

MD MEDICAL GROUP REPORTS 23% INCREASE IN REVENUE FOR Q1 2024

26 April 2024. MD Medical Group Investments Plc (“MD Medical Group”, “MDMG”, “Group” or the “Company”; MOEX: MDMG), a leading Russian private healthcare provider, today announces its operating and unaudited financial results for the first quarter of 2024.

Key financial highlights for Q1 2024:

- **Total revenue** increased by **23.2%** to **RUB 7,663 million**
- Revenue of the Group’s **hospitals in Moscow** rose by **25.0%** year-on-year (y-o-y) to **RUB 3,855 million** due to an increase in the volume of in-patient services in oncology, neurology, pediatrics, therapy, and gynaecology, as well as growth of out-patient treatments
- Revenue of the Group’s **regional hospitals** grew by **21.3%** y-o-y to **RUB 2,025 million** driven primarily by revenue from in-patient treatments in Samara, Tyumen and Novosibirsk in the gynaecology, pediatrics, and oncology segments
- Revenue from out-patient **clinics in Moscow and the Moscow Region** rose by **10.0%** y-o-y to **RUB 705 million** on the back of growing demand for the services provided by different categories of healthcare professionals, including as a result of higher utilisation rates at new clinics opened in 2023–2024
- Revenue from out-patient **clinics in other regions** rose by **29.2%** y-o-y to **RUB 1,063 million** driven by growing demand for out-patient treatments and IVF services
- As at 31 March 2024, the Company’s **net cash** position amounted to **RUB 10,940 million**
- **Capex** in Q1 2024 amounted to **RUB 512 million**.

Key operational highlights for Q1 2024:

- Total **deliveries** increased by **18.1%** y-o-y to **2,606**, with the **average ticket** up **20.6%** y-o-y to **RUB 550.3 thousand** in Moscow and up **14.3%** y-o-y to **RUB 219.9 thousand** in other regions
- Total **IVF punctures** went up by **7.1%** y-o-y to **4,432**, with the **average ticket** up **5.8%** to **RUB 303.6 thousand** in Moscow and up **7.3%** y-o-y to **RUB 285.4 thousand** in other regions
- Total **in-patient treatments** increased by **9.2%** y-o-y to **38,657**, with the **average ticket** up **13.0%** to **RUB 102.1 thousand** in Moscow and up **10.3%** y-o-y to **RUB 40.2 thousand** in other regions
- Total **out-patient treatments** went up by **16.7%** y-o-y to **567,317**, with the **average ticket** up **10.1%** to **RUB 6.0 thousand** in Moscow and up **13.7%** y-o-y to **RUB 2.4 thousand** in other regions.

Key events during Q1 2024 and after the reporting period:

- **MD Group Zilart multifunctional family clinic launched.** In January 2024, the Group opened a new 452 sq m multifunctional medical centre with an annual capacity of over 50,000 out-patient treatments. Total investments in the project exceeded RUB 81 million.
- **Final stage of the Company’s redomiciliation.** In the middle of April the Company has received the official consent of the Cyprus Registrar to continue MD Medical’s operations outside the Republic of Cyprus and submitted a set of documents for the Company’s state registration in the Special Administrative Region (“SAR”) on Oktyabrsky Island in Russia’s Kaliningrad Region as an International Public Joint-Stock Company MD Medical Group Investments. The Company’s registration in Russia will enable to resume dividend payments.

**MDMG CEO Mark Kurtser said:**

“We made a perfect start into 2024, delivering double-digit revenue growth and strong operational performance in the reporting quarter.

Today we are witnessing strong revenue performance of our in-patient facilities. More than 20% in-patient growth resulted from improved capacity utilisation at Moscow’s hospitals in the segments of oncology, neurology, pediatrics, and gynaecology, as well as strong demand for the new neurosurgery services offered at the Lapino hospital. Gynaecology, pediatrics and oncology also ensure high bed occupancy in regional hospitals.

30% revenue growth from out-patient treatments proves sustainable increase in the number of patients for whom regular health monitoring are an absolute priority. In addition to strong performance of out-patient care services in gynaecology and pediatrics, there was also a significant increase in demand for diagnostics, laboratory testing, and rehabilitation services in Q1 2024.

Against the backdrop of strong growth in multidisciplinary areas, we remain the leader in women's and children's health care. Thus in the reporting period, the revenue growth was 40% in deliveries and 31% in pediatrics.

Success of our strategy for regional expansion is confirmed by the outstanding results of our hospitals and clinics in the regions. We do keep developing our business and solidifying our positions in the existing markets. Our plans include opening several out-patient facilities in Moscow and other regions as early as this year, and kick-starting projects to build two hospitals at the Lapino medical cluster and in Domodedovo.

We are honouring our commitment to complete redomiciliation to Russia in Q2 2024. The Company obtained a redomiciliation approval from the Cyprus Registrar and is currently finalising registration of IPJSC MD Medical Group in Russia. Once the registration is completed, we intend to resume dividend payments.”



Key Highlights for Q1 2024

Operating indicators	1Q 2024	1Q 2023	change, %
Moscow hospitals			
Out-patient visits	149,296	128,560	16.1%
In-patient days	17,203	16,209	6.1%
IVF	861	663	29.9%
Deliveries	1,192	1,017	17.2%
Hospitals in Regions			
Out-patient visits	201,830	175,154	15.2%
In-patient days	20,831	18,604	12.0%
IVF	630	625	0.8%
Deliveries	1,414	1,190	18.8%
Out-patient clinics in Moscow and Moscow region			
Out-patient visits	58,865	51,804	13.6%
IVF	845	974	(13.2%)
Out-patient clinics in Regions			
Out-patient visits	157,326	130,441	20.6%
In-patient days	623	582	7.0%
IVF	2,096	1,878	11.6%
Total out-patient visits	567,317	485,959	16.7%
Total in-patient days	38,657	35,395	9.2%
Total IVF	4,432	4,140	7.1%
Total deliveries	2,606	2,207	18.1%

Revenue, RUB mln	1Q 2024	1Q 2023	change, %
Hospitals in Moscow			
Out-patient visits	878	675	30.1%
In-patient days	1,756	1,464	19.9%
IVF	261	206	26.7%
Deliveries	656	464	41.4%
Other revenue	304	275	10.5%
Hospitals in Regions			
Out-patient visits	505	406	24.4%
In-patient days	839	685	22.5%
IVF	200	179	11.7%
Deliveries	311	229	35.8%
Other revenue	170	170	-
Out-patient clinics in Moscow and Moscow region			
Out-patient visits	367	305	20.3%
IVF	257	264	(2.7%)
Other revenue	81	72	12.5%
Out-patient clinics in Regions			
Out-patient visits	373	251	48.6%
In-patient days	23	14	64.3%
IVF	578	487	18.7%
Other revenue	89	71	25.4%
Managing company and other	15	4	275.0%
Hospitals in Moscow	3,855	3,084	25.0%
Hospitals in Regions	2,025	1,669	21.3%
Out-patient clinics in Moscow and Moscow region	705	641	10.0%
Out-patient clinics in Regions	1,063	823	29.2%
Total Revenue	7,663	6,221	23.2%



Average ticket	1Q 2024	1Q 2023	change, %
Moscow hospitals			
Out-patient visits	5.9	5.3	12.0%
In-patient days	102.1	90.3	13.0%
IVF	303.1	310.7	(2.4%)
Deliveries	550.3	456.2	20.6%
Hospitals in Regions			
Out-patient visits	2.5	2.3	7.9%
In-patient days	40.3	36.8	9.4%
IVF	317.5	286.4	10.8%
Deliveries	219.9	192.4	14.3%
Out-patient clinics in Moscow and Moscow region			
Out patient visits	6.2	5.9	5.9%
IVF	304.1	271.0	12.2%
Out-patient clinics in Regions			
Out patient visits	2.4	1.9	23.2%
In-patient days	36.9	24.1	53.5%
IVF	275.8	259.3	6.3%

LFL performance for Q1 2024, % y-o-y

1Q 2024			
	Revenue	Actual capacity	Average ticket
Moscow hospitals			
Out-patient visits	27.4%	13.7%	12.0%
In-patient days	18.6%	5.5%	12.4%
IVF	20.7%	21.0%	(0.2%)
Deliveries	41.4%	17.2%	20.6%
Other revenue	8.9%	-	-
Hospitals in Regions			
Out-patient visits	24.4%	15.2%	7.9%
In-patient days	22.5%	12.0%	9.4%
IVF	11.7%	0.8%	10.8%
Deliveries	35.8%	18.8%	14.3%
Other revenue	-	-	-
Out-patient clinics in Moscow and Moscow region			
Out patient visits	18.9%	11.9%	6.3%
IVF	(2.7%)	(13.2%)	12.2%
Other revenue	11.5%	-	-
Out-patient clinics in Regions			
Out patient visits	16.2%	(5.1%)	22.4%
In-patient days	64.2%	7.0%	53.4%
IVF	18.7%	11.6%	6.3%
Other revenue	8.8%	-	-
Managing company and other	275.0%	-	-
Total Revenue	20.7%		



Hospitals in Moscow

In Q1 2024, revenue, including other revenue¹, from the hospitals in Moscow increased by 25.0% y-o-y to RUB 3,855 million primarily as a result of higher revenue from in-patient (up 19.9%) and out-patient (up 30.1%) treatments, delivery services (up 41.4%), and IVF (up 26.7%).

The growth in revenue from in-patient treatments was due to an increase in the number of in-patient days (up 6.1% y-o-y) and average ticket (up 13.0% y-o-y). Key in-patient segments in Moscow's hospitals included oncology, neurology, pediatrics, therapy, and gynaecology. The average ticket rise came on the back of higher number of intensive care days, growing share of additional services (laboratory and diagnostics testing), and expansion of commercial services in the oncology segment.

The growth in revenue from out-patient treatments in Q1 2024 was due to an increase in the number of treatments (up 16.1% y-o-y) and average ticket (up 12.0% y-o-y). Most treatments were registered in the segments of pediatrics, gynaecology, diagnostics, and telemedicine, as well as at Lapino's rehabilitation facilities.

Continuously increasing revenue from deliveries was driven by a 17.2% rise in the number of deliveries and a 20.6% hike in the average ticket in the reporting period due to the growing popularity of the Lapino Clinical Hospital's home obstetrics centre and strong demand for mid and high price contracts for deliveries.

Higher IVF revenue came from a 29.9% increase in number of IVF punctures, which offset a 2.4% decline in the average ticket resulting from a growing share of punctures performed in the natural cycle.

Hospitals in regions

In Q1 2024, revenue from regional hospitals increased by 21.3% y-o-y to RUB 2,025 million. Key growth drivers were the same as in Moscow: higher revenue from in-patient (up 22.5%) and out-patient (up 24.4%) treatments, delivery services (up 35.8%), and IVF (up 11.7%). Hospitals in Samara, Tyumen and Novosibirsk made the greatest contribution to revenue growth.

The growth in revenue from in-patient treatments was due to an increase in the number of in-patient days (up 12.0% y-o-y) and average ticket (up 9.4% y-o-y). Most in-patient treatments in Q1 2024 were registered in the segments of gynaecology, pediatrics, oncology (hospitals in Samara and Tyumen), cardiology (IDK hospital in Samara), and traumatology. The average ticket expansion was due to an increased number of chemotherapy sessions and general surgery operations (including plastic surgery) with a higher price tag.

The growth in revenue from out-patient treatments in Q1 2024 was due to an increase in the number of treatments (up 15.2% y-o-y) and average ticket (up 7.9% y-o-y). The key contributor to revenue growth was a higher volume of out-patient services in gynaecology, pediatrics, and diagnostics provided at the hospitals of Samara, Novosibirsk, and Tyumen.

Continuously increasing revenue from deliveries and IVF was driven by a 18.8% rise in the number of deliveries coupled with a 14.3% hike in the ticket growth, and a 0.8% rise in the number of IVF punctures complemented by a 10.8% uptick in the average ticket due to the growing share of commercial IVF cycles. The largest number of deliveries was registered in St Petersburg's Lakhta hospital.

¹ Other revenue includes other medical revenue (incl. laboratory tests) and other non-medical revenue

**Out-patient clinics in Moscow and Moscow Region**

In Q1 2024, revenue from clinics in Moscow and the Moscow Region rose by 10.0% y-o-y to RUB 705 million, driven primarily by a growing number of out-patient treatments (up 13.6%) due to, among other things, the opening of new clinics in Mytishchi and ZILART residential complex in 2023 and 2024. A 13.2% decline in the number of IVF punctures, which resulted from delays in the allocation of quotas under the MHI programme compared to the previous year, was offset by 12.2% growth of the average ticket thanks to the expansion of genetic testing and Embryo Scope procedures.

Out-patient clinics in regions

In Q1 2024, revenue from regional out-patient clinics rose by 29.2% y-o-y to RUB 1,063 million, driven mostly by a growing number of out-patient treatments (up 20.6%) coupled with a 23.2% hike in the average ticket mostly due to increased number of small gynaecological surgeries and diagnostic studies. The IVF segment delivered particularly impressive results, with the number of IVF punctures increasing by 11.6%.

Net cash position

As at 31 March 2024, the Group's debt represented by lease liabilities rose from the 31 December 2023 level by RUB 98 million to RUB 975 million. As a result, as at 31 March 2024, the Company's net cash position amounted to RUB 10,940 million.

Capex

Total Capex in Q1 2024 tripled y-o-y to reach RUB 512 million, with hospitals accounting for the greatest share of capital expenditures (72%).

In 2024, we plan to open nine out-patient clinics in Moscow and the Moscow Region, Lipetsk, Chelyabinsk, Khabarovsk, Kaliningrad and Surgut. Their estimated Capex amounts to approximately RUB 1.2 billion.

Two hospitals at the Lapino medical cluster and in Domodedovo are now at the initial stage of construction. They are expected to be launched in 2025–2026, with construction and equipment Capex estimated at around RUB 8.8 billion.

Notes:

1. This announcement contains inside information
2. Data is based on management accounts
3. Minor variations in calculation of totals, subtotals and/or percentage change are due to rounding of decimals

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MD Medical

GROUP OF COMPANIES

About MD Medical Group

MD Medical Group is a leading provider in the highly attractive Russian private healthcare service market. Today, the Company manages 55 state-of-the-art healthcare facilities, including 11 multidisciplinary hospitals and 44 out-patient clinics in 27 regions of the Russian Federation. In 2023, MD Medical Group's revenue amounted to RUB 27.6 bln while EBITDA was RUB 9.2 bln. The Company's GDRs are traded on Moscow Exchange (MOEX: MDMG).

Forward-Looking Statements

This press release contains forward-looking statements, which are based on the Company's current expectations and assumptions and may involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. The forward-looking statements contained in this press release are based on past trends or activities and should not be taken that such trends or activities will continue in the future. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially, including, but not limited to: conditions in the market, market position of the Company, earnings, financial position, cash flows, return on capital and operating margins, anticipated investments and economic conditions; the Company's ability to obtain capital/additional finance; a reduction in demand by customers; an increase in competition; an unexpected decline in revenue or profitability; legislative, fiscal and regulatory developments, including, but not limited to, changes in environmental and health and safety regulations; exchange rate fluctuations; retention of senior management; the maintenance of labour relations; fluctuations in the cost of input costs; and operating and financial restrictions as a result of financing arrangements. No statement in this press release is intended to constitute a profit forecast, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for the Company. Each forward-looking statement relates only as of the date of the particular statement.