

MD MEDICAL GROUP INCREASES REVENUE BY 23% IN H1 2024

31 July 2024. MD Medical Group IPJSC ("MD Medical", "Group" or the "Company"; MOEX: MDMG), a leading Russian private healthcare provider, announces its operating and unaudited financial results for Q2 and H1 2024.

Key financial highlights for 6M 2024:

- **Total revenue** increased by **22.6%** year-on-year (y-o-y) to **RUB 15,760 million** mainly thanks to a hike in revenue from in-patient and out-patient treatments and a substantial improvement of performance in deliveries
- Revenue from the Group's **hospitals in Moscow** went up **26.4%** y-o-y to **RUB 7,827 million** due to a higher revenue from services, primarily in-patient treatment and deliveries
- Revenue of the Group's **regional hospitals** grew by **18.4%** y-o-y to **RUB 4,188 million**, driven by an increase in revenue from out-patient treatments and deliveries
- Revenue from out-patient **clinics in Moscow and the Moscow Region** rose by **9.0%** y-o-y to **RUB 1,482 million** on the back of stronger out-patient revenue
- Revenue from out-patient **clinics in other regions** rose by **27.5%** y-o-y to **RUB 2,235 million** due to higher revenue from out-patient treatments and IVF services
- As at 30 June 2024, the Company's **net cash** position amounted to **RUB 13,328 million**. After the reporting period, the Company allocated RUB 10,593 million to pay dividends in early July 2024
- **Total Capex** in the first half of 2024 amounted to **RUB 946 million**.

Key operational highlights for 6M 2024:

- Total **in-patient treatments** increased by **6.8%** y-o-y to **75,518**, with the **average ticket** up **15.0%** to **RUB 102.3 thousand** in Moscow and up **8.0%** y-o-y to **RUB 41.3 thousand** in other regions
- Total **out-patient treatments** went up by **19.3%** y-o-y to **1,183,219** with the **average ticket** **8.5%** to **RUB 6.0 thousand** in Moscow and up **9.6%** y-o-y to **RUB 2.4 thousand** in other regions.
- Total **deliveries** increased by **20.0%** y-o-y to **5,402**, with the **average ticket** up **22.1%** y-o-y to **RUB 556.4 thousand** in Moscow and up **13.4%** y-o-y to **RUB 224.2 thousand** in other regions
- Total **IVF punctures** went up by **3.8%** y-o-y to **9,704**, with the **average ticket** up **5.5%** to **RUB 298.8 thousand** in Moscow and up **11.4%** y-o-y to **RUB 289.7 thousand** in other regions

Key financial highlights for Q2 2024:

- **Total revenue** increased by **22.1%** y-o-y to **RUB 8,097 million** mainly thanks to an increase in revenue from in-patient and out-patient treatments and a substantial improvement of performance in deliveries
- **Like-for-like (LFL) revenue** grew by **18.5%** y-o-y
- Revenue of the Group's **hospitals in Moscow** rose by **27.9%** y-o-y to **RUB 3,972 million** due to an increase in the volume of in-patient services in gynaecology, oncology, neurology, pediatrics, traumatology, and neurosurgery, as well as growth in the number of deliveries and the associated average ticket
- Revenue of the Group's **regional hospitals** grew by **15.7%** y-o-y to **RUB 2,163 million** thanks to robust operational performance of hospitals in Novosibirsk, Tyumen, Samara, and Ufa, with the latter showing the strongest growth in delivery services
- Revenue from out-patient **clinics in Moscow and the Moscow Region** rose by **8.1%** y-o-y to **RUB 777 million**
- Revenue from **regional out-patient clinics** increased by **26.0%** y-o-y to **RUB 1,172 million**

Key operational highlights for Q2 2024:

- Total **in-patient treatments** increased by **4.4%** y-o-y to **36,861**, with the **average ticket** up **17.1%** to **RUB 102.5 thousand** in Moscow and up **6.3%** y-o-y to **RUB 42.5 thousand** in other regions
- Total **out-patient treatments** went up by **21.7%** y-o-y to **615,902** with the **average ticket** **7.0%** to **RUB 5.9 thousand** in Moscow and up **5.9%** y-o-y to **RUB 2.4 thousand** in other regions.
- Total **deliveries** increased by **21.8%** y-o-y to **2,796**, with the **average ticket** up **23.5%** y-o-y to **RUB 561.9 thousand** in Moscow and up **12.6%** y-o-y to **RUB 228.3 thousand** in other regions
- Total **IVF punctures** went up by **1.2%** y-o-y to **5,272**, with the **average ticket** up **5.4%** to **RUB 295.1 thousand** in Moscow and up **14.9%** y-o-y to **RUB 293.5 thousand** in other regions.

Key events during Q2 2024 and after the reporting period:

- **State registration of MD Medical Group IPJSC in Russia.** On 28 May 2024 the Company has finalized its state registration in the Special Administrative Region on Oktyabrsky Island in Russia's Kaliningrad Region as an International Public Joint-Stock Company MD Medical Group Investments (the short name: MD Medical Group IPJSC). The process is regulated by the Federal Law "On International Companies". At the beginning of July the Company has received from the Cyprus Registrar a Certificate of Striking from 28 May 2024 MD MEDICAL GROUP INVESTMENTS PLC off the register of companies of the Registrar of Companies in accordance with the Cyprus Companies Law, because it is continuing under the legal regime of another country of jurisdiction.
- **Announcement and payment of record-breaking dividends.** At the meeting held on 7 June 2024, the Company's Board of Directors resolved to pay dividends based on the results of the 3M 2024 on the ordinary shares of MD Medical Group IPJSC in the amount of c. RUB 10.6 billion, or RUB 141 per ordinary share (before tax on income received as dividends), including the use of retained earnings from previous years. Dividend payments were made on 2 July 2024.
- **Start of trading in shares of MD Medical Group IPJSC.** Due to completion of automatic conversion of securities after the Company's redomiciliation, trading in ordinary shares of MD Medical Group IPJSC (ticker: MDMG, ISIN: RU000A108KL3) commenced on the Moscow Exchange on 17 June 2024.
- **Expanding operations to a new region – Republic of Komi.** Acquired RGS-Med clinic in Syktyvkar, the capital of the Republic of Komi, is one of the largest private multifunctional medical centres in the Republic of Komi providing comprehensive consultative, diagnostic, therapeutic and preventive healthcare services for adults and children across a wide range of medical disciplines since 2024. The total cost of the deal is RUB 25 million paid from the Group's own funds. The Company plans to upgrade the clinic, among other things, by enhancing its competencies with in-house solutions in such popular area as infertility treatment and IVF. Further investments in the project will come close to RUB 80 million.



MD Medical CEO Mark Kurtser said:

“This year we have posted excellent results for the second quarter running thanks to double-digit revenue growth and strong operational performance. In H1 2024, our revenue surged by 23%

This growth was driven mainly by in-patient and out-patient services rendered by the Group's hospitals in the area of multifunctional medical care along with women's and children's health. New surgery services, growing local demand for pediatric surgery, and innovative diagnostic and treatment techniques lead to successful results of our hospitals.

Our core segments show robust results, too, with revenue from deliveries surging by 47% in Q2 2024. Our leadership in women's and children's healthcare is, among other things, secured by our massive efforts to increase brand recognition both in Moscow and other regions, the growing popularity of the home obstetrics centres, and professionalism of our doctors.

In the reporting quarter, we reached a milestone by completing redomiciliation from Cyprus to Russia. Thanks to this process, we were able to pay a record-breaking dividend in the Group's history, thus sharing the remarkable progress the Company had achieved over the past few years with our shareholders. Importantly, we plan to resume semi-annual dividend payouts as early as this year.

We are growing organically by both increasing utilisation of our existing facilities and opening new clinics that boost patient flows at our hospitals, among other things, and through M&As. In late June, we closed a deal to acquire a multifunctional clinic in Syktyvkar, which helped us expand our operations to a new region. In the coming months we will open medical centres in several other Russian regions to provide quality healthcare to a wider range of patients, while also increasing our market share.”



Key Highlights for Q2 and H1 2024

Operating indicators	2Q 2024	2Q 2023	change, %	6M 2024	6M 2023	change, %
Moscow hospitals						
Out-patient visits	155,098	136,094	14.0%	304,394	264,654	15.0%
In-patient days	16,098	15,223	5.7%	33,301	31,432	5.9%
IVF cycles	1,138	886	28.4%	1,999	1,549	29.1%
Deliveries	1,333	1,082	23.2%	2,525	2,099	20.3%
Hospitals in Regions						
Out-patient visits	208,353	183,769	13.4%	410,183	358,923	14.3%
In-patient days	20,037	19,441	3.1%	40,868	38,045	7.4%
IVF cycles	818	834	(1.9%)	1,448	1,459	(0.8%)
Deliveries	1,463	1,213	20.6%	2,877	2,403	19.7%
Out-patient clinics in Moscow and Moscow region						
Out-patient visits	61,946	54,269	14.1%	120,811	106,073	13.9%
IVF cycles	1,068	1,171	(8.8%)	1,913	2,145	(10.8%)
Out-patient clinics in Regions						
Out-patient visits	190,505	131,796	44.5%	347,831	262,237	32.6%
In-patient days	726	656	10.6%	1,349	1,238	8.9%
IVF cycles	2,248	2,318	(3.0%)	4,344	4,196	3.5%
Total out-patient visits	615,902	505,928	21.7%	1,183,219	991,887	19.3%
Total in-patient days	36,861	35,320	4.4%	75,518	70,715	6.8%
Total IVF cycles	5,272	5,209	1.2%	9,704	9,349	3.8%
Total deliveries	2,796	2,295	21.8%	5,402	4,502	20.0%

Revenue, RUB mln	2Q 2024	2Q 2023	change, %	6M 2024	6M 2023	change, %
Hospitals in Moscow						
Out-patient visits	916	740	23.8%	1,794	1,415	26.8%
In-patient days	1,650	1,332	23.9%	3,406	2,796	21.8%
IVF cycles	334	248	34.7%	595	454	31.1%
Deliveries	749	492	52.1%	1,405	956	46.9%
Other revenue	323	294	9.9%	627	569	10.2%
Hospitals in Regions						
Out-patient visits	538	437	23.1%	1,043	843	23.7%
In-patient days	854	784	8.9%	1,693	1,469	15.2%
IVF cycles	253	228	11.0%	453	407	11.3%
Deliveries	334	246	35.8%	645	475	35.8%
Other revenue	184	174	5.7%	354	344	2.9%
Out-patient clinics in Moscow and Moscow region						
Out-patient visits	372	316	17.7%	739	621	19.0%
IVF cycles	317	328	(3.4%)	574	592	(3.0%)
Other revenue	88	75	17.3%	169	147	15.0%
Out-patient clinics in Regions						
Out-patient visits	402	265	51.7%	775	516	50.2%
In-patient days	28	19	47.4%	51	33	54.5%
IVF cycles	647	577	12.1%	1,225	1,064	15.1%
Other revenue	95	69	37.7%	184	140	31.4%
Managing company and other	13	8	62.5%	28	12	133.3%
Hospitals in Moscow	3,972	3,106	27.9%	7,827	6,190	26.4%
Hospitals in Regions	2,163	1,869	15.7%	4,188	3,538	18.4%
Out-patient clinics in Moscow	777	719	8.1%	1,482	1,360	9.0%
Out-patient clinics in Regions	1,172	930	26.0%	2,235	1,753	27.5%
Total Revenue	8,097	6,632	22.1%	15,760	12,853	22.6%



Average ticket	2Q 2024	2Q 2023	change, %	6M 2024	6M 2023	change, %
Moscow hospitals						
Out-patient visits	5.9	5.4	8.6%	5.9	5.3	10.2%
In-patient days	102.5	87.5	17.1%	102.3	89.0	15.0%
IVF cycles	293.5	279.9	4.9%	297.6	293.1	1.6%
Deliveries	561.9	455.1	23.5%	556.4	455.6	22.1%
Hospitals in Regions						
Out-patient visits	2.6	2.4	8.6%	2.5	2.3	8.3%
In-patient days	42.6	40.3	5.7%	41.4	38.6	7.3%
IVF cycles	309.3	273.4	13.1%	312.8	279.0	12.1%
Deliveries	228.3	202.8	12.6%	224.2	197.7	13.4%
Out-patient clinics in Moscow and Moscow region						
Out patient visits	6.0	5.8	3.1%	6.1	5.9	4.5%
IVF cycles	296.8	280.1	6.0%	300.1	276.0	8.7%
Out-patient clinics in Regions						
Out patient visits	2.1	2.0	4.9%	2.2	2.0	13.2%
In-patient days	38.6	29.0	33.2%	37.8	26.7	41.9%
IVF cycles	287.8	248.9	15.6%	282.0	253.6	11.2%

LFL performance for Q2 and H1 2024, % y-o-y

	2Q 2024			6M 2024		
	Revenue	Actual capacity	Average ticket	Revenue	Actual capacity	Average ticket
Moscow hospitals						
Out-patient visits	19.2%	9.3%	9.0%	23.1%	11.5%	10.4%
In-patient days	19.8%	2.9%	16.4%	19.2%	4.2%	14.3%
IVF cycles	26.1%	18.5%	6.4%	23.6%	19.6%	3.4%
Deliveries	52.1%	23.2%	23.5%	46.9%	20.3%	22.1%
Other revenue	6.2%	-	-	7.5%	-	-
Hospitals in Regions						
Out-patient visits	23.1%	13.4%	8.6%	23.7%	14.3%	8.3%
In-patient days	8.9%	3.1%	5.7%	15.2%	7.4%	7.3%
IVF cycles	11.0%	(1.9%)	13.1%	11.3%	(0.8%)	12.1%
Deliveries	35.8%	20.6%	12.6%	35.8%	19.7%	13.4%
Other revenue	5.7%	-	-	2.9%	-	-
Out-patient clinics in Moscow and Moscow region						
Out patient visits	15.0%	11.2%	3.5%	16.9%	11.5%	4.9%
IVF cycles	(3.4%)	(8.8%)	6.0%	(3.0%)	(10.8%)	8.7%
Other revenue	15.2%	-	-	13.4%	-	-
Out-patient clinics in Regions						
Out patient visits	16.3%	13.6%	2.4%	16.3%	4.3%	11.5%
In-patient days	47.4%	10.6%	33.2%	54.5%	8.9%	41.8%
IVF cycles	12.1%	(3.0%)	15.6%	15.1%	3.5%	11.2%
Other revenue	20.7%	-	-	14.7%	-	-
Managing company and other	62.5%	-	-	133.3%	-	-
Total Revenue	18.5%			19.6%		

Analysis of the Group's performance dynamics in Q2 2024 compared to Q2 2023.

Hospitals in Moscow

In Q2 2024, revenue, including other revenue¹, from the hospitals in Moscow increased by 27.9% y-o-y to RUB 3,972 million primarily as a result of higher revenue from in-patient treatments (up 23.9%) and delivery services (up 52.1%), while revenue from out-patient and IVF services grew by an impressive 23.8% and 34.7% respectively.

The growth in revenue from in-patient treatments was due to an increase in the number of in-patient days (up 5.7% y-o-y) and average ticket (up 17.1% y-o-y). Key in-patient segments in Moscow's hospitals included oncology, gynaecology, neurology, pediatrics, traumatology and neurosurgery. The average ticket rise came on the back of a higher number of intensive care days, nearly two-digit growth of plastic surgeries, a higher share of additional services (laboratory and diagnostics testing), and expansion of commercial services in the oncology segment. The new hospital on Moscow's Michurinsky Avenue was a significant driver of revenue growth.

Continuously increasing revenue from deliveries was driven by a 23.2% rise in the number of deliveries and a 23.5% hike in the average ticket due to the growing popularity of the Lapino Clinical Hospital's home obstetrics centre and strong demand for mid and high price contracts in the reporting quarter.

The growth in revenue from out-patient treatments in Q2 2024 was due to an increase in the number of treatments (up 14.0% y-o-y) and average ticket (up 8.6% y-o-y). Services in gynaecology and pediatrics were the biggest contributor to revenue.

IVF revenue grew because of punctures and an average ticket increasing by 28.4% and 4.9% respectively. The new hospital on Moscow's Michurinsky Avenue accounted for a 35% rise in punctures.

Hospitals in regions

In Q2 2024, revenue from regional hospitals increased by 15.7% y-o-y to RUB 2,163 million driven mainly by higher revenue from in-patient (up 8.9%) and out-patient (up 23.1%) treatments, delivery services (up 35.8%), and IVF (up 11.0%). Hospitals in Novosibirsk, Tyumen, and Samara were the key drivers of revenue growth.

Higher revenue from in-patient treatments was due to an increase in the number of in-patient days (up 3.1% y-o-y) and average ticket (up 5.7% y-o-y). The biggest contribution to revenue from in-patient services came from oncology, pediatrics, general surgery, and therapy in the Tyumen hospital, and urology and traumatology in the Novosibirsk hospital. Regional hospitals delivered strong results in the in-patient segment due to new surgery services, stronger patient trust and demand for paediatric and ENT surgery, continuous expansion of oncology services, acquisition of new urology equipment to reduce surgery duration and increase the throughput of operating theatres, new procedures, and sophisticated joint replacement surgeries.

The growth in revenue from out-patient treatments in Q2 2024 was due to an increase in the number of treatments (up 13.4% y-o-y) and average ticket (up 8.6% y-o-y). Revenue growth is largely attributable to a higher volume of out-patient diagnostics, gynaecology, and pediatrics services provided in the hospitals of Samara, Novosibirsk, and Tyumen. A rise in the average ticket was due to a significant volume of diagnostics services rendered to oncology patients, among other factors.

Revenue from deliveries and IVF was driven by an increase in the number of deliveries, the average ticket and the average IVF ticket (up 20.6%, 12.6% and 13.1%, respectively). The average IVF ticket rose on the

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

back of a larger share of commercial punctures offsetting a 1.9% decline in total punctures caused by a cut in MHI services. Hospitals in Tyumen and Ufa were the key drivers of revenue from deliveries, with the biggest number of deliveries recorded in the Ufa facility thanks to a large-scale programme implemented over the past year.

Out-patient clinics in Moscow and Moscow Region

In Q2 2024, revenue from out-patient clinics in Moscow and the Moscow Region rose by 8.1% y-o-y to RUB 777 million driven primarily by a growing number of out-patient treatments (up 14.1%) due to, among other things, the opening of new clinics in Mytishchi and ZILART residential complex in 2023 and 2024. IVF revenue went down by 3.4% due to a 8.8% decline in total punctures driven by a delay in the allocation of MHI quotas. The decline was partially offset by a rise in the average ticket from the growing number of commercial punctures.

Out-patient clinics in regions

In Q2 2024, revenue from regional out-patient clinics rose by 26.0% y-o-y to RUB 1,172 million driven mostly by a larger number of out-patient treatments (up 44.5%) coupled with a 4.9% hike in the average ticket largely due to more prenatal care contracts made in the reporting period. A 3.0% decline in IVF punctures on the back of more frozen embryo transfers made in the reporting period was offset by a 15.6% increase in the average ticket driven by a bigger share of commercial punctures.

Net cash position

As at 30 June 2024, the Group's debt represented entirely by lease liabilities increased from the level of 31 March 2024 by RUB 305 million to RUB 1,279 million. As a result, the Company's net cash position amounted to RUB 13,328 million as at 30 June 2024. After the reporting period, the Company allocated RUB 10,593 million to pay dividends in early July 2024.

Capex

In Q2 2024, total Capex was RUB 435 million, with hospitals accounting for 36.6% share of capital expenditures.

In June 2024, the Group closed a deal to acquire a multifunctional clinic in Syktyvkar, with RUB 25 million out of the total transaction value paid in the reporting period.

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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About MD Medical Group

MD Medical Group is a leading provider in the highly attractive Russian private healthcare service market. Today, the Company manages 56 state-of-the-art healthcare facilities, including 11 multidisciplinary hospitals and 45 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 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 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.