

MD MEDICAL GROUP INCREASES NET PROFIT BY 30% IN 2024

31 March 2025 – MD Medical Group IPJSC ("MD Medical", "Group" or the "Company"; MOEX: MDMG), a leading Russian private healthcare provider, announces audited consolidated financial results for 12M ended 31 December 2024 under International Financial Reporting Standards (IFRS).

Key financial highlights for 2024:

- **Total revenue** increased by **19.9% year-on-year (y-o-y)** to **RUB 33,122 million**.
- **EBITDA** went up by **15.9% y-o-y** to **RUB 10,681 million**. EBITDA margin stood at **32.2%**;
- **Net profit** grew by **30.1% y-o-y** to **RUB 10,175 million**. Net profit margin was **30.7%**. **Adjusted net profit¹** increased by **25.6%** to **RUB 9,825 million**;
- **Operating cash flow** increased by **18% y-o-y** to **RUB 11,065 million**.
- **Capex** totalled **RUB 2,273 million**;
- As at the end of 2024, the Group's cash position stood at **RUB 6,050 million**, with no debt financing raised by the Company. The Group's total lease liabilities recognised as debt under IFRS 16 amounted to **RUB 1,400 billion**.

Key operational highlights for 2024²:

- Total **out-patient treatments** increased by **15.0% y-o-y** to **2,441,914**
- Total **deliveries** increased by **13.4% y-o-y** to **11,214**
- Total **IVF punctures** went up by **3.3% y-o-y** to **19,970**
- Total **in-patient treatments** increased by **1.4% y-o-y** to **148,437** amid a **6.7%** uptick in **surgeries**

MD Medical CEO Mark Kurtser said:

"2024 was a year of strong results and major transformations for us. We managed to maintain high growth rates and solid margins. We continued to actively invest in infrastructure development and to expand our network, opening eight new clinics and acquiring one medical centre. We completed the Company's redomiciliation to Russia to reduce regulatory risks, ensure operational and financial stability, and to eliminate infrastructural constraints on profit distribution through dividends.

The rising solvency of households in 2024 and our flexible regional pricing strategy bolstered demand for and accessibility of our services. Our strong financial position and absence of debt financing enabled us to benefit from the high key rate. Our revenue grew by 20%, profit by 30%, and cumulative dividends in 2024 exceeded 60% of net profit.

A major achievement was the increase in deliveries and IVF services. Our hospitals supported more than 11,000 deliveries, a 13% y-o-y increase, and we celebrated the birth of the 100,000th baby in the Company's history. In assisted reproductive technologies, we consolidated about 18% of the Russian market, with over 45% of treatments resulting in pregnancy – a record figure for the Russian market. Our focus on multifunctional medical care significantly boosted out-patient visits, diagnostics, occupancy rates, and the number of surgeries performed. These achievements are a testament to our doctors' exceptional professionalism, our cutting-edge infrastructure, and our steadfast commitment to embracing innovative technologies.

I extend my deepest gratitude to our employees for their dedication, our patients for their trust, and our shareholders for their unwavering support. I am certain that together we will reach even greater heights in the years to come."

¹ Net profit, excluding gain from reversal of previously recognised impairment from the hospital in Ufa for a total of RUB 350 million.

² Detailed information on operational results can be found in the following [Press-release dated 05.02.2025](#).

Financial highlights

RUB mln	2024	2023	change
Revenue	33,122	27,631	19.9%
Hospitals in Moscow	16,297	13,419	21.4%
Hospitals in regions	8,896	7,514	18.4%
Out-patient clinics in Moscow and MR	3,192	2,885	10.6%
Out-patient clinics in regions	4,670	3,780	23.5%
Managing company and other	67	33	103.0%
Gross profit	13,468	11,292	19.3%
Gross profit margin, %	40.7%	40.9%	(0.2pp)
EBITDA	10,681	9,218	15.9%
EBITDA margin, %	32.2%	33.4%	(1.2pp)
EBIT	9,118	7,509	21.4%
EBIT margin, %	27.5%	27.2%	0.3pp
Net finance income	1,073	426	n/a
Profit before tax	10,191	7,935	28.4%
Taxes	(16)	(112)	(85.6%)
Net profit	10,175	7,823	30.1%
Net profit margin, %	30.7%	28.3%	2.4pp
Adjusted net profit³	9,825	7,823	25.6%
Adjusted Net profit margin, %	29.7%	28.3%	1.4pp

Revenue by types of services

RUB mln	2024	2023	change
Women and Children Health	15,668	19,003	21.3%
IVF	5,378	6,083	13.1%
OBGYN	4,304	5,439	26.4%
Deliveries	3,318	4,351	31.1%
Pediatrics	2,668	3,130	17.3%
Therapy, surgery and other in-patient services	4,451	4,831	8.5%
Diagnostic	2,677	3,542	32.3%
Oncology	2,312	2,860	23.7%
Laboratory examinations	1,478	1,747	18.2%
Other medical revenue ⁴	536	517	3.7%
Other non-medical revenue	601	527	14.2%

In 2024, MD Medical Group's total revenue increased by 19.9% to RUB 33,122 million. Revenue growth was primarily driven by stable demand for out-patient services across all Group facilities and increased in-patient care at Company hospitals.

Key revenue drivers in hospitals included growth in in-patient care, with a 4.8% rise in surgeries, which, among other things, contributed to a higher average ticket and revenue increase from these services. Revenue growth was also driven by higher patient flow at hospitals' diagnostic and treatment centres in obstetrics and gynaecology, paediatrics, diagnostics, and telemedicine. The delivery segment continued its traditional revenue growth trend, fuelled by high demand for maternity services in Group hospitals and an increase in the average ticket due to strong demand for more expensive contracts, including deliveries at home obstetrics centres and the growing popularity of regional hospitals.

Revenue growth in out-patient clinics in Moscow and regions was primarily driven by increased patient visits, including at new clinics acquired and opened in 2023–2024.

The Group's revenue from IVF services grew due to higher commercial care volumes, including the strong performance of the new hospital in Michurinsky Avenue in Moscow.

³ Net profit, excluding gain from reversal of previously recognised impairment from the hospital in Ufa for a total of RUB 350 million

⁴ Including storage of stem cells

Revenue from medical services not related to women's and children's health accounted for 42.6% of total revenue.

Key expenses

RUB mln	2024	2023	change
Personnel ⁵	13,751	11,079	24.1%
as % of Revenue	41.5%	40.1%	1.4pp
Material expenses	5,610	4,902	14.4%
as % of Revenue	16.9%	17.7%	(0.8pp)
Medical services expenses	664	488	36.2%
as % of Revenue	2.0%	1.8%	0.2p.p.
Functional expenses ⁶	408	331	23.3%
as % of Revenue	1.2%	1.2%	0pp

Impact of key expenses

In the reporting period, the Company's key costs accounted for 61.7% of the Group's total revenue (compared to 60.8% in 2023).

In 2024, personnel costs increased by 24.1% due to the opening of many new medical facilities in late 2023 and in 2024, as well as wage indexation across all hospitals and clinics in response to labour market conditions. Personnel costs accounted for 41.5% of revenue (vs 40.1% in 2023).

Expenses on consumables declined by 0.8 p.p. y-o-y to 16.9% of revenue, primarily due to a drop in consumable-intensive services such as pulmonology and oncology under the MHI programme, as well as the growing impact of operational process automation.

The share of functional expenses increased by 0.2 p.p. y-o-y to 2.0% of revenue, driven by the growth in IT and marketing expenses amid the Group's business expansion.

The share of medical services expenses remained flat due to the gradual vertical integration of business processes, the development of the Company's own laboratory and centralised data processing.

Gross profit

In 2024, gross profit increased by 19.3% y-o-y to RUB 13,468 million due to a higher volume of treatment services and a growing average ticket. Gross margin was almost flat at 40.7% due to revenue growth, partially offset by an increase in the share of personnel costs in revenue.

EBITDA

In 2024, EBITDA rose by 15.9% y-o-y and amounted to RUB 10,681 million. EBITDA margin was 32.2% (33.4% in 2023) on the back of an increase in the share of personnel costs in revenue.

Operating profit

Against the backdrop of strong results of the Ufa hospital in 2024, the Group analysed the indicators of reversal for previously recognised impairment in respect of the hospital and identified conditions for the reversal of previously recognised impairment for RUB 350 million as at 31 December 2024. As a result, the Company's operating profit increased by 21.4% y-o-y to RUB 9,118 million in 2024.

Net profit

In 2024, net finance income came in at RUB 1,073 million compared to RUB 426 million in 2023 due to the interest income from depositing idle funds.

As a result, the Company's net profit increased by 30.1% y-o-y to RUB 10,175 million in 2024. Net profit margin went up by 2.4 p.p. y-o-y to 30.7%.

⁵ Payroll and social contributions

⁶ Functional expenses include marketing, IT, client service costs, staff training and communication services

The Company's net profit adjusted for the reversal of the earlier impairments as noted above rose by 25.6% to RUB 9,825 million in 2024. Adjusted net profit margin was 29.7%, up 1.4 p.p. y-o-y.

Key cash flow items

RUB mln	2024	2023	change
Operating cash flow before working capital changes	10,699	9,247	15.7%
Changes in working capital	380	246	54.3%
Taxes	(15)	(115)	n/a
Cash from operating activities	11,065	9,378	18.0%
Cash used in investing activities	(866)	(3,316)	(73.9%)
Cash used in financing activities	(14,044)	(650)	n/a
Effect of movements in exchange rates on cash held	1	19	n/a
Cash and cash equivalents increase	(3,844)	5,431	n/a

In 2024, operating cash flow before changes in working capital rose by 15.7% y-o-y to RUB 10,699 million as a result of EBITDA growth.

Net working capital

RUB mln	31 December 2024	31 December 2023
Inventories	1,198	1,086
Accounts receivable	1,146	1,297
Accounts payable	(2,376)	(2,385)
Contract liabilities	(2,573)	(2,218)
Net working capital	(2,604)	(2,220)

The Company has historically maintained negative working capital. In 2024, net working capital remained negative at RUB (2,604) million and amounted to 7.9% of revenue. As a result, operating cash flow increased by 18.0% y-o-y to RUB 11,065 million.

Cash used in investing activities, mainly comprising capital expenditures in 2024, amounted to RUB 866 million. Total Capex declined by 36.5% y-o-y to RUB 2,273 million in 2024. High Capex in 2023 were attributed to the acquisition of the turnkey MD Group Michurinsky hospital in Moscow.

In 2024, cash used in financing activities totalled RUB 14,044 million, primarily due to dividend payouts amounting to RUB 13,512 million during the reporting period.

Cash and lease liabilities⁷

RUB mln	31 December 2024	31 December 2023	change
Lease liabilities	1,400	877	59.7%
Short-term	196	141	38.9%
Long-term	1,204	736	63.7%
Cash and cash equivalents	6,050	9,894	(38.8%)

The Company carries no debt. The Group's total lease liabilities recognised as debt according to IFRS 16 amounted to RUB 1,400 billion, up RUB 523 million against the end of 2023 as a result of opening many new clinics in 2024.

In view of dividend payouts of RUB 13,512 million in the reporting period, cash by the end of 2024 declined by RUB 3,844 million to RUB 6,050 million compared to year-end 2023.

Notes:

1. This announcement contains inside information
2. Minor deviations in the calculation of totals, subtotals and/or percent changes are due to rounding

⁷ According to IFRS 16, the Company's lease liabilities are recognised as debt.

3. The Group's consolidated financial statements are available on the Group's website:
www.mcclinics.com/investors/financial-reports/

Analyst and investor conference call:

Date: 31 March 2025

Time: 12.00 PM MSK

Event Language: Russian

Speakers:

- Mark Kurtser, CEO
- Iya Lukianova, CFO
- Olesya Lapina , IR Director

Registration for the call is available following the link:

https://us02web.zoom.us/webinar/register/WN_EKYhdYO6RdqbiCJenZqGMw#/registration

A replay of the call will be available on the Company's website shortly after the end of the live event.

For further information please contact:

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About MD Medical Group

MD Medical Group is a leading provider in the highly attractive Russian private healthcare service market. Today, the Company manages 65 state-of-the-art healthcare facilities, including 11 multidisciplinary hospitals and 54 out-patient clinics in 31 regions of the Russian Federation. In 2024, MD Medical Group's revenue amounted to RUB 33.1 bln while EBITDA stood at RUB 10.7 bln. The Company's ordinary shares 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



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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.