

Financial results of the Diagnostyka Group for Q1 2025

28 May 2025

Presenters:



Jakub Swadźba

President of the Management Board,
Chief Executive Officer (CEO)



Paweł Chytła

Vice President of the Management Board,
Chief Financial Officer (CFO)

Q1 2025 operational highlights

Q1 2025 summary



Financial highlights

Diagnostic tests
volume

45.2 m
(+8.3% yoy)

Group's revenue

PLN 594.9 m
(+22.5% yoy)

Net profit
attributable to owners
of the Parent

PLN 72.9 m
(9.7% yoy)

Recurring EBITDA¹

PLN 161.2 m
(+18.2% yoy)

PLN 111.7 m (PLN 3.31 per share)
– dividend for 2024 based on the Management
Board's recommendation approved by the
Supervisory Board²

Operational highlights



40 PLUS
preventive-screening
programme material
contribution to
diagnostic tests volumes

**Two bolt-on
acquisitions**
in laboratory
diagnostics

**Cutting-edge CCM line
installed in Poznań**
– among Europe's longest configurations

Longevity+
Group's first
comprehensive
diagnostics facility
opened



ERP
pre-implementation
analysis for the new
ERP (SAP) system
completed

7 February
the first listing of
Diagnostyka shares on
the WSE

¹The Group defines EBITDA as net profit (loss) before income tax, share of profit or loss of associates and jointly controlled entities, impairment losses on investments in associates and jointly controlled entities for the period, finance costs, finance income, depreciation and amortisation. The Group defines recurring EBITDA as EBITDA additionally adjusted for IPO costs, share-based payment scheme costs and other one-off adjustments (e.g. costs of advisory fees related to transaction advisory services).

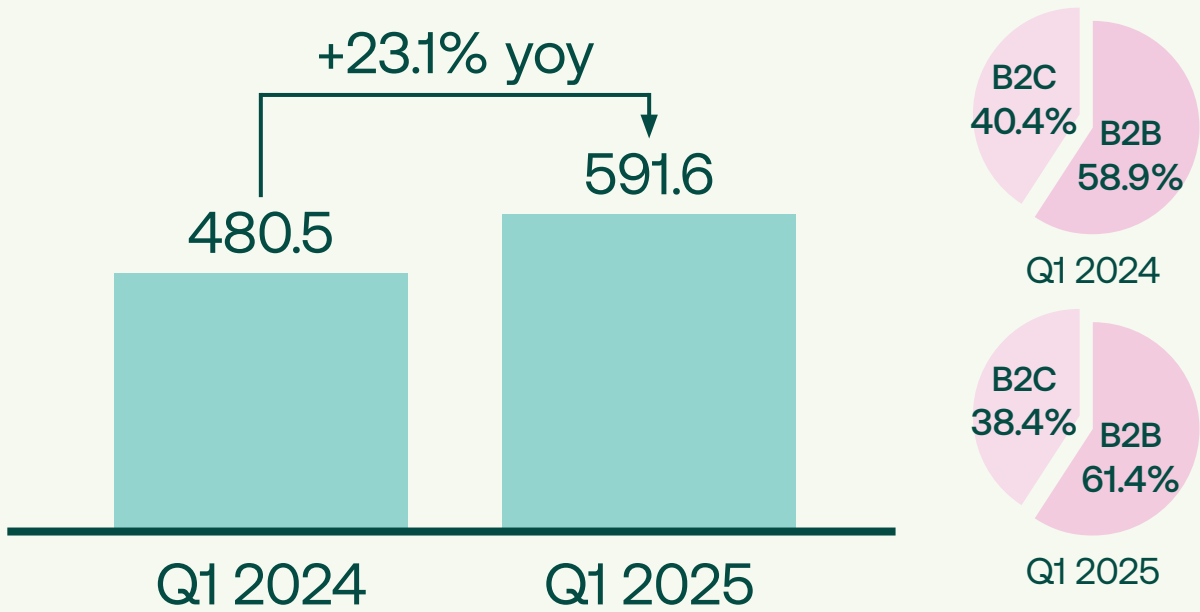
²Decisions on the allocation of profit, including dividend distribution, rest with the General Meeting.

Financial results

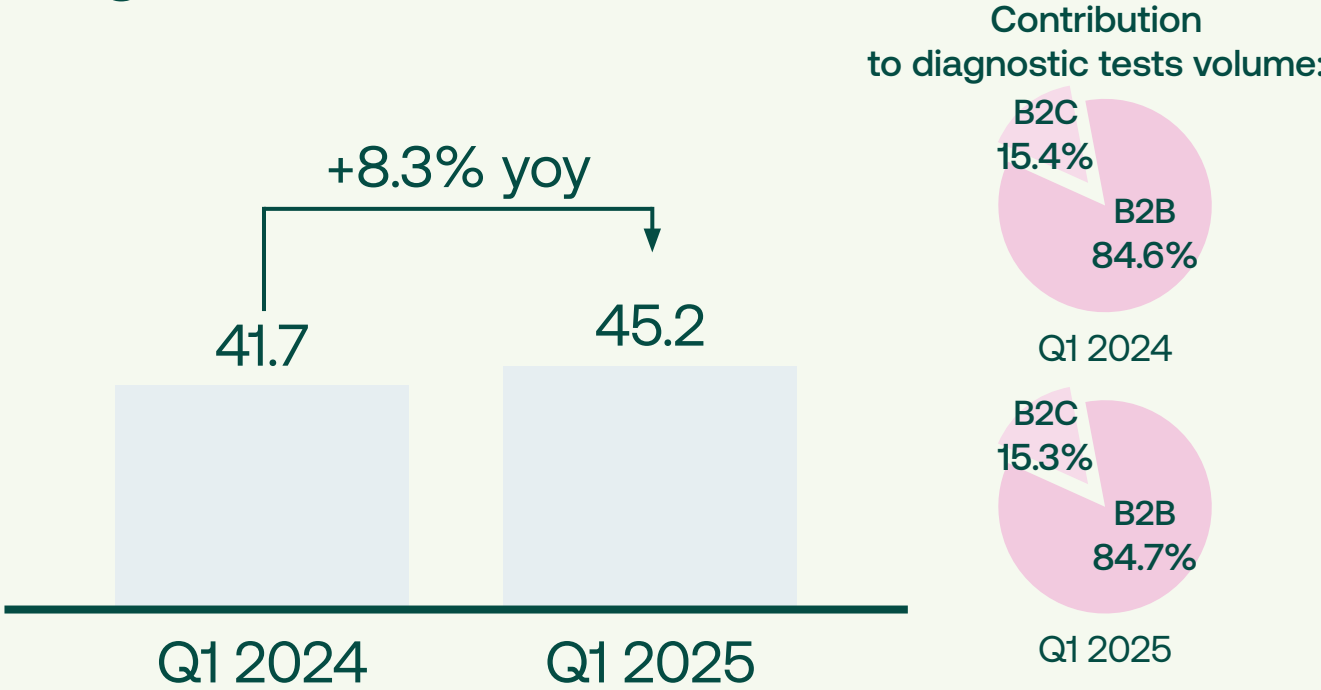
Growth in revenue from contracts with customers



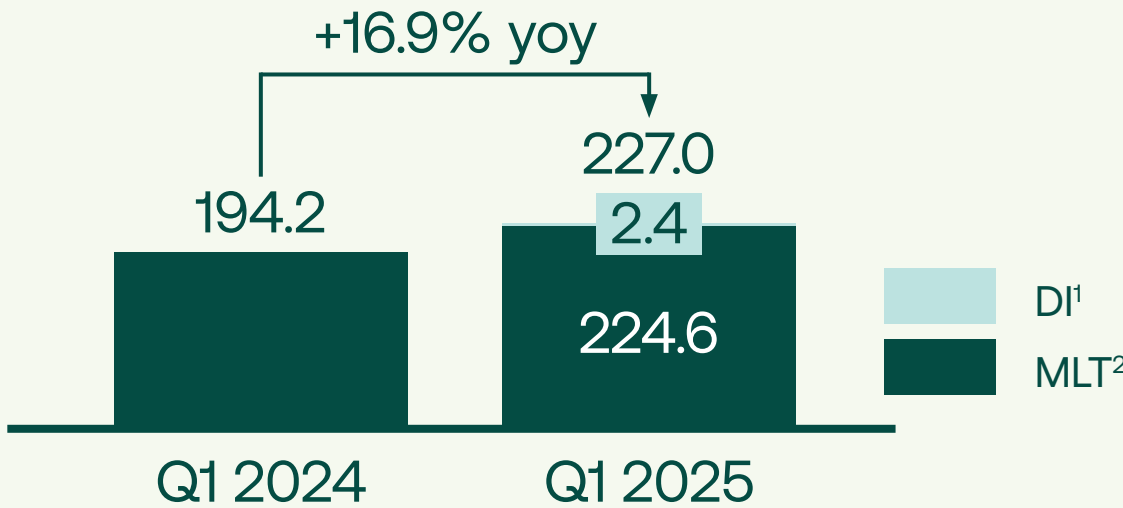
Revenue from contracts with customers (PLN million)



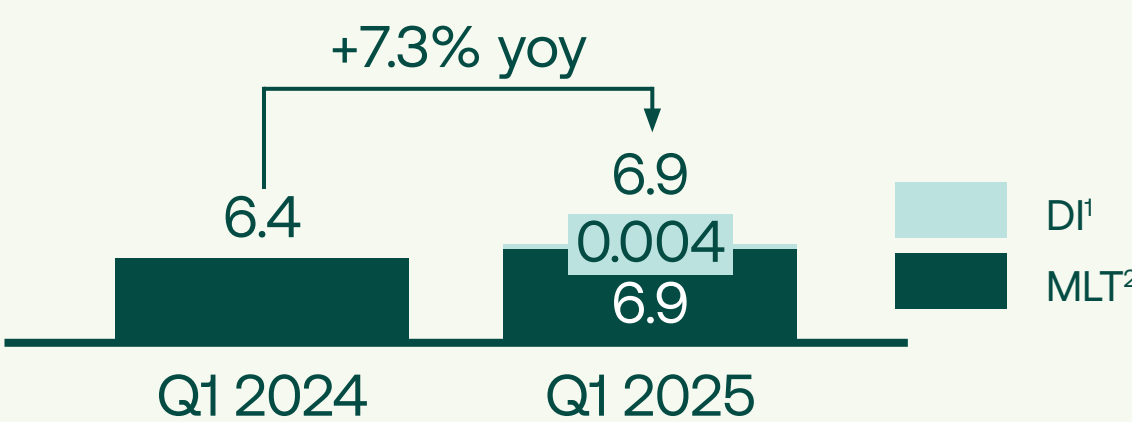
Diagnostic tests volume (million)



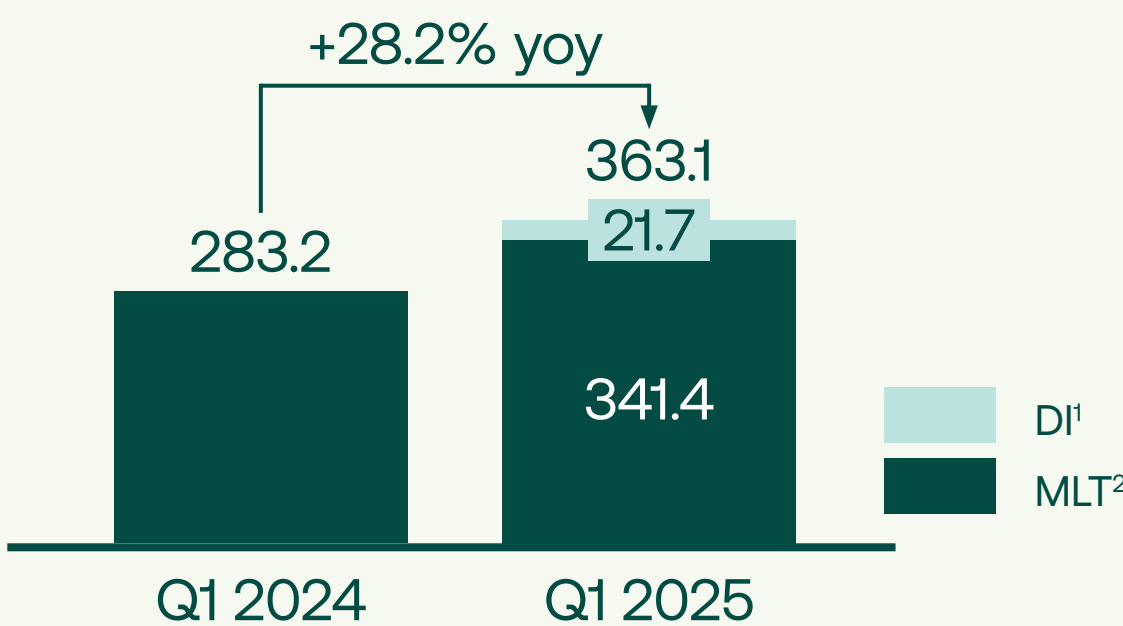
Revenue – B2C



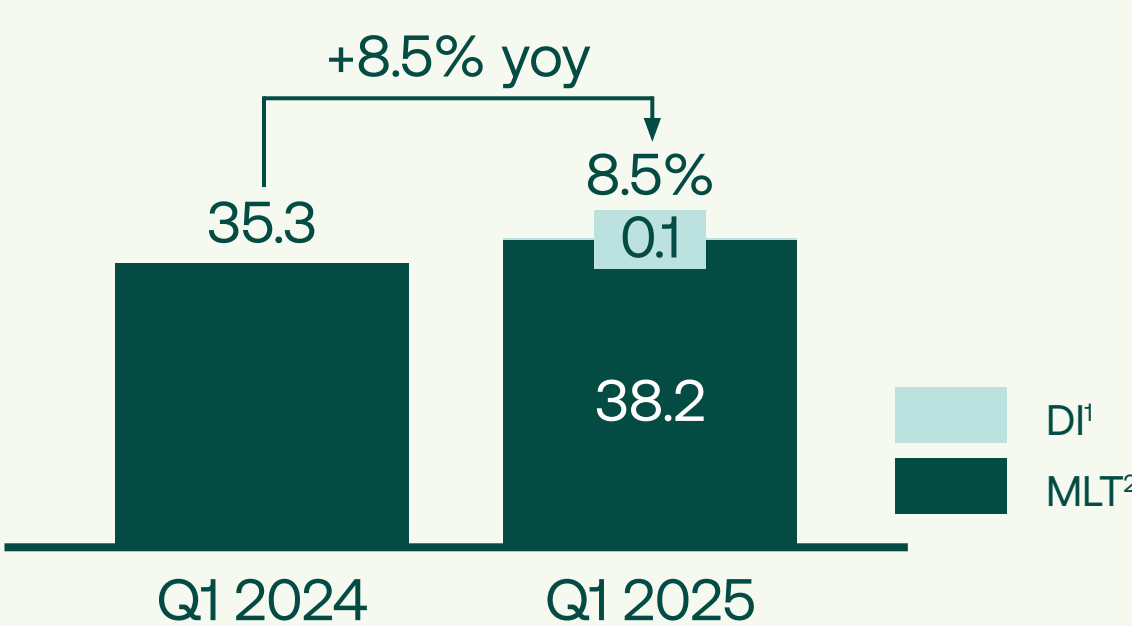
Diagnostic tests volume – B2C



Revenue – B2B



Diagnostic tests volume – B2B



- + Higher revenue from contracts with customers was mainly attributable to organic growth: +20.8%.
- + Organic growth was driven by an increase in diagnostic tests volumes (+8.0% in MLT) and in the average price of tests sold (+9.8% in MLT).
- + Q1 2025 sales also reflect the first-time consolidation of DI entities, which were not part of the Group a year earlier.
- + The B2B segment's share in revenue rose, driven primarily by increased DI sales (largely B2B) and additional volumes generated by the '40 PLUS' preventive-screening programme. The volume mix remained broadly unchanged.
- + The first-time consolidation of DI materially lifted the average selling price.

Average selling price (excluding sales of goods)	Q1 2024	Q1 2025	% change
MLT	11.44	12.56	9.8%
DI*	n/a	171.75	n/a
Average	11.44	13.05	14.1%

* Includes teleradiology reporting services

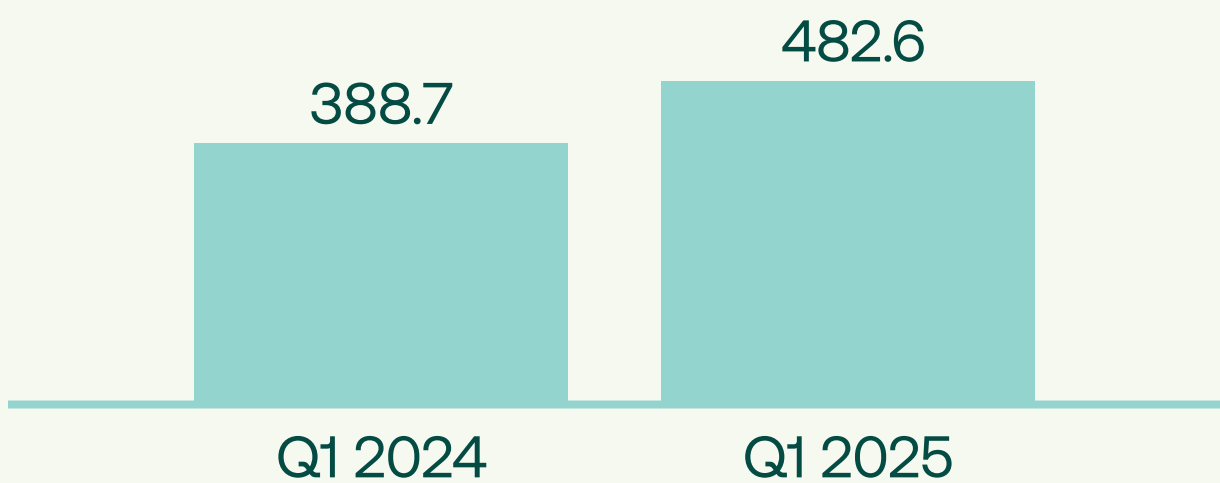
¹DI – Diagnostic Imaging market
²MLT – Medical Laboratory Testing market

Increase in operating expenses



Operating expenses (PLN million)

Increase in operating expenses (%):	24.2%
Growth in revenue from contracts with customers (%):	23.1%



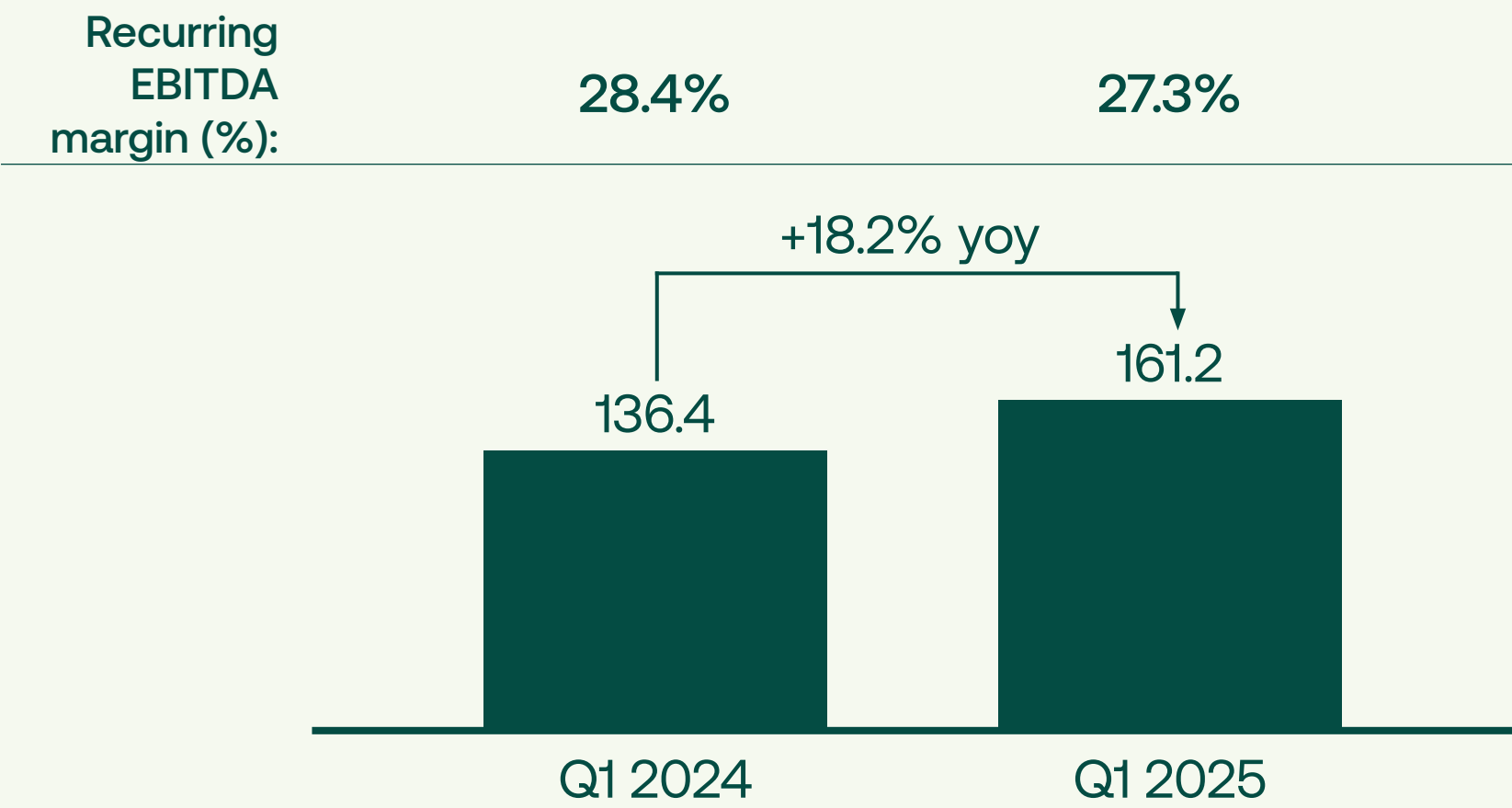
- + In Q1 2025, operating expenses rose faster year on year than revenue from contracts with customers.
- + Personnel expenses, raw materials, and depreciation & amortisation each grew more slowly than sales.
- + The principal driver was the external-services line, up 76.6 % yoy. Within that, spend on diagnostics-related services surged 148%, reflecting higher fees for outsourced histopathology reads and the first-time consolidation of DI entities, whose cost base is weighted toward radiology-reporting services.
- + IT-services spend also rose sharply (+146 %).

Operating expenses (PLN million)	Q1 2024	Q1 2025	Q1 2024 excl. one-off items	Q1 2025 excl. one-off items	Change (%) yoy excl. one-off items	% of Q1 2024 revenue from contracts with customers. excl. one- off items	% of Q1 2025 revenue from contracts with customers. excl. one- off items
Depreciation and amortisation	38.9	47.1	38.9	47.1	21.0%	8.1%	8.0%
Raw materials and consumables used	110.5	121.6	110.5	121.6	10.1%	23.0%	20.6%
Services	46.2	81.0	45.9	81.0	76.6%	9.5%	13.7%
Employee benefits expense	180.9	219.4	180.5	217.5	20.5%	37.6%	36.8%
Taxes and charges	5.9	7.2	5.9	7.2	21.2%	1.2%	1.2%
Other expenses by nature of expense	2.9	3.7	2.9	3.7	27.6%	0.6%	0.6%
Cost of goods and materials sold	2.9	1.3	2.9	1.3	-55.5%	0.6%	0.2%
Net loss allowances for trade receivables and other financial assets	-0.0	0.4	-0.0	0.4	-5,000.0%	-0.0%	0.1%
Other expenses	0.5	1.0	0.5	1.0	76.6%	0.1%	0.2%
Total	388.7	482.6	388.0	480.7	23.9%	80.8%	81.3%

Recurring EBITDA at PLN 161.2million, up 18.2% yoy

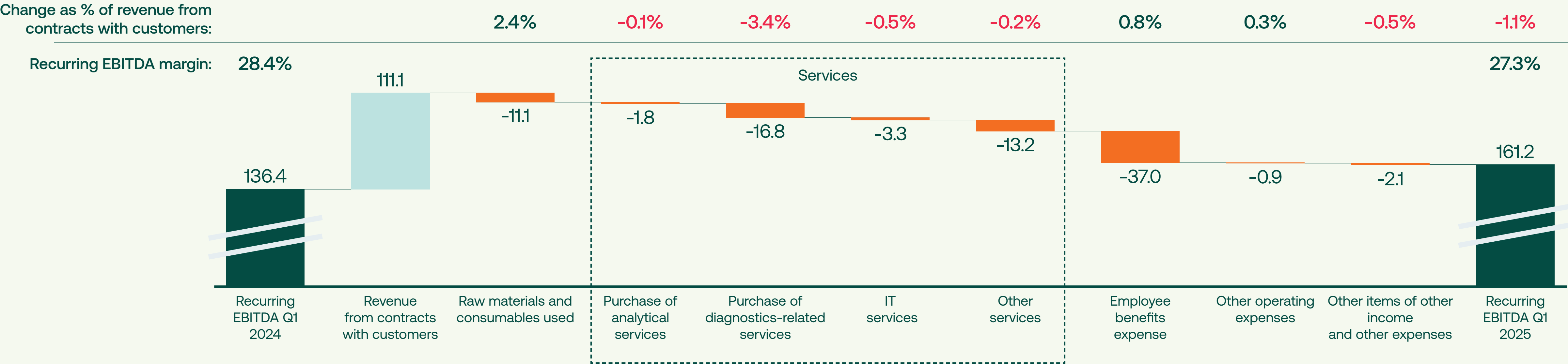


Recurring EBITDA (PLN million)



- + Recurring EBITDA margin contracted by 1.1 pp yoy to 27.3% in Q1 2025, yet remained above the full-year 2024 level of 26.1%.
- + The margin compression was chiefly due to higher cost of services, driven mainly by medical and IT outsourcing as well as facility-upkeep fees.

Recurring EBITDA Q1 2024–Q1 2025 (PLN million)



Net profit growth yoy



	Q1 2024	Q1 2025	Change yoy	Change (%) yoy
Recurring EBITDA	136.4	161.2	24.8	18.2%
<i>Recurring EBITDA margin</i>	28.4%	27.3%	-1.1%	
One-off costs	-0.7	-1.9	-1.2	158.5%
Depreciation and amortisation	-38.9	-47.1	-8.2	21.0%
EBIT	96.7	112.2	15.5	16.0%
<i>EBIT margin</i>	20.1%	19.0%	-1.2%	
Finance income	3.4	0.7	-2.7	-78.6%
Finance costs	-13.6	-16.2	-2.6	19.4%
Share of profit or loss of associates and jointly controlled entities	0.4	0.4	0.0	7.2%
Income tax	-18.4	-22.0	-3.6	19.8%
Net profit	68.5	75.1	6.6	9.6%
<i>Net profit margin</i>	14.3%	12.7%	-1.6%	
Net profit attributable to owners of the Parent	66.4	72.9	6.4	9.7%
Net profit attributable to non-controlling interests	2.1	2.3	0.2	8.0%

Key drivers of net profit growth in Q1 2025:

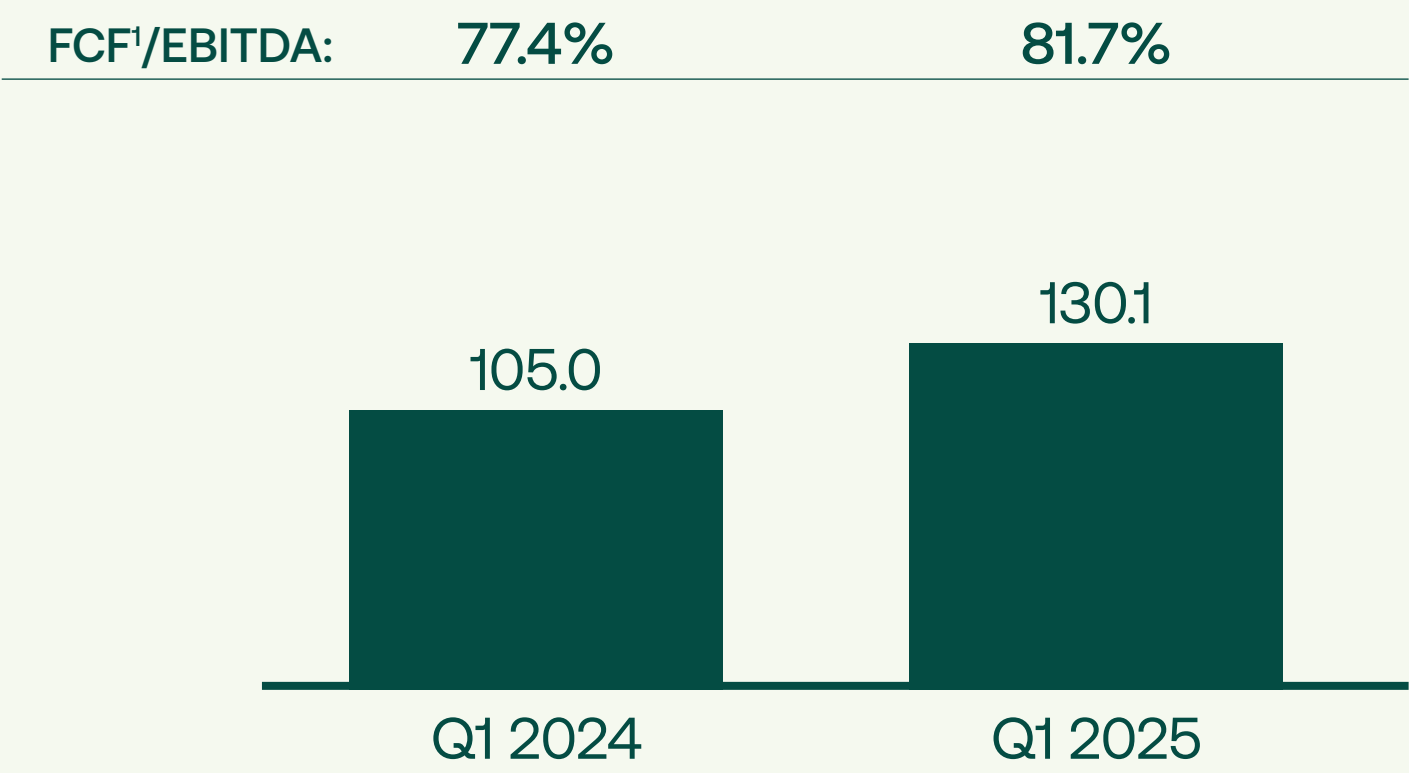
- + The principal driver of Q1 2025 net-profit growth was a robust 18.2 % yoy increase in Recurring EBITDA.
- + Q1 2024 benefited from a significant fair-value remeasurement gain on IRS derivatives; no such effect was recorded in Q1 2025.
- + Interest expense rose, reflecting higher utilisation of credit facilities to fund M&A transactions.



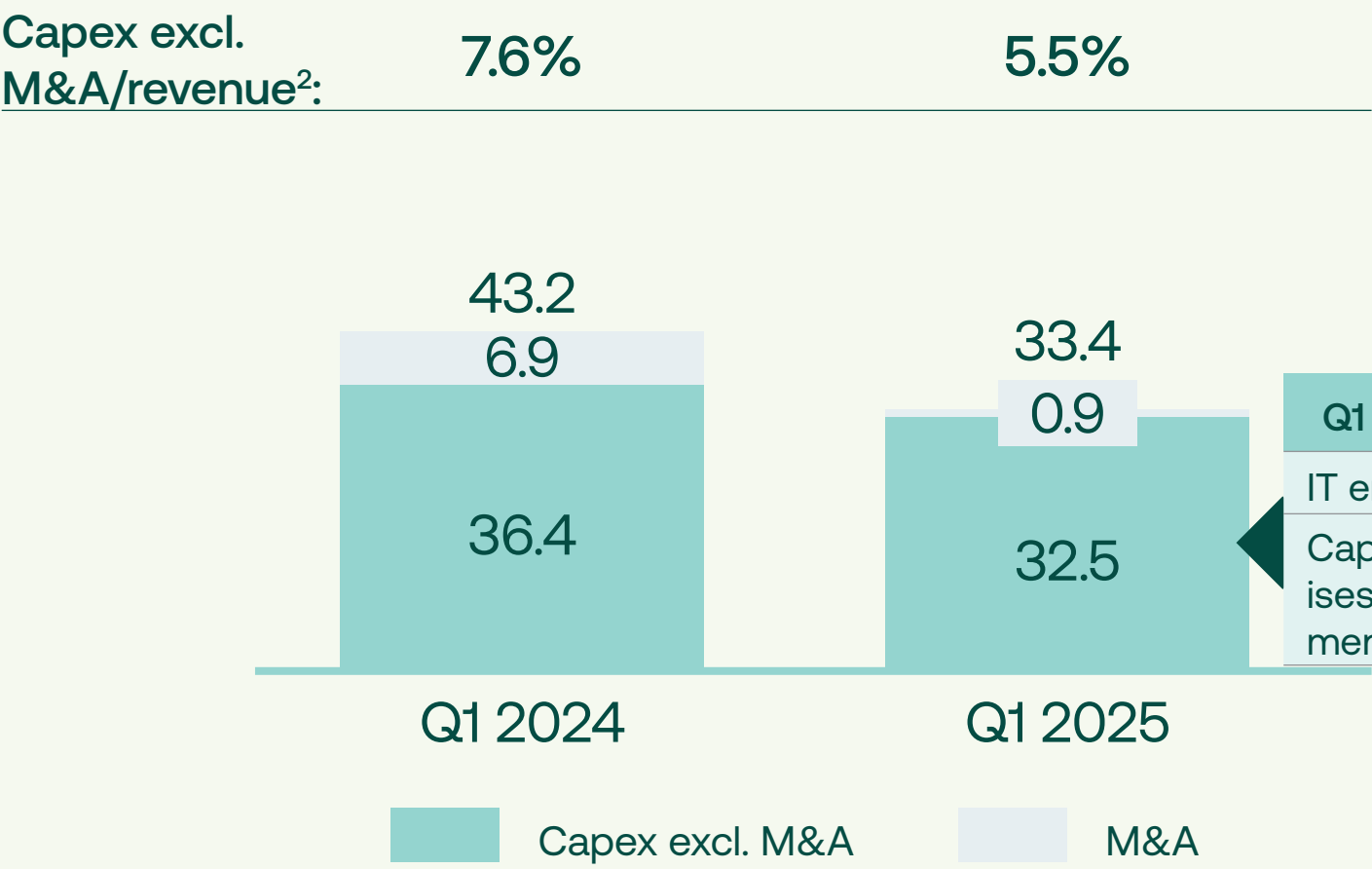
Robust cash flow supporting the Group's further growth



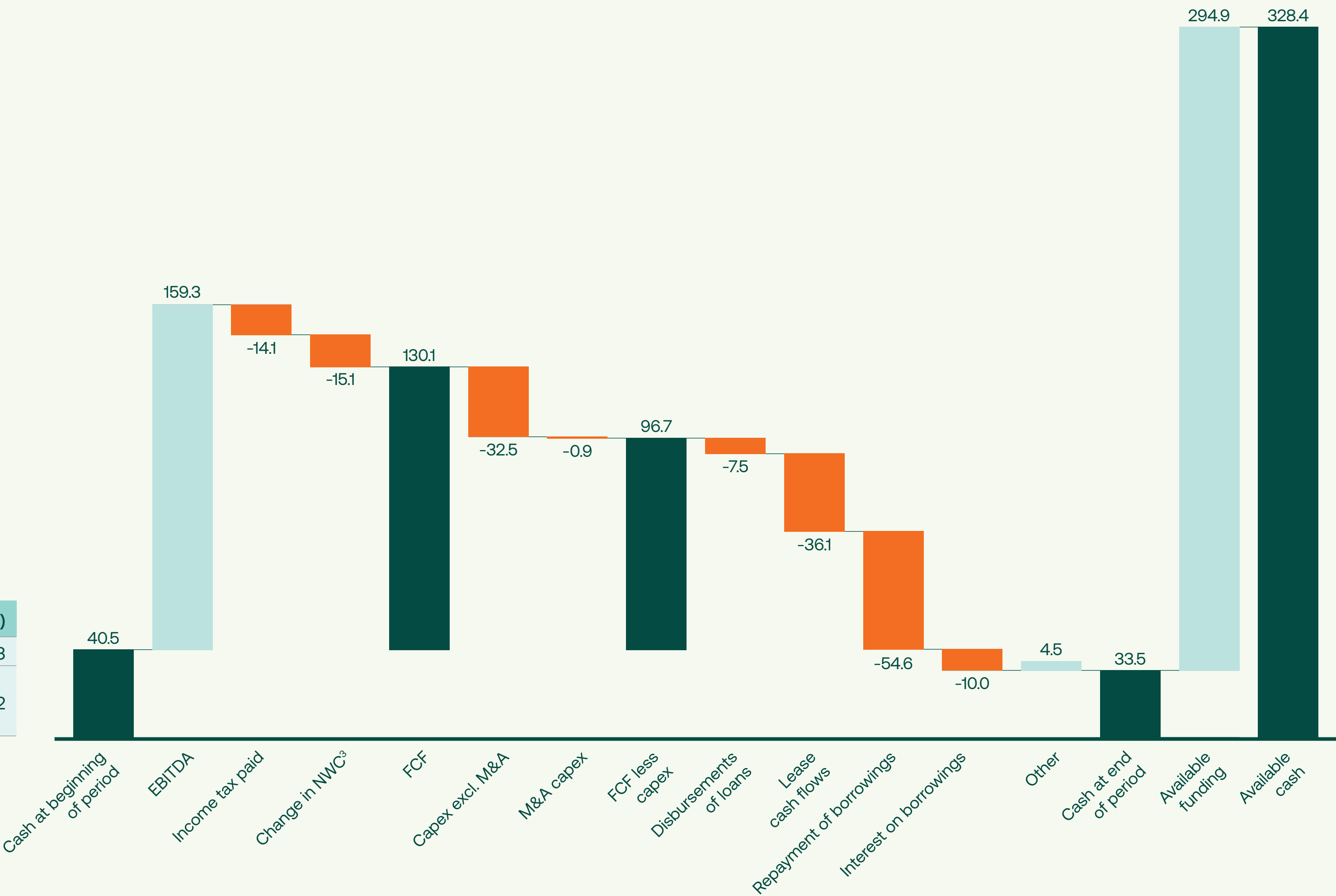
Free cash flow (PLN million)



Capex (PLN million)



Cash Q1 2024–Q1 2025 (PLN million)



¹FCF: the Company defines free cash flow as EBITDA less: (i) income tax paid; and (ii) adjustments resulting from changes in working capital disclosed in the consolidated statement of cash flows

²Revenue from contracts with customers

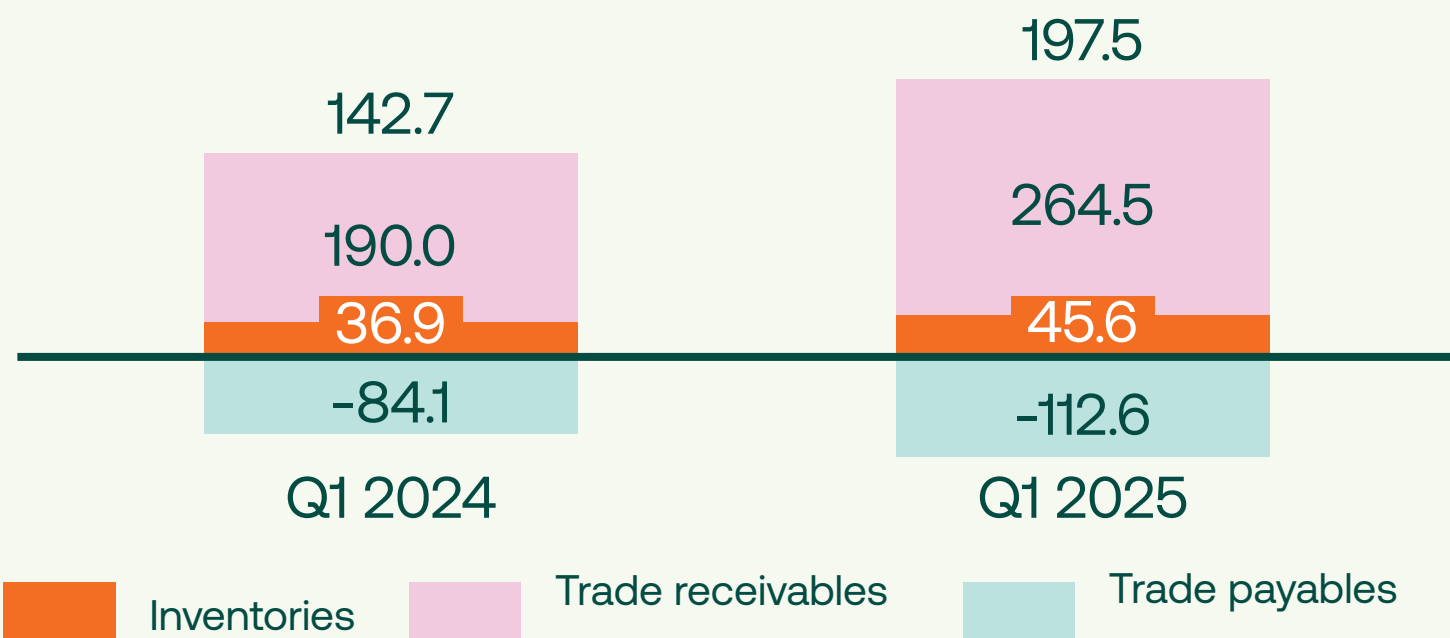
³Change in net working capital

Net debt and working capital



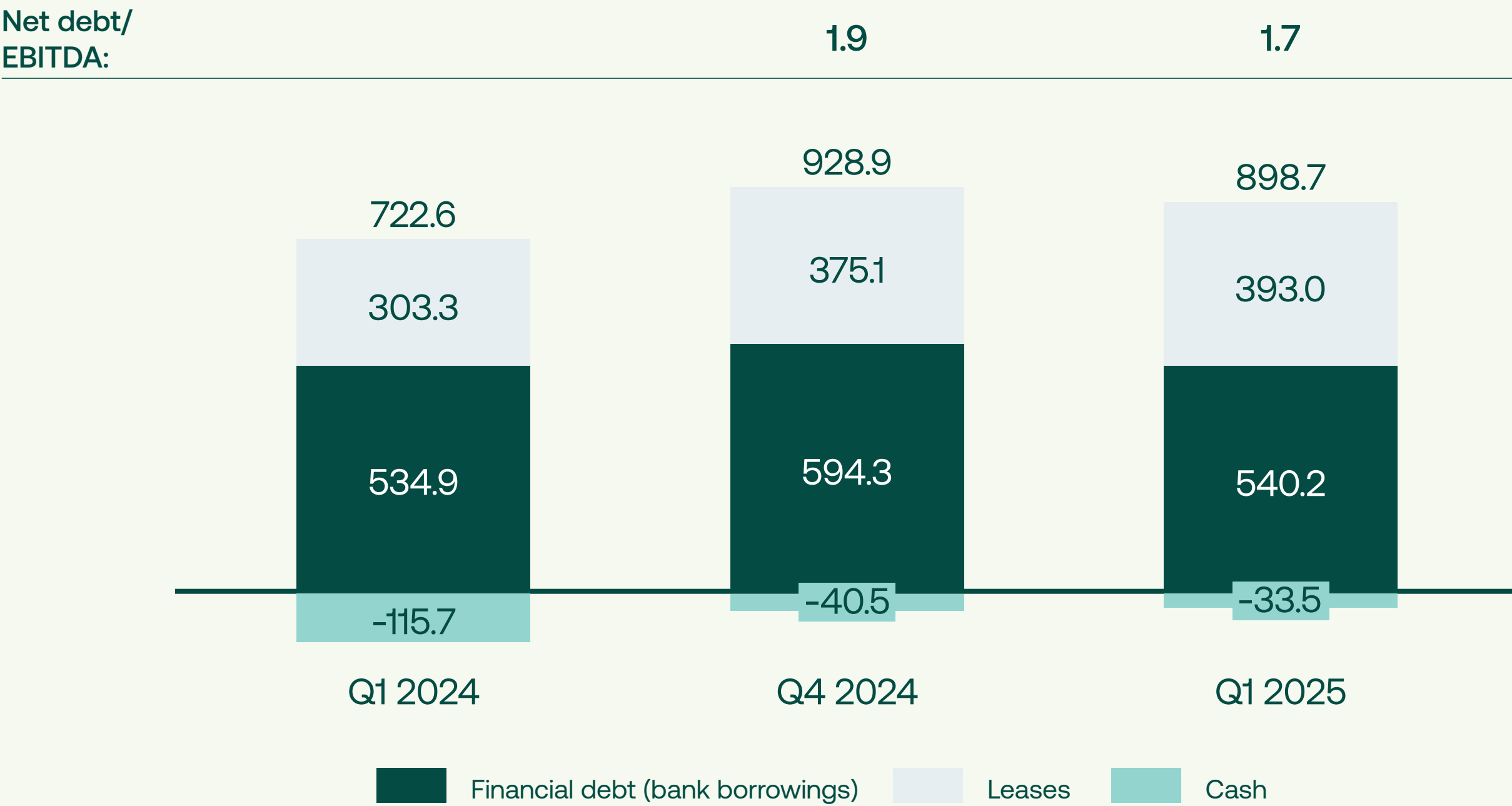
- + Net working capital rose to PLN 197.5 million, driven mainly by a PLN 74.5 million increase in trade receivables.
- + Days Inventory Outstanding (DIO) and Days Payable Outstanding (DPO) were broadly unchanged from Q1 2024, whereas Days Sales Outstanding (DSO) edged up slightly.
- + Relative to Q4 2024, net debt declined to approximately PLN 900 million, following a credit facility repayment by Diagnostyka S.A.
- + Compared with Q1 2024, net debt increased mainly on higher lease liabilities, reflecting the Group’s continued expansion.

Net working capital (PLN million)



Working-capital turnover (days)	Q1 2024	Q1 2025
DIO – Days Inventory Outstanding	34.3	32.3
DSO – Days Sales Outstanding	60.4	65.2
DPO – Days Payable Outstanding	44.1	45.9

Net debt (PLN million)



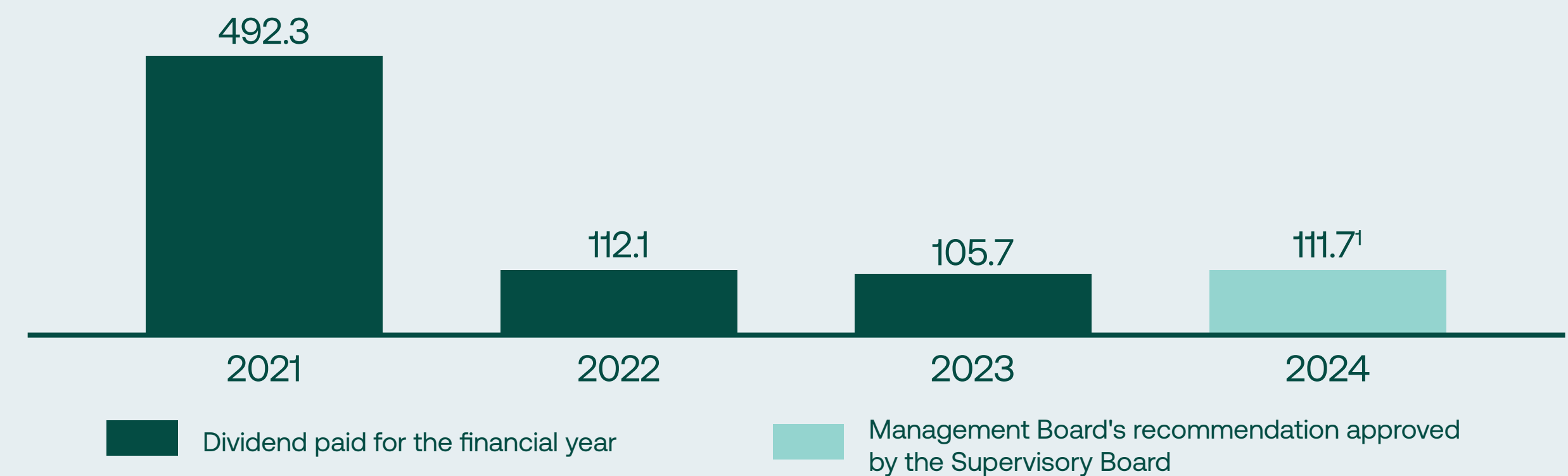
Group's 2025 Outlook



- + **Average selling-price growth** underpinned by a favourable product mix and the commenced consolidation of DI businesses
- + Steady **volume growth** supported by favourable market trends
- + **Termination of the 40 PLUS** preventive-screening programme (April 2025)
- + Continued **M&A activity** in Diagnostic Imaging
- + **Net-debt-to-EBITDA ratio** expected to remain broadly flat yoy in 2025
- + 2025 **capex guidance (excluding M&A)** in line with Group expectations



Dividend (PLN million)



¹Recommendation of the Company's Management Board endorsed by the Supervisory Board. The dividend payout ratio is 50.03% of the amount disclosed in the Group's financial statements under 'Net profit attributable to owners of the Parent'. Decisions on the allocation of profit, including dividend distribution, rest solely with the General Meeting.



Q&A



Appendices

Statement of profit or loss (thou. PLN)	1 Jan–31 Mar 2025 (unaudited)	1 Jan–31 Mar 2024 (unaudited)
Revenue	594,850	485,484
Revenue from contracts with customers	591,552	480,471
Other income	3,298	5,013
Operating expenses	-482,620	-388,739
Depreciation and amortisation	-47,083	-38,902
Raw materials and consumables used	-121,633	-110,509
Services	-80,994	-46,204
Employee benefits expense	-219,393	-180,874
Taxes and charges	-7,191	-5,934
Other expenses by nature of expense	-3,690	-2,893
Cost of goods and materials sold	-1,285	-2,889
Impairment losses on trade receivables and other financial assets	-392	8
Other expenses	-959	-542
Operating profit (loss)	112,230	96,745
Finance income	726	3,392
Finance costs	-16,199	-13,574
Share of profit or loss of associates and jointly controlled entities	387	361
Profit (loss) before tax	97,144	86,924
Income tax	-22,033	-20,617
NET PROFIT (LOSS)	75,111	66,307
Net profit attributable to:		
Owners of the Parent	72,859	64,222
Non-controlling interests	2,252	2,085

Cash flow (thou. PLN)	1 Jan–31 Mar 2025 (unaudit- ed)	1 Jan–31 Mar 2024 (unaudit- ed)
Net cash from operating activities		
Profit (loss) before tax	97,144	86,924
Adjustments to profit before tax:	64,356	46,255
Share of profit or loss of associates and jointly controlled entities	-387	-361
Depreciation and amortisation	47,083	38,902
Gain/(loss) from investing activities	-938	-3,140
Net finance income/(costs)	15,622	10,597
Share-based payment plan	2,976	257
Adjustments due to changes in net working capital:	-15,083	-20,731
(Increase)/decrease in trade and other receivables	-41,886	-32,505
(Increase)/decrease in inventories	-154	1,853
Increase/(decrease) in liabilities, excluding borrowings	36,207	16,425
Change in accruals and deferrals	-9,250	-6,504
Income tax paid	-14,096	-9,881
Net cash from operating activities	132,321	102,567

	1 Jan–31 Mar 2025 (unaudit- ed)	1 Jan–31 Mar 2024 (unaudit- ed)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment and intangible assets	827	733
Payments to acquire property, plant and equipment and intangible assets	-32,468	-36,389
Proceeds from sale of investments in associates	35	3
Payments to acquire subsidiary and businesses, net of cash acquired	-947	-3,222
Payments to acquire shares of jointly controlled entities and associates	0	-3,628
Disbursements of loans	-7,500	0
Net cash from investing activities	-40,053	-42,503
Cash flows from financing activities		
Acquisition of non-controlling interests	0	-220
Cash flows from derivative instruments (IRS)	1,917	2,142
Repayment of the principal portion of lease liabilities	-30,830	-27,903
Repayment of borrowings	-54,577	0
Interest on lease liabilities and borrowings	-15,335	-13,301
Dividends paid to non-controlling interests	-490	0
Net cash from financing activities	-99,315	-39,282
Net increase (decrease) in cash and cash equivalents	-7,047	20,782
Cash at beginning of period	40,518	97,293
Cash at end of period	33,471	118,075

Contact

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