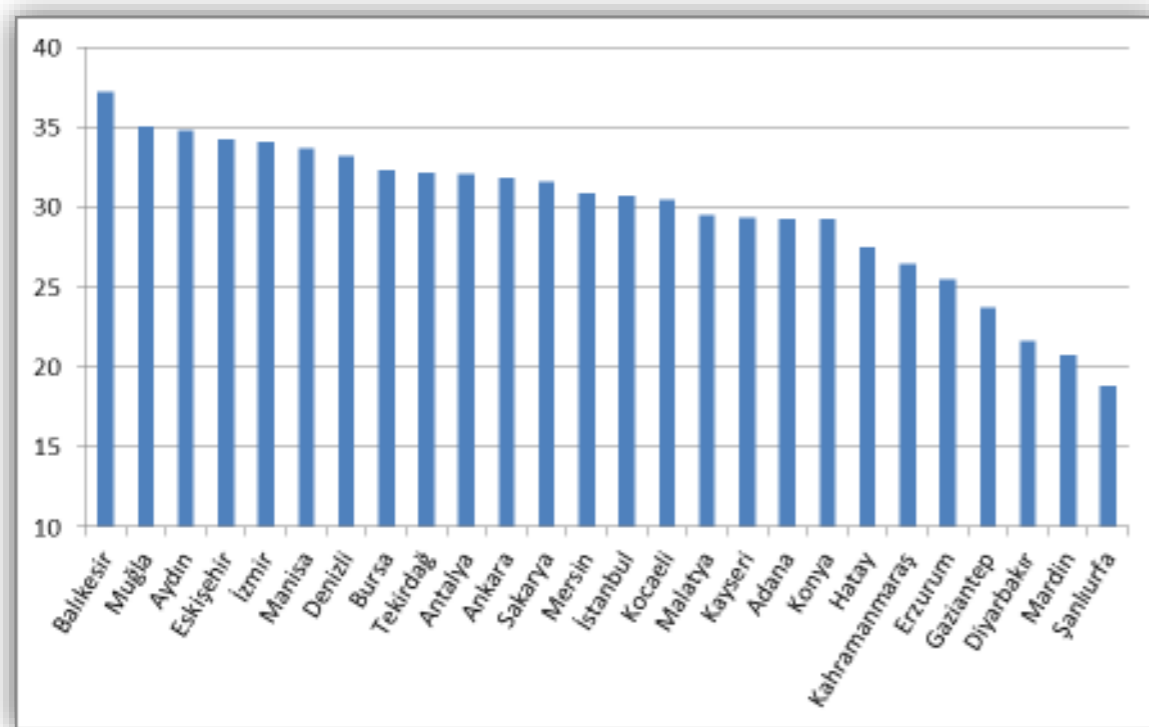
Şanlıurfa	Kahramanmaraş
Mardin	Hatay
Diyarbakır	Konya
Gaziantep	Adana
Erzurum	Kayseri

Balikesir	Manisa
Muğla	Denizli
Aydın	Bursa
Eskişehir	Tekirdağ
Izmir	Antalya

Şanlıurfa	Ankara
Gaziantep	Diyarbakır
Tekirdağ	Kayseri
Istanbul	Eskişehir
Kocaeli	Bursa

Average age by major city as at 2014*

Population growth from 2015 to 2023*



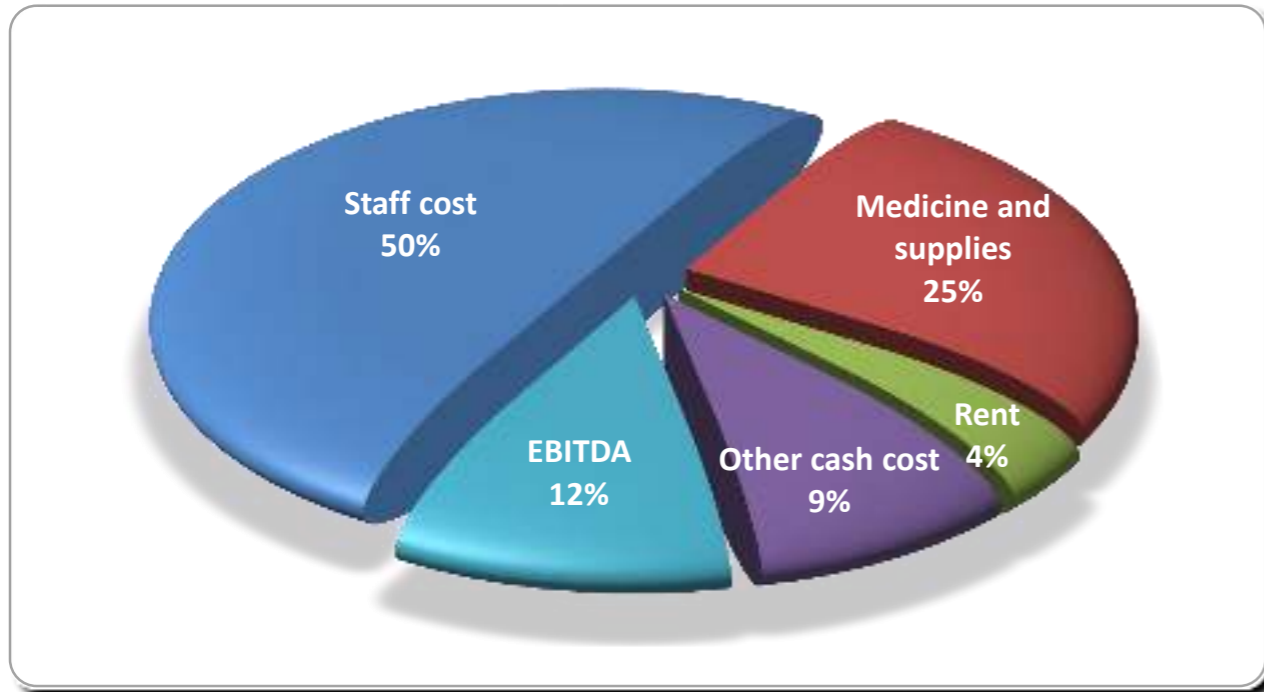
(*) Turkish Statistics Institute

(*) Official projections

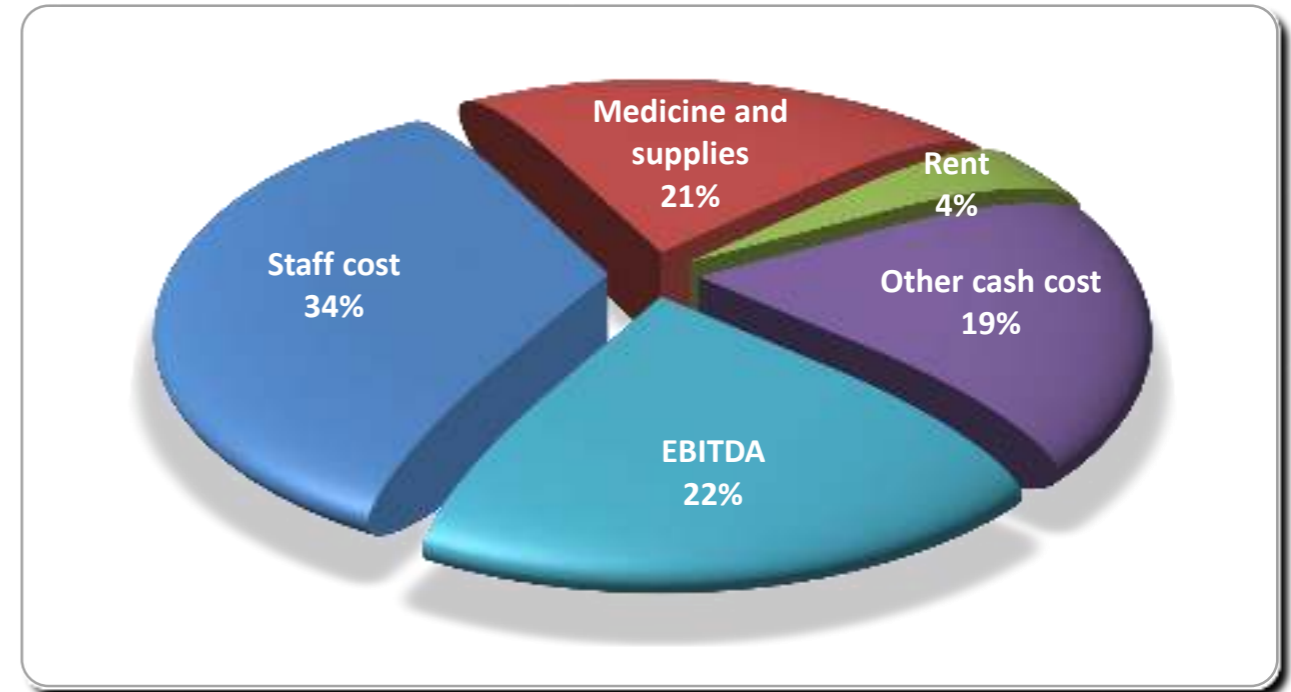
Comps – Lokman v Al Noor



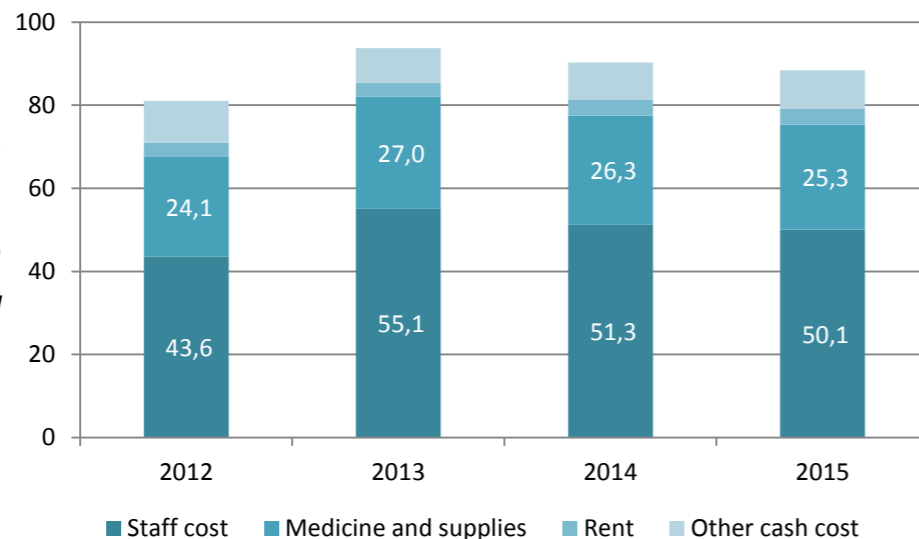
**Lokman Hekim
Breakdown of revenues**



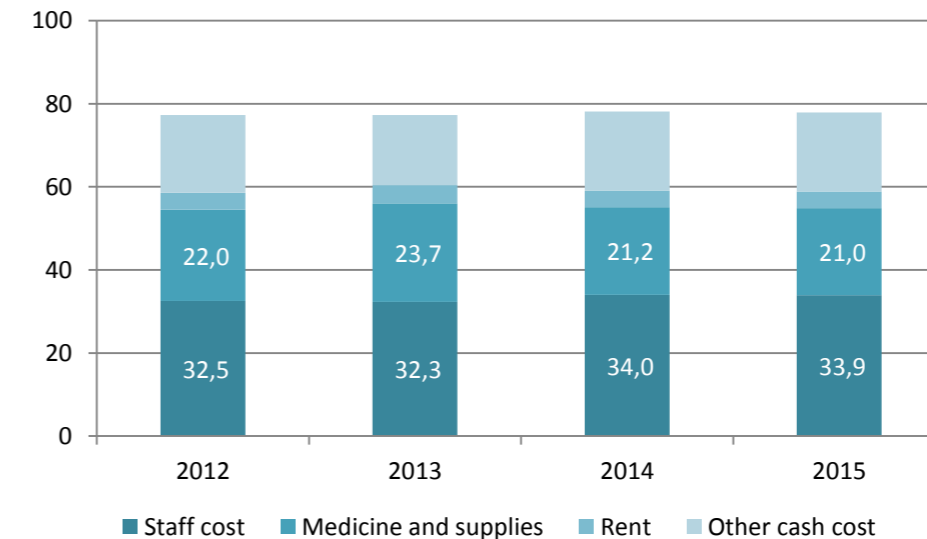
**Al Noor Hospitals
Breakdown of revenues**



**Lokman Hekim
Breakdown of cash cost**



**Al Noor Hospitals
Breakdown of cash cost**



Capacity investments and margins

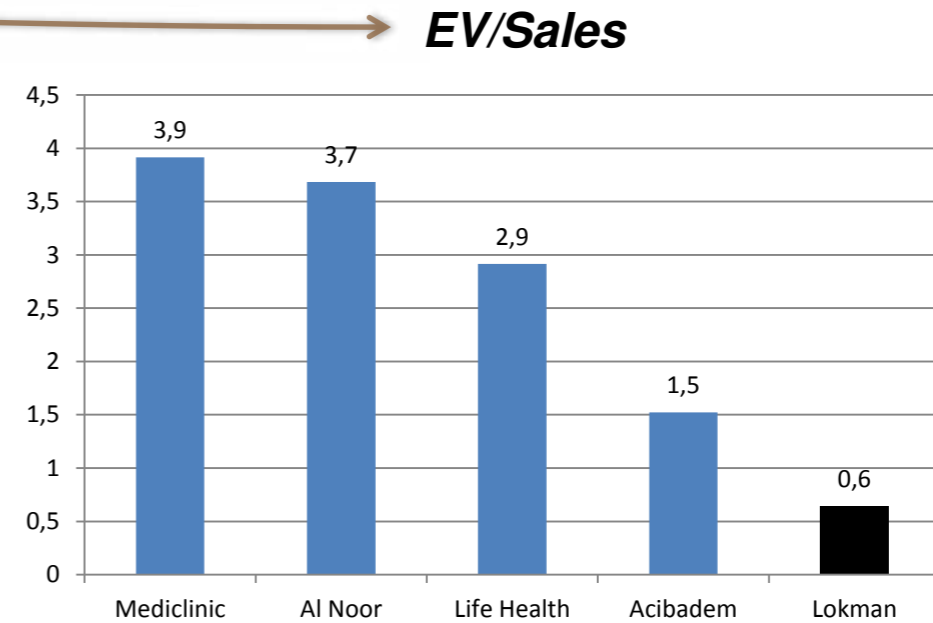
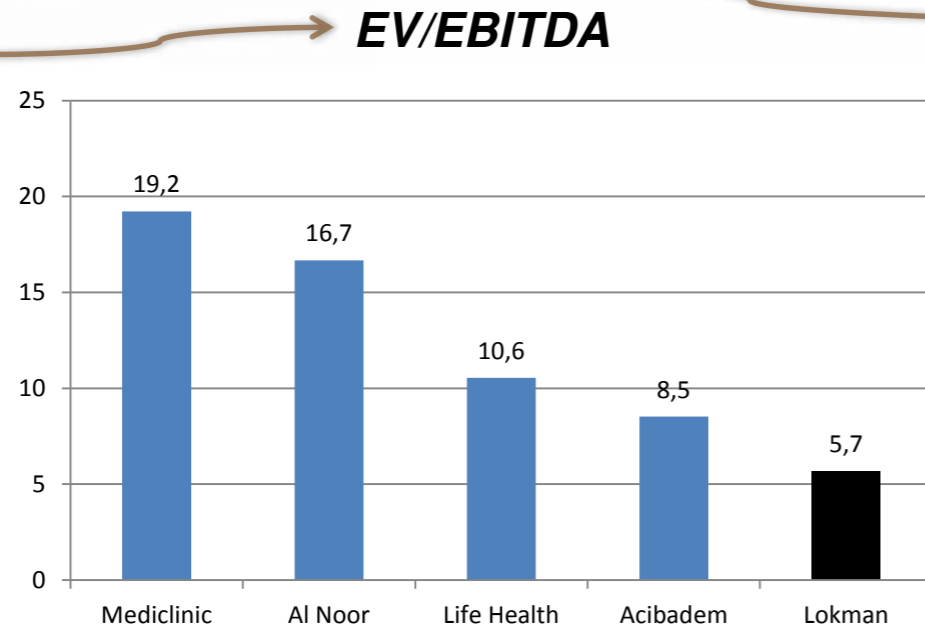
Any margin uplift depends more on revenues than cost. Better product mix and pricing are all the more important for the purposes of margins. Our EBITDA margins have been more volatile since 2012 because of our acquisitions and investments in value-added bed capacity. As capacity usage as well as value added services grow, we expect margins to widen. Lokman Hekim can and should earn EBITDA margins above 15% mark for the foreseeable future.

Comps – Lokman v other EMEA providers

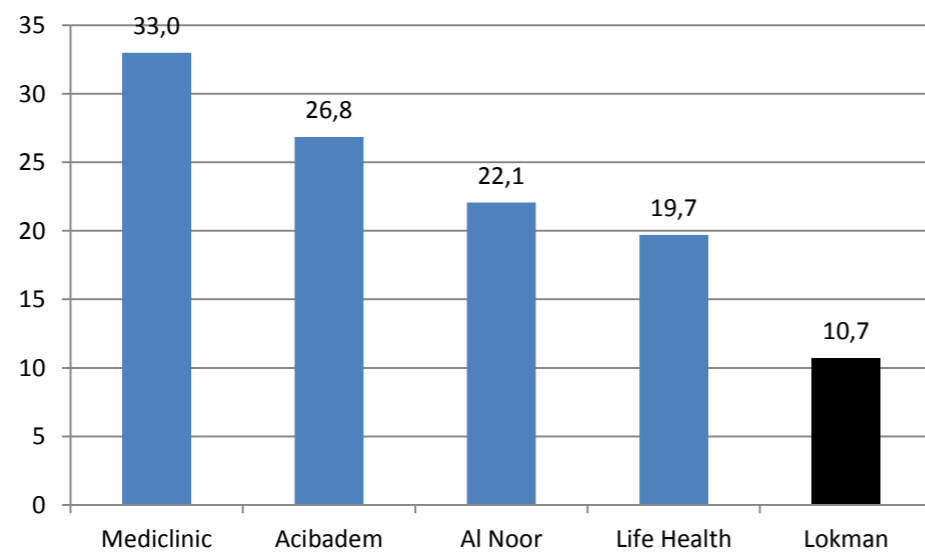
Equity valuation and margin gap – we expect margin gap to narrow

The charts on this page display various valuation metrics and comps. This list includes Lokman, Acibadem, Al Noor, Life Health Group, and Mediclinic International. Acibadem is included as another Turkish company only to improve the comparable set. We have valued Acibadem's equity using sector average EV/EBITDA multiples.

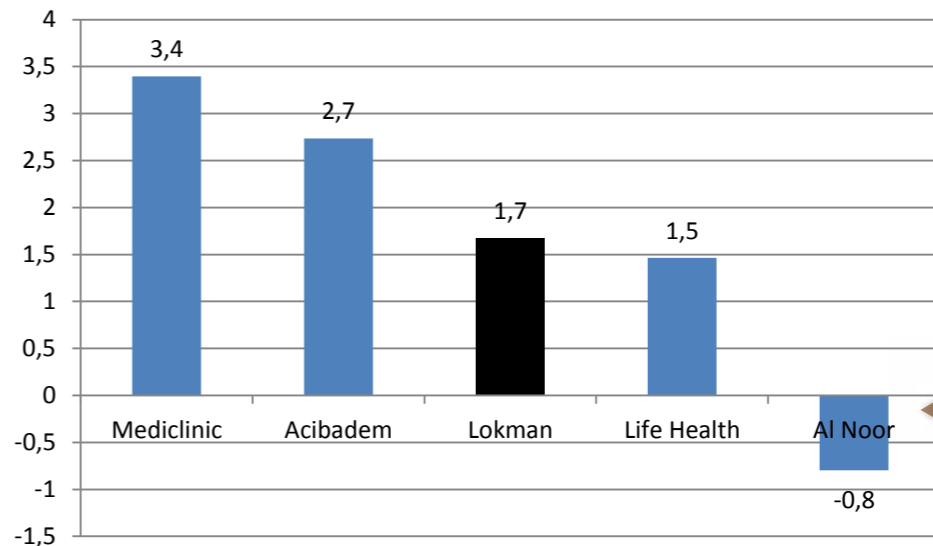
Lokman shares trading at discounts to comparable healthcare providers



PER



Net debt/EBITDA

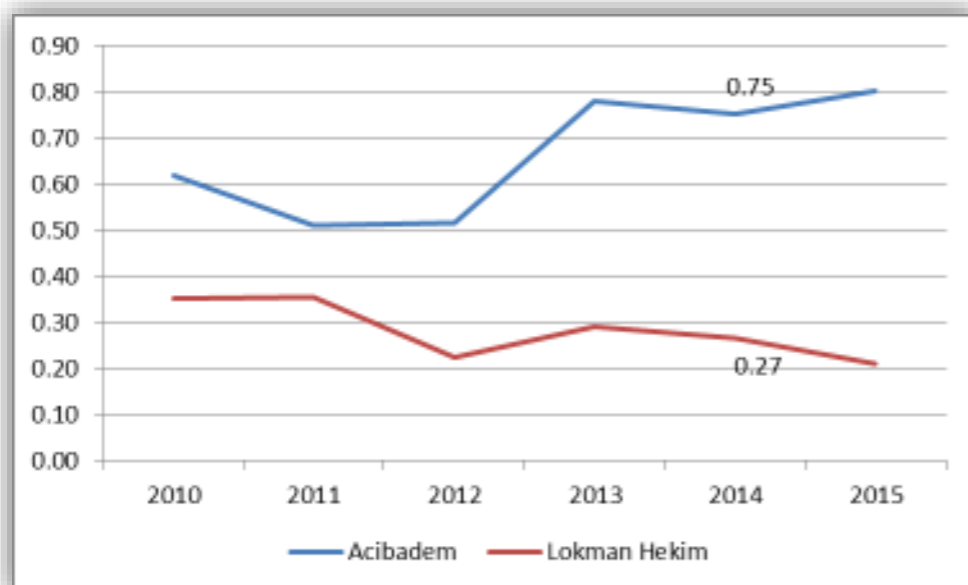


Al Noor has net cash in its balance sheet, hence its net debt to EBITDA multiple is negative

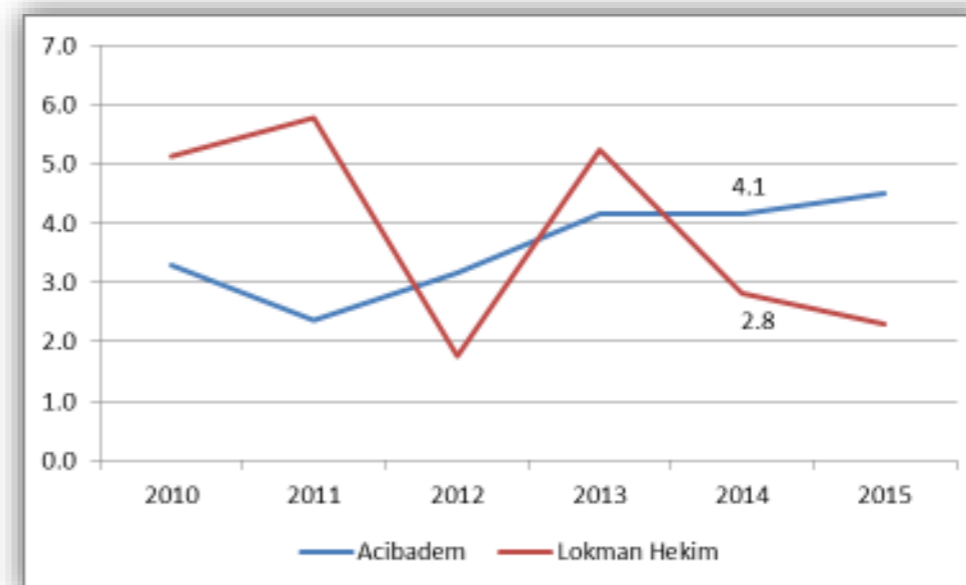
Comps – Lokman v Acibadem



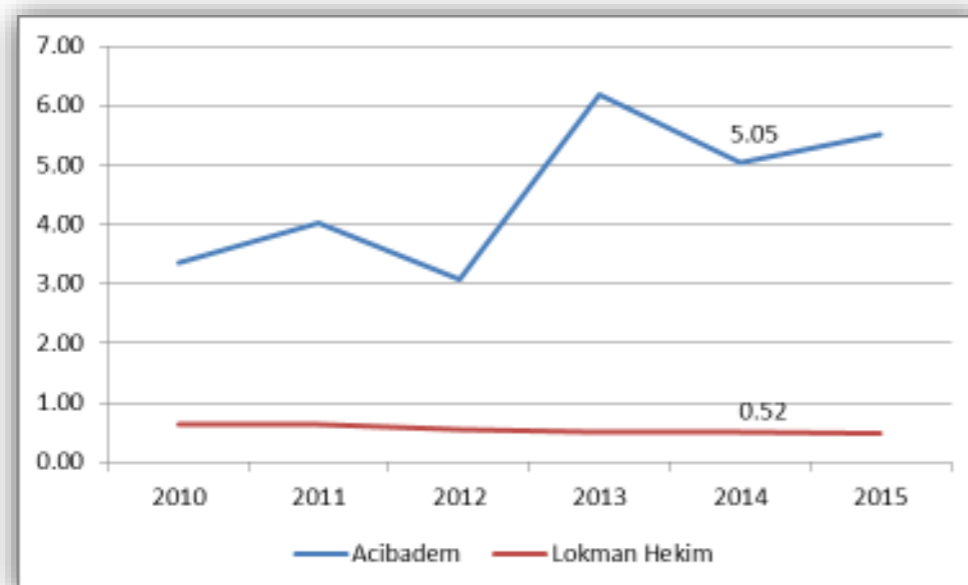
Net debt to Sales (x)



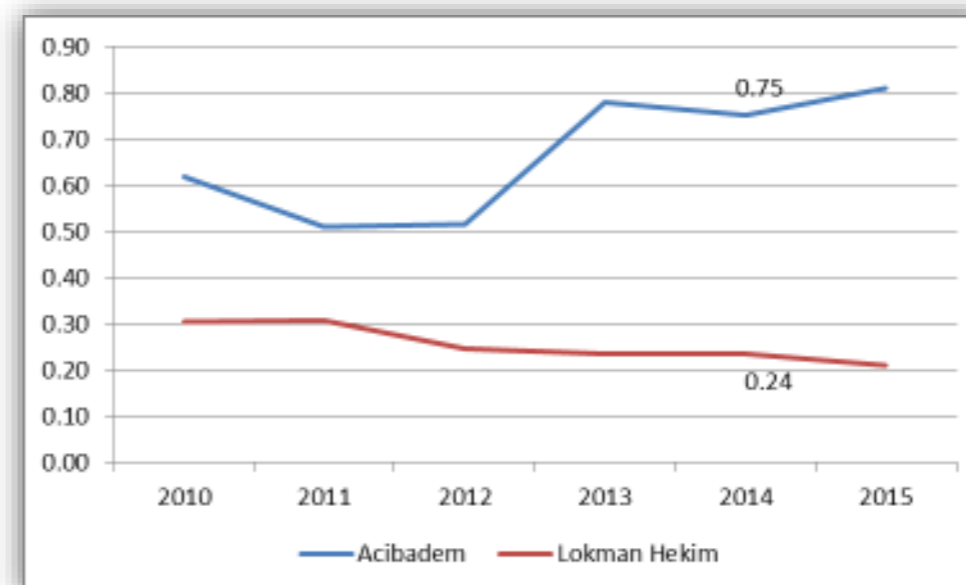
Net debt to EBITDA(x)



Net debt to Equity (x)



Net debt to Assets (x)



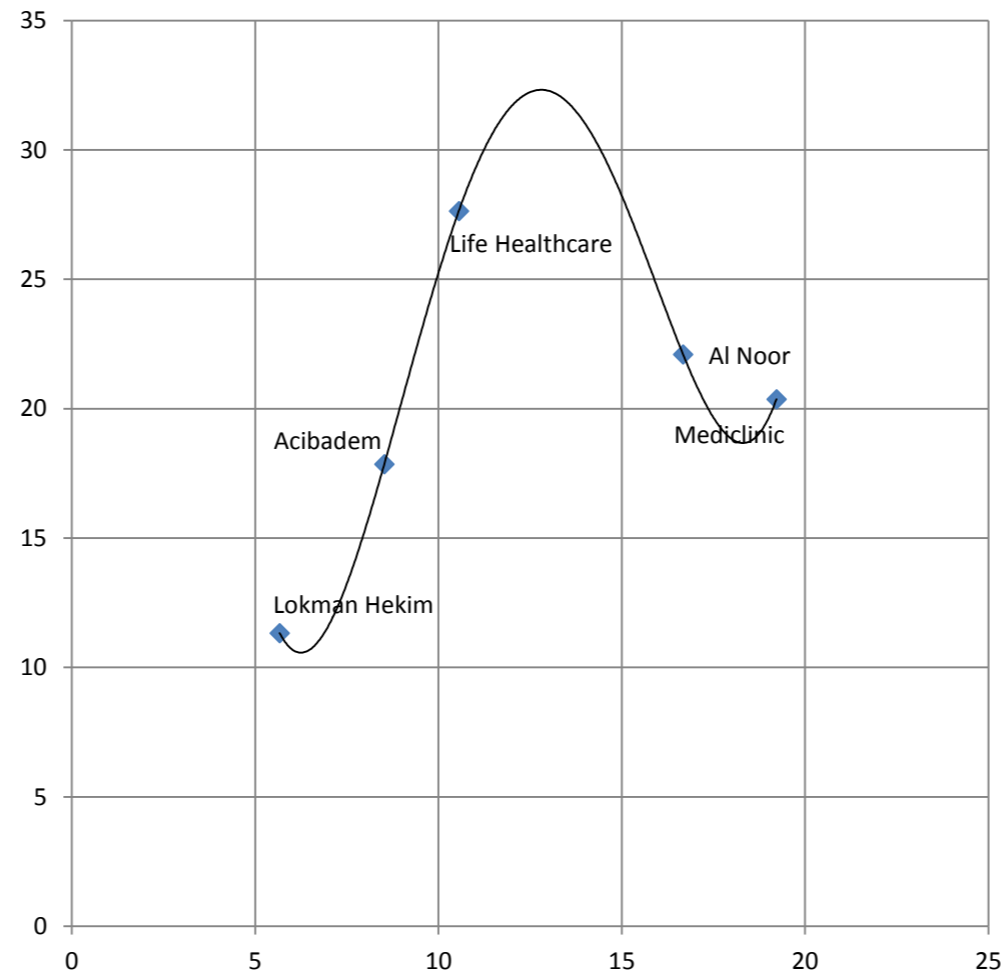
Sources: Company reports and Lokman Hekim estimates

Sources: Company reports and Lokman Hekim estimates

EMEA comps – Healthcare providers



EBITDA margin – EV/EBITDA scatter chart: 2015



Sources: Company reports, Bloomberg and Lokman Hekim estimates

EMEA healthcare comps



Lokman Hekim

Acibadem

Al Noor Group

Life Health Group

Mediclinic International

	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016	
Sales (m)	102.2	115.3	139.4	164.5	1,446.9	1,727.9	1,943.9	2,186.9	365.1	449.1	505.2	568.4	11,900.0	13,046.0	14,647.0	16,404.6	24,587.0	30,495.0	35,238.0	40,252.4	
Inpatient	45.6	64.2	90.6	106.9	414.2	965.5	1,137.2	1,279.3	90.6	101.5	128.8	144.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Outpatient	56.6	51.1	48.8	57.6	1,032.7	762.4	806.7	907.6	274.5	347.5	376.4	423.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gross income (m)	10.8	17.8	29.2	34.2	274.3	315.5	372.3	416.6	154.4	192.2	217.3	244.4	3,570.0	4,093.0	3,502.0	5,085.4	7,376.1	9,148.5	10,571.4	12,075.7	
Inpatient	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Outpatient	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
No of treatments ('000)	807.3	939.4	1042.7	1157.4	3394.9	4098.0	4548.8	5049.2	1,713.0	2,034.8	2,255.9	2,501.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Inpatient	41.7	60.0	78.2	86.8	282.8	294.9	341.2	378.7	40.5	42.0	43.9	45.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Outpatient	765.6	879.4	964.5	1,070.6	3,112.1	3,803.1	4,207.7	4,670.5	1,672.5	1,992.8	2,212.0	2,455.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
EBITDA (m)	5.7	10.8	15.8	19.0	271.6	312.4	347.2	389.4	82.8	98.1	111.7	119.4	3,355.8	3,611.0	4,048.0	4,511.3	5,237.0	6,467.0	7,179.0	8,066.6	
Net income (m)	-1.9	1.8	5.9	9.6	10.2	80.7	99.1	109.6	61.7	84.0	88.4	99.5	2,200.0	2,774.0	1,866.0	2,920.0	1,924.0	3,052.0	3,443.0	7,044.2	
Net debt (m)	29.8	30.6	26.4	22.5	1,126.1	935.4	949.4	963.7	-91.0	-96.5	-89.0	-103.0	2,921.0	3,084.0	5,932.0	6,590.5	27,000.0	26,849.0	24,377.0	23,250.0	
Total assets (m)	126.9	129.8	162.2	188.1	1,520.7	1,699.4	1,792.9	1,891.5	260.6	328.2	377.4	434.0	10,000.0	11,813.0	15,935.0	19,440.7	56,742.0	70,534.0	79,179.0	91,055.9	
Book value of equity (m)	59.6	59.4	64.6	71.7	182.3	256.6	297.0	346.5	238.2	265.8	307.8	352.0	5,500.0	5,900.0	6,448.0	7,381.0	17,206.0	24,468.0	32,064.0	33,785.5	
Minority interest (m)	0.4	1.1	3.2	3.4	15.9	19.3	23.8	27.7	2.0	4.8	5.5	6.0	1,072.5	1,108.0	1,280.0	1,439.3	796.0	923.0	1,098.0	1,150.0	
Market value of equity (m)	62.9	61.4	63.1	63.1	2,370.0	2,370.0	2,661.5	2,764.5	1,950.3	1,950.3	1,950.3	1,950.3	36,783.6	36,783.6	36,783.6	36,783.6	113,572.1	113,572.1	113,572.1	113,572.1	
Enterprise value (m)	92.7	92.1	89.6	85.6	3,496.1	3,665.2	2,958.5	3,111.0	1,859.3	1,853.8	1,861.3	1,847.3	39,704.6	39,867.6	42,715.6	43,374.0	140,572.1	140,421.1	137,949.1	136,822.1	
Sales/treatment ('000)	126.6	122.8	133.7	142.2	426.2	421.6	427.3	433.1	213.1	220.7	224.0	227.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Inpatient ('000)	1,094.1	1,070.0	1,158.9	1,232.0	1,464.3	3,273.8	3,333.3	3,378.3	2,237.0	2,416.5	2,935.2	3,159.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Outpatient ('000)	73.9	58.1	50.6	53.8	331.8	200.5	191.7	194.3	164.1	174.4	170.2	172.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gross margin (%)	10.6	15.5	20.9	20.8	19.0	18.3	19.2	19.1	42.3	42.8	43.0	43.0	30.0	31.4	23.9	31.0	30.0	30.0	30.0	30.0	30.0
Inpatient	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Outpatient	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gross income/treatment ('000)	13.4	19.0	28.0	29.6	80.8	77.0	81.8	82.5	90.2	94.5	96.3	97.7	NA	NA	NA	NA	NA	NA	NA	NA	NA
Inpatient ('000)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Outpatient ('000)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
EBITDA/treatment ('000)	7.0	11.5	15.2	16.4	80.0	76.2	76.3	77.1	48.3	48.2	49.5	47.7	NA	NA	NA	NA	NA	NA	NA	NA	NA
EBITDA/physician ('000)	35.7	65.3	95.2	111.8	181.1	208.2	231.5	259.6	143.3	151.6	164.2	168.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
EBITDA/bed ('000)	12.3	21.4	30.4	36.5	120.7	130.2	144.7	152.7	369.6	450.0	475.1	497.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
EBITDA margin (%)	5.6	9.4	11.3	11.5	18.8	18.1	17.9	17.8	22.7	21.8	22.1	21.0	28.2	27.7	27.6	27.5	21.3	21.2	20.4	20.0	
ROE (%)	-3.1	3.0	9.5	14.1	5.6	36.8	35.8	34.1	25.9	33.3	30.8	30.2	40.0	48.7	30.2	42.2	11.2	14.6	12.2	21.4	
ROA (%)	-1.5	1.4	4.0	5.5	0.7	5.0	5.7	5.9	23.7	28.5	25.1	24.5	22.0	25.4	13.4	16.5	3.4	4.8	4.6	8.3	
PER (x)	-33.5	34.9	10.7	6.6	233.2	29.4	26.8	25.2	31.6	23.2	22.1	19.6	16.7	13.3	19.7	12.6	59.0	37.2	33.0	16.1	
EV/Sales (x)	0.9	0.8	0.6	0.5	2.4	2.1	1.5	1.4	5.1	4.1	3.7	3.3	3.3	3.1	2.9	2.6	5.7	4.6	3.9	3.4	
EV/EBITDA (x)	16.3	8.5	5.7	4.5	12.9	11.7	8.5	8.0	22.5	18.9	16.7	15.5	11.8	11.0	10.6	9.6	26.8	21.7	19.2	17.0	
Net debt/EBITDA (x)	5.2	2.8	1.7	1.2	4.1	3.0	2.7	2.5	-1.1	-1.0	-0.8	-0.9	0.9	0.9	1.5	1.5	5.2	4.2	3.4	2.9	
Net debt/Sales (x)	0.3	0.3	0.2	0.1	0.8	0.5	0.5	0.4	-0.2	-0.2	-0.2	-0.2	0.2	0.2	0.4	0.4	1.1	0.9	0.7	0.6	
Net debt/Assets (x)	0.2	0.2	0.2	0.1	0.7	0.6	0.5	0.5	-0.3	-0.3	-0.2	-0.2	0.3	0.3	0.4	0.3	0.5	0.4	0.3	0.3	
Net debt/Equity (x)	0.5	0.5	0.4	0.3	6.2	3.6	3.2	2.8	-0.4	-0.4	-0.3	-0.3	0.5	0.5	0.9	0.9	1.6	1.1	0.8	0.7	
No of hospitals	4.0	4.0	4.0	4.0	15.0	16.0	16.0	17.0	3.0	3.0	3.0	3.0	NA	NA	NA	NA	65.0	68.0	70.0	70.0	
No of beds	461.0	506.0	520.0	520.0	2,250.0	2,400.0	2,400.0	2,550.0	224.0	218.0	235.0	240.0	1,100.0	1,139.0	1,211.0	1,240.0	7,450.0	7,614.0	7,885.0	8,100.0	
No of beds (international)	0.0	9.0	10.0	10.0	0.0	0.0	250.0	250.0	0.0	0.0	0.0	0.0	1,263.0	1,840.0	2,387.0	2,656.0	1,850.0	1,949.0	2,037.0	2,100.0	
No of clinics	1.0	1.0	1.0	1.0	10.0	10.0	10.0	10.0									9.0	10.0	13.0	13.0	
Occupancy (%)	61.0	65.0	68.0	70.0	70.0	70.0	70.0	70.0	66.0	76.0	75.0	75.0	71.7	71.9	71.9	73.1	75.0	75.0	75.0	75.0	
No of physicians	159.0	166.0	166.0	170.0	1,500.0	1,500.0	1,500.0	1,500.0	578.0	647.0	680.0	710.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
No of employees	1,297.0	1,436.0	1,536.5	1,613.3													25,100.0	26,076.0	27,696.0	29,000.0	

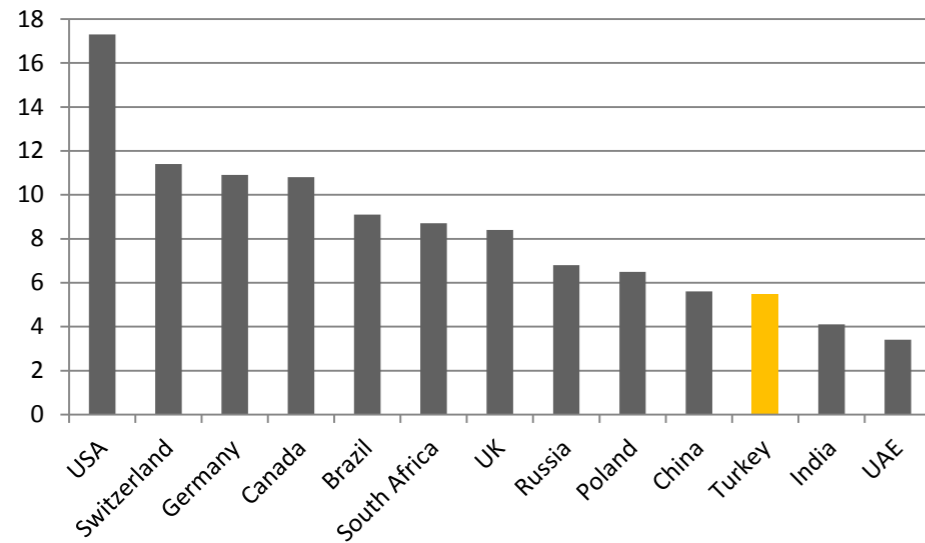
Sources: Company reports and Lokman Hekim estimates. All accounts are expressed in millions of local currencies except for multiples and growth rates. All conversions are made at current exchange rates. Life Health Group and Mediclinic International are listed on Johannesburg Stock Exchange. Equity market caps are as at 8 January 2016. Acibadem shares are not publicly listed. Acibadem market cap is our estimate of its equity value. Al Noor is listed on London Stock Exchange



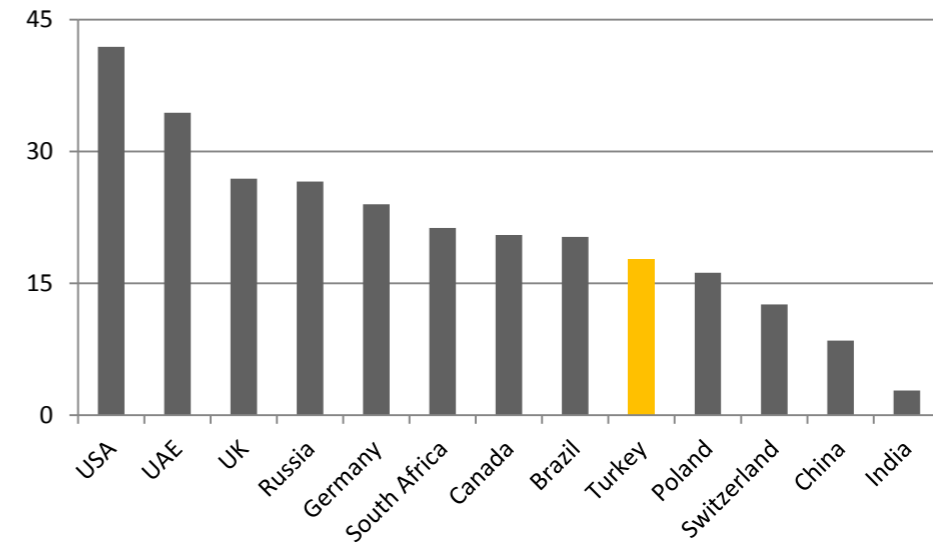
Turkey – attractive healthcare demographics



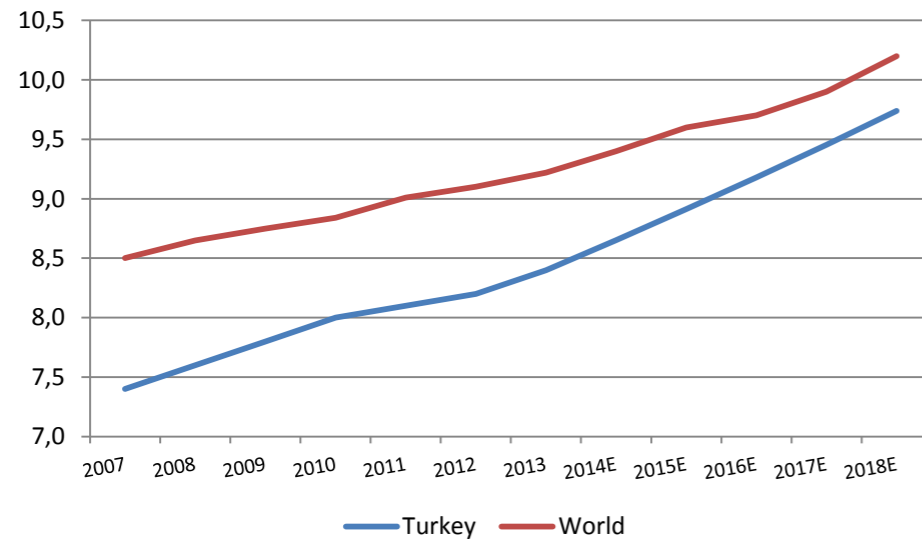
Healthcare spending as percent of GDP



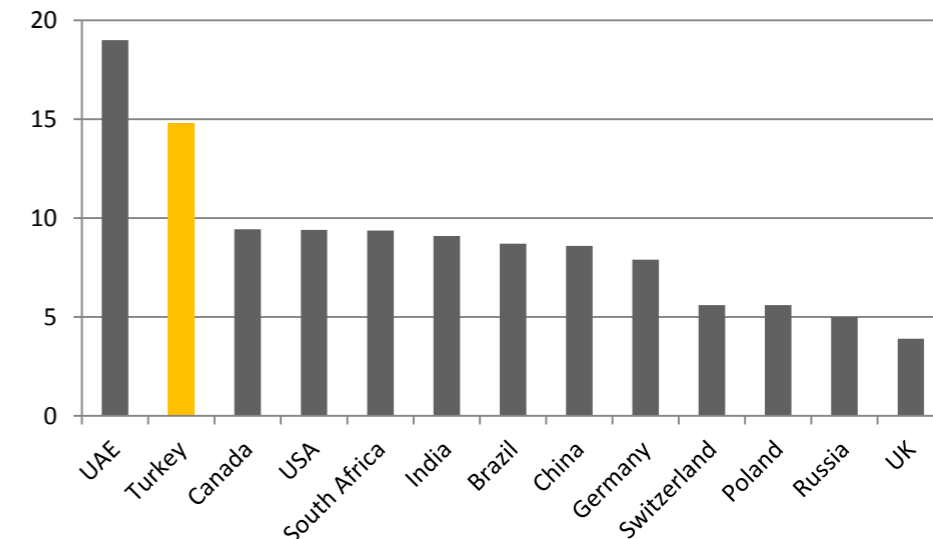
Obesity prevalence



Percentage of population over 65



Diabetes prevalence

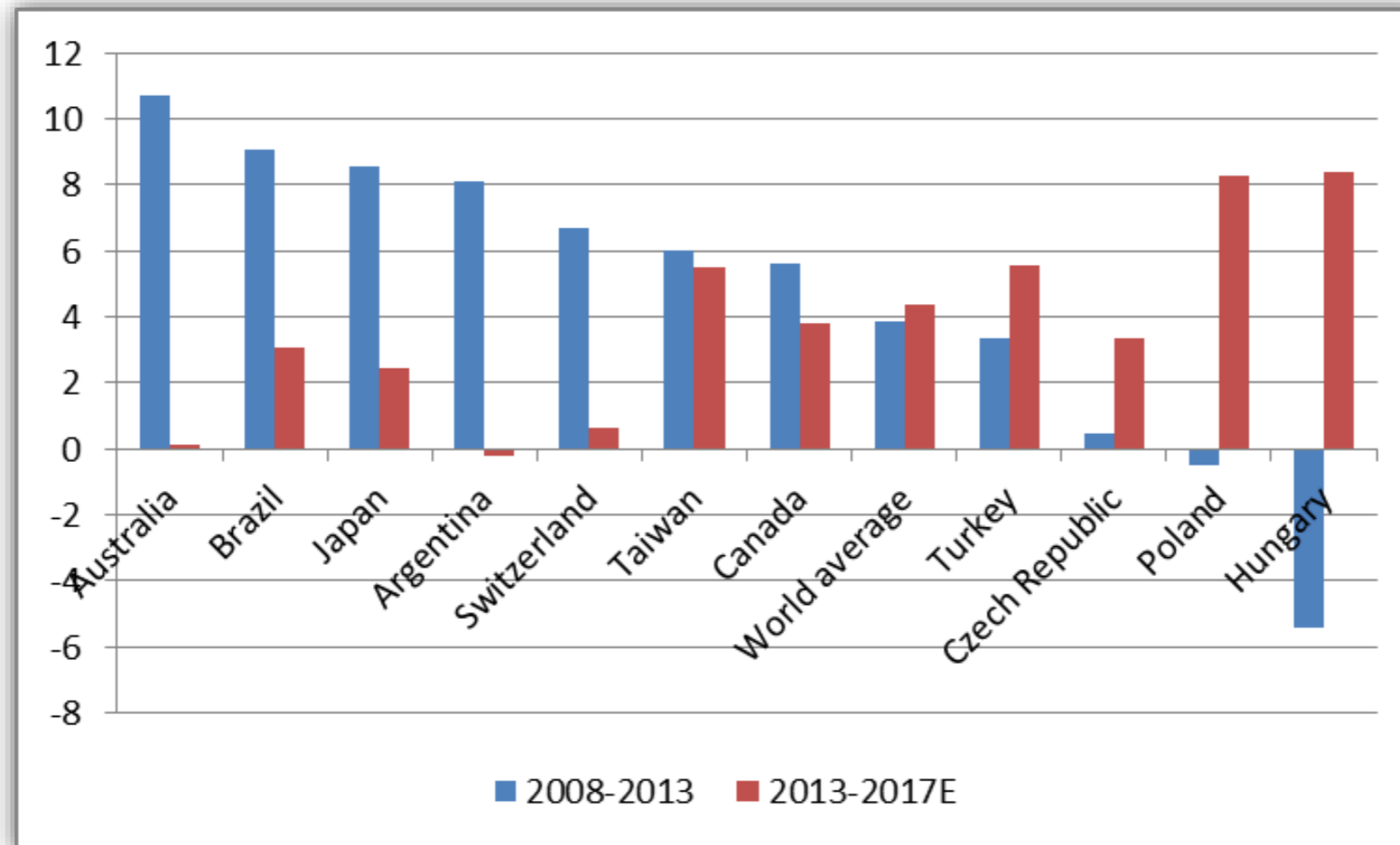


Sources: WHO, Industry reports, and Lokman Hekim estimates

Turkish healthcare – growth set to outperform



The sector in context – sales CAGR (%)



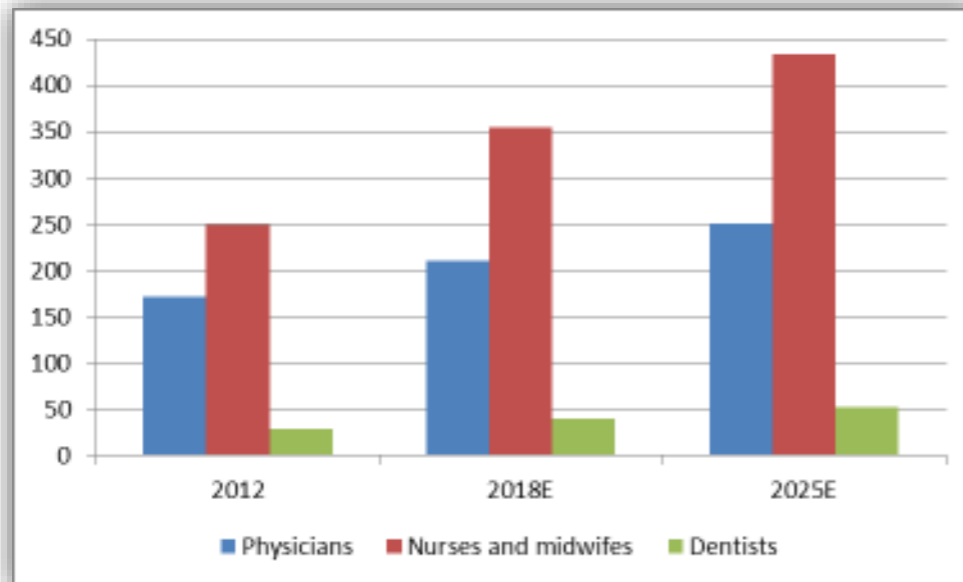
Sources: WHO, Industry reports, and Lokman Hekim estimates

Growth in Turkish healthcare sector is projected to outperform the world average significantly with a 3YR view

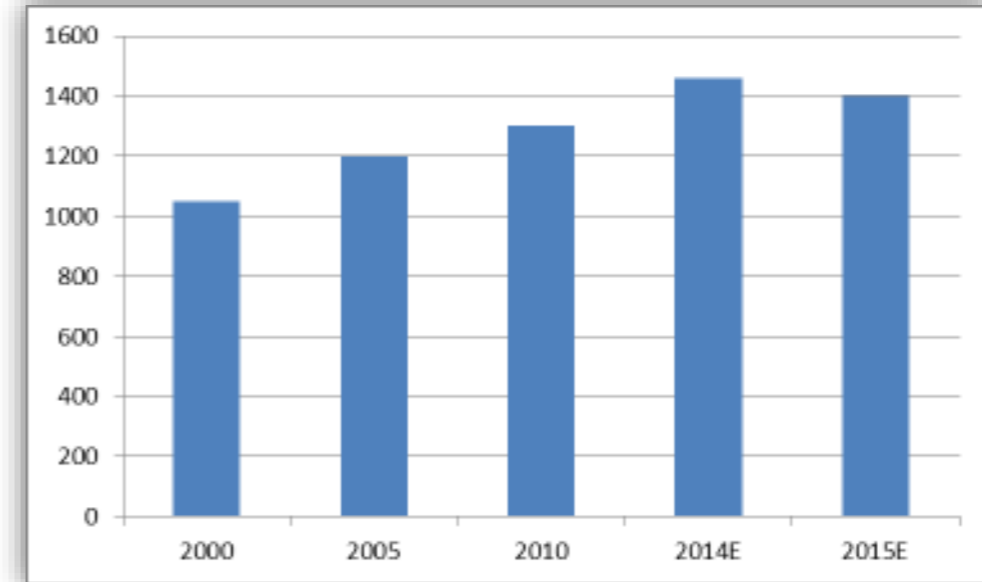
Turkish healthcare industry data



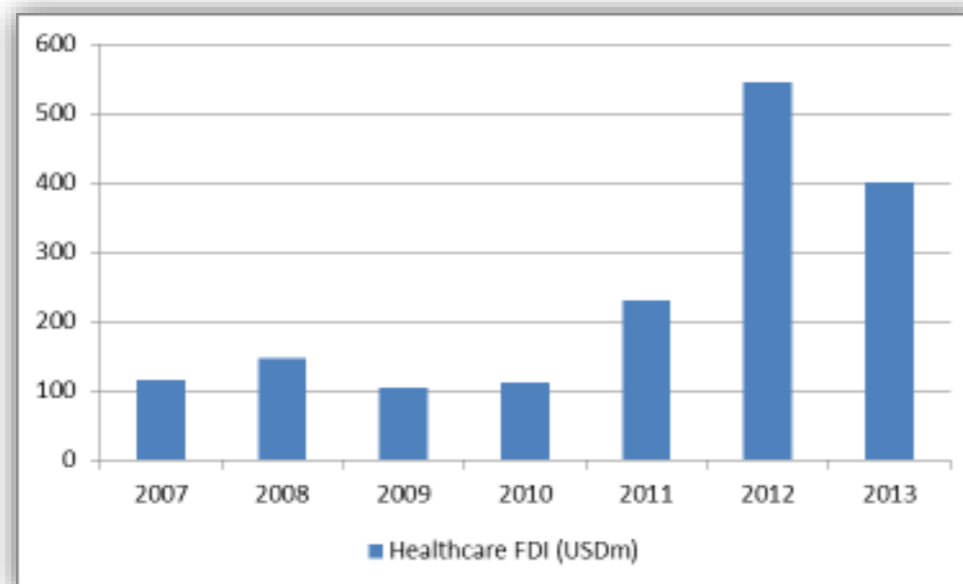
Doctors, dentists and nurses per 100K population



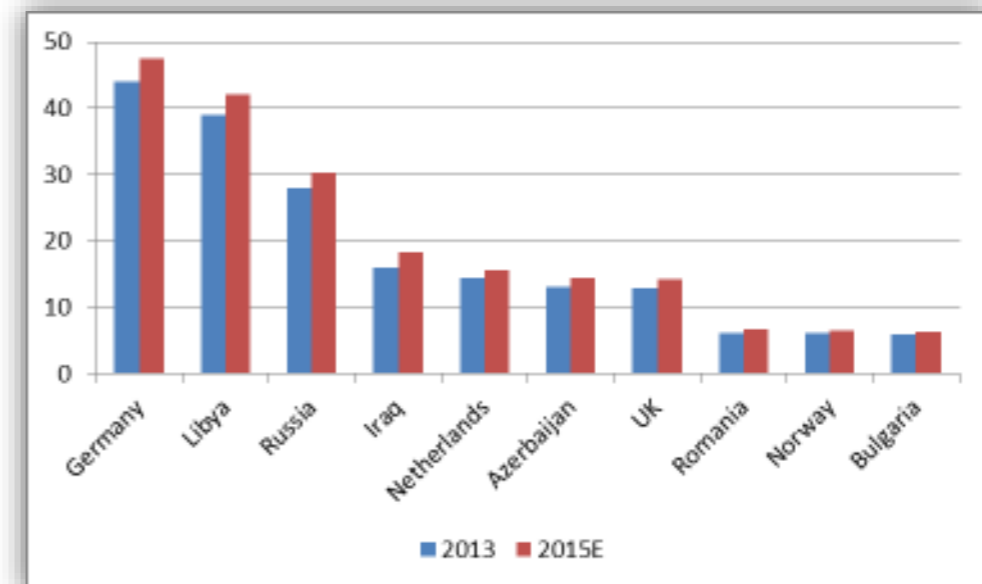
Number of hospitals – consolidation ahead?



FDI to Turkish healthcare sector (USD m)



Healthcare “tourists” in Turkey (‘000)



Sources: WHO, Industry reports, and Lokman Hekim estimates

Sources: WHO, Industry reports, and Lokman Hekim estimates

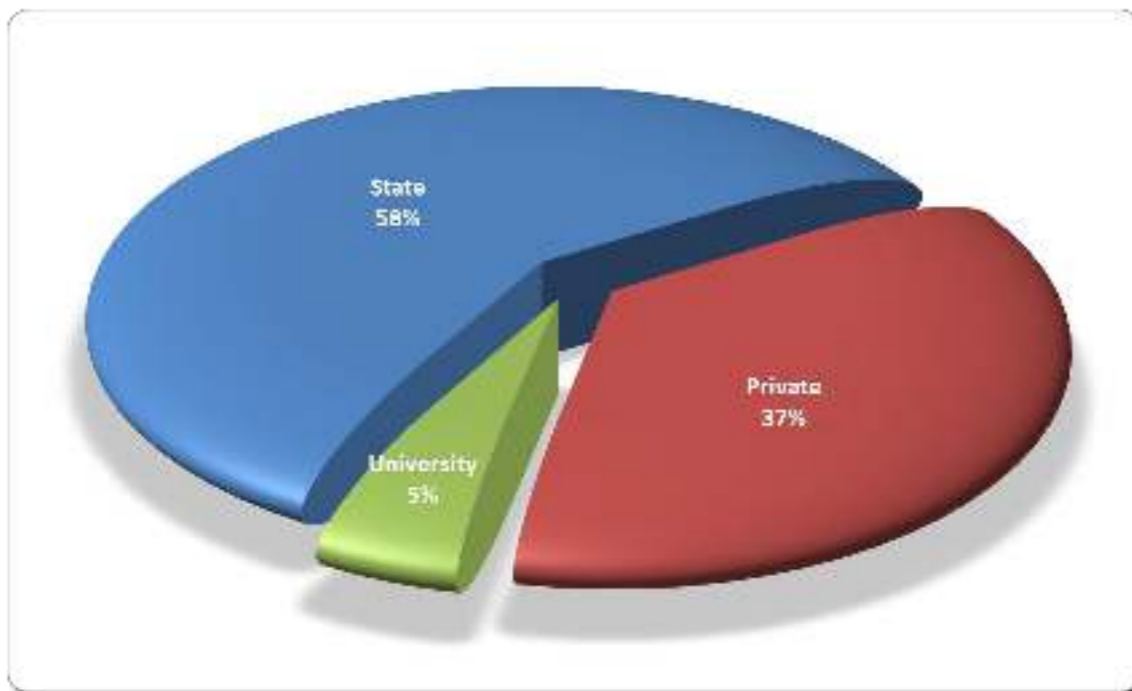




Turkish healthcare providers

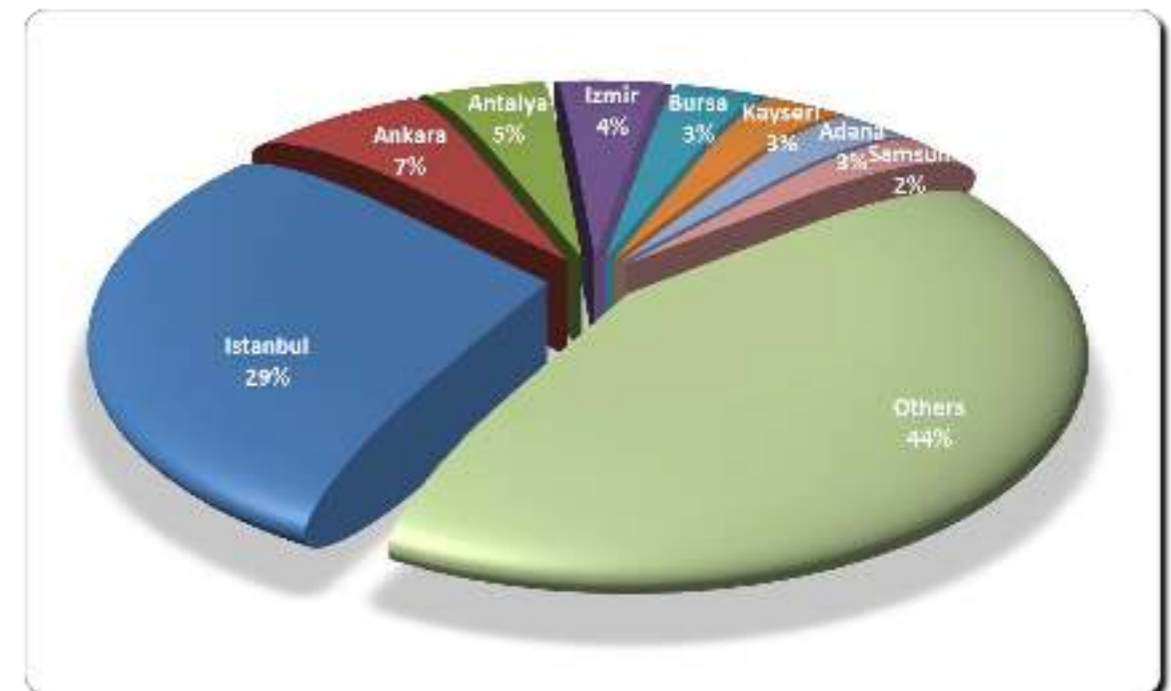
Breakdown of hospitals by ownership and geography

State v private (%)



Total hospital count as at 2014: 1,493

Geographical breakdown of private hospitals



Private hospital count as at 2014: 550

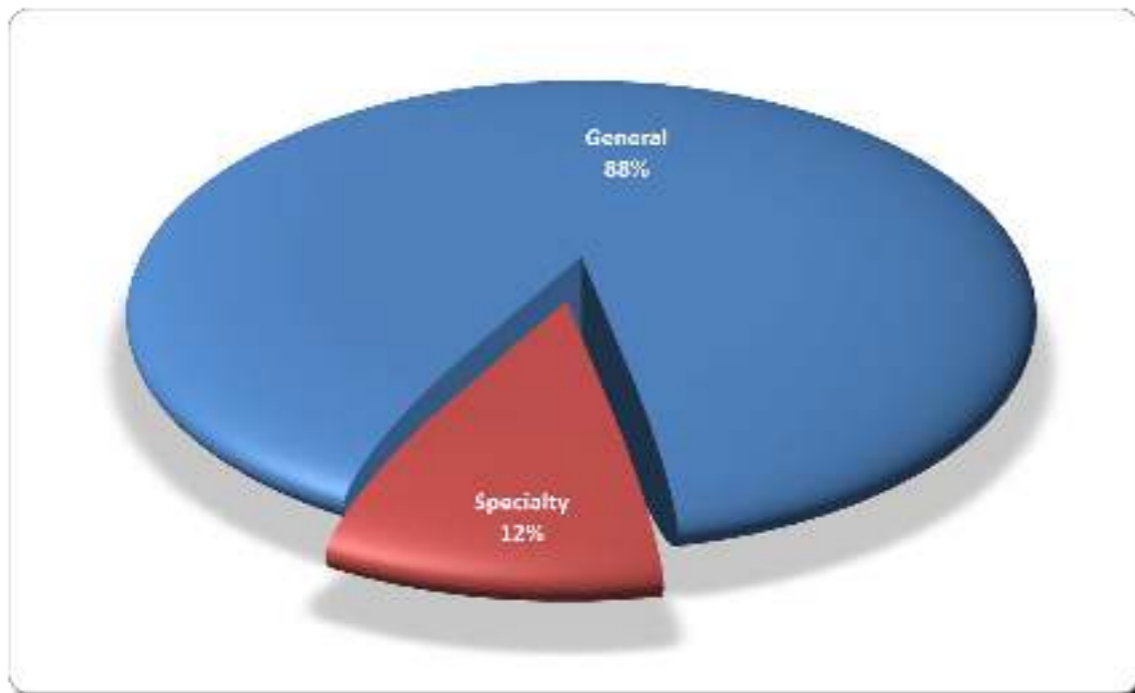


Turkish healthcare – general v speciality



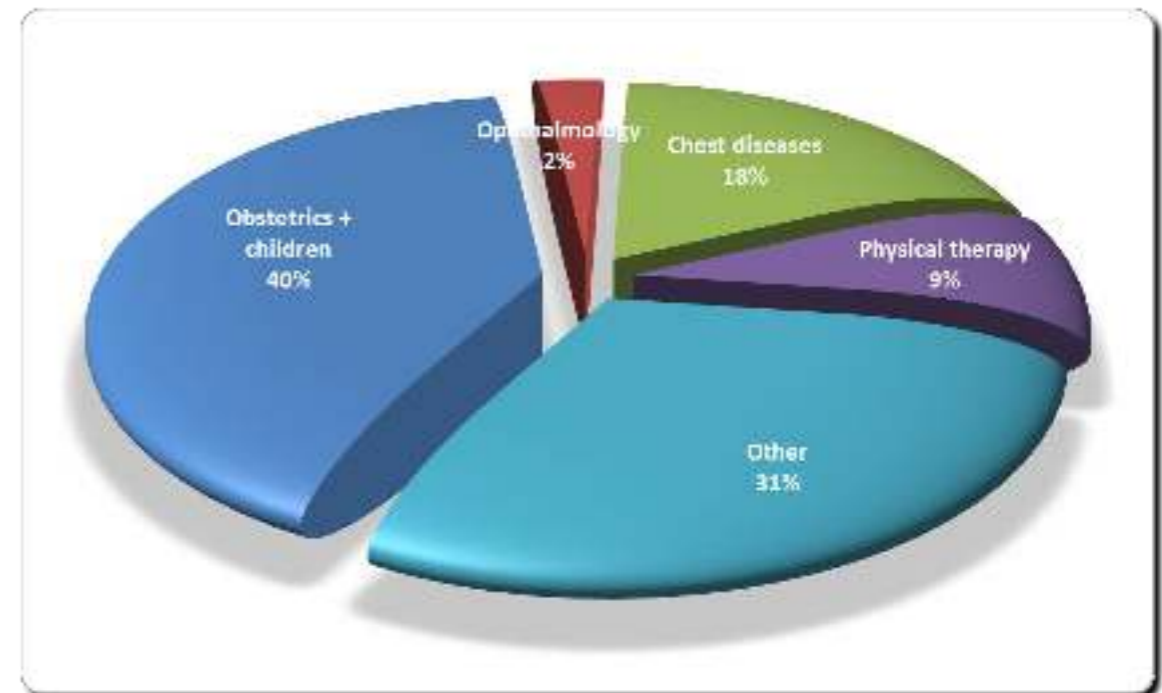
Breakdown of hospital beds by speciality

General v speciality (%)



Total bed count as at 2014: 200.0K

Breakdown of speciality (%)



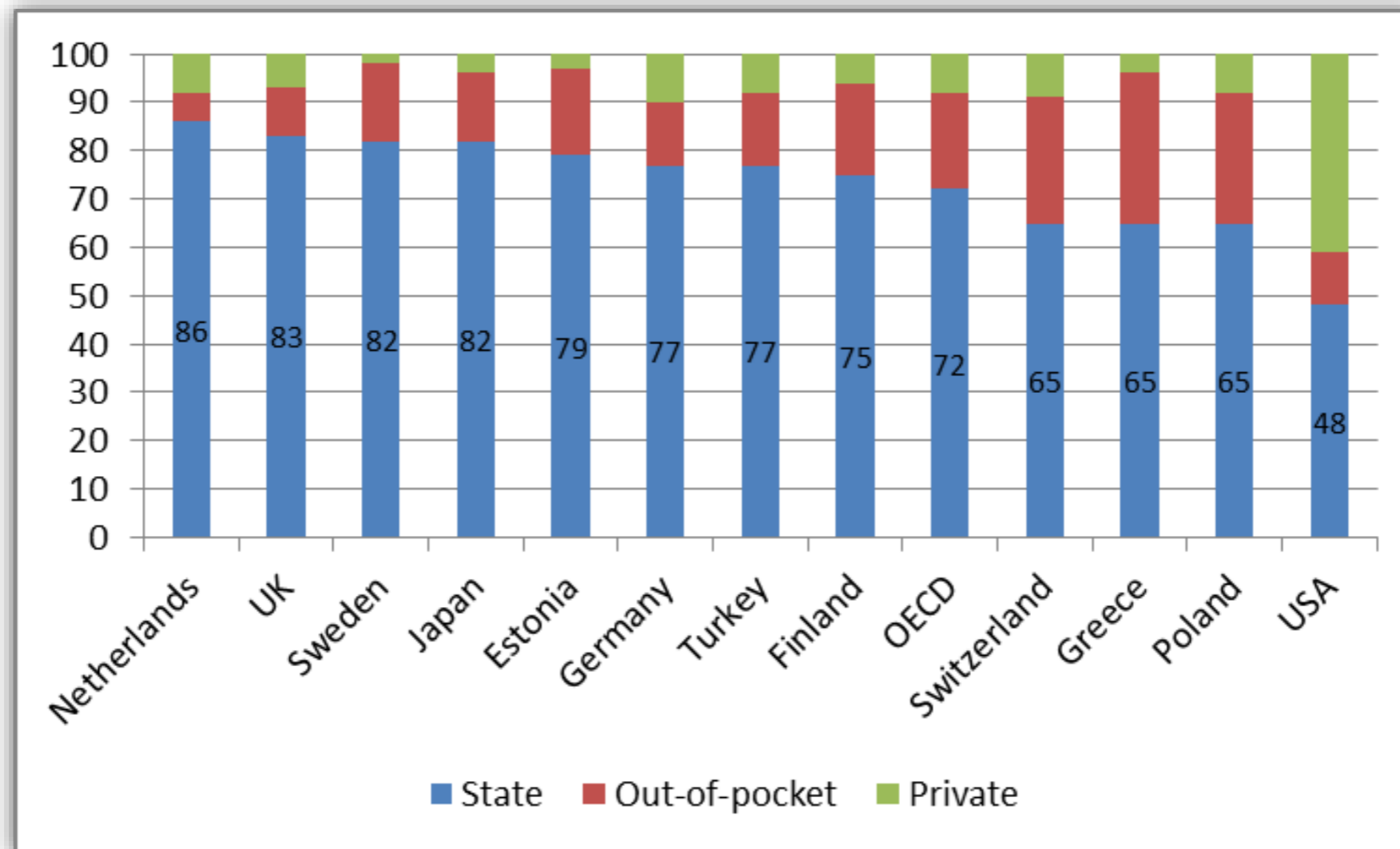
Speciality bed count as at 2014: 23.1K

Turkish healthcare in context



Who pays for healthcare services

Healthcare spending by payer across OECD (%)



Sources: WHO, Industry reports, and Lokman Hekim estimates

Historical financials and selected data



Lokman Hekim Engurusag Saglik financials and forecasts

TLm	2010	2011	2012	2013	2014A
1 Sales	59.8	63.0	96.7	107.4	125.0
2 Healthcare services	59.8	62.5	95.9	102.2	115.3
3 Etlık	21.0	20.1	22.3	22.8	24.1
4 Sincan	38.8	41.3	43.6	45.0	49.3
5 Van	0.0	1.1	29.9	32.6	36.4
6 Van Hayat	0.0	0.0	0.0	1.7	4.9
7 Arbil	0.0	0.0	0.0	0.2	0.7
8 Other	0.0	0.0	0.0	0.0	0.0
9 Other sales	0.0	0.5	0.8	5.3	9.7
10 Sales by payer					
11 Social Security (SGK)	39.3	43.3	69.5	71.2	80.9
12 As percent of total (%)	65.8	69.3	72.5	69.7	69.3
13 Other	20.5	19.2	26.4	31.0	34.4
14 Total	59.8	62.5	95.9	102.2	115.3
15 Sales by treatment					
16 Inpatient	29.2	30.5	52.6	45.6	64.2
17 As percent of total (%)	48.8	48.9	54.9	44.6	49.3
18 Outpatient	30.6	32.0	43.3	56.6	51.1
19 Total	59.8	62.5	95.9	102.2	115.3
20 Cash COGS	-48.2	-49.8	-75.2	-96.6	-107.2
21 Gross income	11.6	13.2	21.5	10.8	17.8
22 Cash Opex	-8.1	-9.3	-9.3	-5.2	-7.0
23 EBITDA	4.1	3.9	12.2	5.7	10.8
24 Depreciation	-2.4	-2.4	-3.4	-5.4	-6.9
25 EBIT	1.7	1.5	8.8	0.3	4.0
26 Net interest expense	-2.5	-3.4	-2.8	-2.9	-3.5
27 Other income	1.0	3.0	2.0	1.9	1.9
28 EBT	0.2	1.1	8.0	-0.7	2.4
29 Period tax	0.0	0.0	-0.1	0.0	-0.3
30 Deferred taxes	0.0	-0.1	-1.4	-0.0	0.0
31 Net income	0.2	1.0	6.5	-0.7	2.1
32 Minorities	0.0	0.0	-1.1	-1.2	-0.3
33 Net income after minorities	0.2	1.0	5.4	-1.9	1.8
34 Dividends paid out	0.0	0.0	-2.0	-2.1	-0.8
35 Retained earnings	0.2	1.0	3.4	-4.0	1.0
36 Total assets	69.0	72.1	87.7	126.9	129.8
37 Fixed assets	38.0	42.8	44.4	75.0	74.8
38 Inventories	1.0	1.6	5.1	8.7	5.6
39 Total debt	22.0	23.7	23.7	31.7	33.0
40 Net debt	21.0	22.2	21.5	29.8	30.6
41 Book equity	33.0	34.4	39.6	59.6	59.4

Sources: Lokman Hekim company reports and estimates

Lokman Hekim Engurusag Saglik financials and forecasts

%	2010	2011	2012	2013	2014A
42 Growth measures					
43 Sales		5.3	53.6	11.1	16.4
44 Cash cost of sales		3.3	51.0	28.5	11.0
45 Gross income		13.7	63.5	-49.6	64.5
46 Opex		14.8	-0.0	-44.6	35.5
47 EBITDA		-6.0	216.9	-53.5	90.8
48 EBIT		-14.6	504.4	-96.9	1345.9
49 EBT		426.2	658.4	-108.5	-450.0
50 Net income		376.2	463.5	-135.0	-193.7
51 Asset		4.5	21.6	44.6	2.3
52 Book equity		15.1	15.1	50.4	-0.2
53 Margins					
54 Gross margin	19.4	20.9	22.2	10.1	17.8
55 EBITDA margin	6.9	6.2	12.7	5.6	9.4
56 EBIT margin	2.8	2.3	9.1	0.3	3.2
57 Net margin	0.3	1.5	5.6	-1.7	1.4
58 Depreciation/Sales	-4.0	-3.8	-3.5	-5.0	-5.5
59 Depreciation/Fixed Assets	-6.3	-5.6	-7.7	-7.2	-7.7
60 Inventories/Sales	1.7	2.6	5.3	8.1	6.5
61 Opex/Sales	-13.6	-14.8	-9.6	-4.8	-9.1
62 Cost of funding (net)	-11.9	-15.3	-13.0	-9.6	-11.0
63 Profitability					
64 Asset turnover	86.6	87.3	110.3	84.7	96.4
65 ROA	0.3	1.4	6.7	-1.7	1.4
66 ROE	0.6	2.8	14.5	-3.8	3.0
67 Leverage ratios					
68 Debt/Assets	31.9	32.9	27.0	25.0	25.5
69 Debt/Equity	66.7	68.9	59.8	53.3	55.6
70 Net debt/Equity	0.6x	0.6x	0.5x	0.5x	0.5x
71 Net debt/EBITDA	5.1x	5.8x	1.8x	5.2x	2.8x
72 Dividend pay-out		0.0	-36.7	-38.7	42.0
73 Per share data and multiples					
74 EPS (TL)	0.01	0.04	0.27	(0.03)	0.09
75 BVPS (TL)	1.38	1.43	1.65	2.48	2.48
76 DPS (TL)	0.00	0.00	(0.08)	(0.09)	(0.03)
77 CFPS (TL)	0.03	(0.20)	0.15	(0.49)	(0.00)
78 Dividend yield (%)	0.0	0.0	-3.3	-3.5	-1.3
79 Earnings yield (%)	0.3	1.6	10.8	-1.2	3.5
80 FCF yield (%)	1.3	-8.2	6.2	-19.6	-0.1
81 EV/Sales	1.5x	1.4x	0.9x	0.8x	0.7x
82 EV/EBITDA	21.9x	23.3x	7.3x	15.8x	8.3x
83 P/FCF	75.8x	-12.2x	16.3x	-5.1x	-1173.6x
84 PER	300.0x	63.0x	9.3x	-82.9x	28.7x
85 PBR	1.8x	1.7x	1.5x	1.0x	1.0x

Sources: Lokman Hekim company reports and estimates



THANK YOU

Haluk Akdogan, Ph.D.

LOKMAN HEKİM

hakdogan@lokmanhekim.com.tr

**New York, U.S. +1 (917) 574 4992
Ankara, Turkey + 90 (312) 444 9911**

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