

## MD Medical Group announces operating results for Q3 2023

**30 October 2023** – MD Medical Group Investments Plc (“MD Medical Group”, “MDMG”, “Group” or the “Company”; LSE and MOEX: MDMG), a leading Russian private healthcare provider, today announces its operating and unaudited financial results for the third quarter of 2023.

### Key financial highlights for Q3 2023:

- **Total revenue** increased by **5.4%** year-on-year (y-o-y) to **RUB 6,793 million**.
- **Like-for-like (LFL) revenue** grew by **4.7%** y-o-y.
- Revenue of the Group’s **regional hospitals** increased by **14.6%** y-o-y to **RUB 1,902 million** thanks to the strong performance across all key service segments in the hospitals of Tyumen, Novosibirsk, Samara, and St Petersburg.
- Revenue from **regional out-patient clinics** rose by **21.9%** y-o-y to **RUB 931 million** mainly thanks to the increase in the number of IVF cycles and the average ticket for IVF.
- Revenue of the Group’s **hospitals in Moscow** decreased by **4.1%** y-o-y to **RUB 3,237 million** mainly due to a decline in the number of COVID-19 cases in Q3 2023 compared to the same period last year.
- Revenue from out-patient **clinics in Moscow and the Moscow Region** rose by **11.4%** y-o-y to **RUB 715 million** thanks to the increase in the number of IVF cycles and the number of out-patient treatments.

### Key operational highlights for Q3 2023:

- Total **out-patient treatments** increased by **9.3%** y-o-y to **528,739**, with the **average ticket** up **5.3%** to **RUB 5.6 thousand** in Moscow and up **5.0%** y-o-y to **RUB 2.2 thousand** in other regions.
- Total **in-patient treatments** decreased by **11.5%** y-o-y to **34,576**, with the **average ticket** down **13.8%** to **RUB 81.9 thousand** in Moscow and up **27.9%** y-o-y to **RUB 41.1 thousand** in other regions.
- Total **IVF cycles** increased by **13.2%** y-o-y to **4,769**, with the **average ticket** up **1.3%** to **RUB 283.7 thousand** in Moscow and up **13.2%** y-o-y to **RUB 273.4 thousand** in other regions.
- Total **deliveries** increased by **16.5%** y-o-y to **2,810**, with the **average ticket** up **2.3%** y-o-y to **RUB 485.6 thousand** in Moscow and up **9.7%** y-o-y to **RUB 202.5 thousand** in other regions.

### Key financial highlights for 9M 2023:

- **Total revenue** increased by **5.6%** y-o-y to **RUB 19,646 million**.
- Revenue of the Group’s **regional hospitals** grew by **14.6%** y-o-y to **RUB 5,440 million**.
- Revenue from **regional out-patient clinics** rose by **22.3%** y-o-y to **RUB 2,684 million**.
- Revenue of the Group’s **hospitals in Moscow** declined by **3.1%** y-o-y to **RUB 9,427 million**.
- Revenue from out-patient **clinics in Moscow and the Moscow Region** rose by **7.9%** y-o-y to **RUB 2,075 million**.

### Key operational highlights for 9M 2023:

- Total **out-patient treatments** increased by **8.7%** y-o-y to **1,520,626**.
- Total **in-patient treatments** decreased by **5.0%** y-o-y to **105,151**.
- Total **IVF cycles** increased by **13.5%** y-o-y to **14,118**.
- Total **deliveries** went up by **12.1%** y-o-y to **7,312**.



**Key events during Q3 2023 and after the reporting period:**

- **Completing the change of the GDR programme depositary.** RCS Issuer Services S.A.R.L. was appointed as the Company's new depositary bank effective from 8 August 2023.
- **Redomiciliation to SAR.** On 31 August 2023, the Group's Extraordinary General Meeting of shareholders resolved to redomicile the Company to the Special Administrative Region of Oktyabrsky Island, Kaliningrad Region, Russian Federation ("SAR").
- **Acquisition of four clinics in the Khanty-Mansi Autonomous Area–Yugra.** Following the acquisition, the Group will take a leading position in private healthcare in Yugra and create an outpatient base for referring patients to the Group's hospital in Tyumen for high-tech services. The total cost of the deal was RUB 349 million paid from the Group's own funds.
- **Changing the listing status on the Moscow Exchange.** The Company has initiated the procedure to change the listing status on the Moscow Exchange to the primary one by registering the prospectus of existing GDRs with the Bank of Russia. The respective documents have been submitted to the regulator for review with its approval expected within the prescribed legal timeframe.

**Mark Kurtser, CEO at MDMG, said:**

*"In Q3 2023, MD Medical Group continued to demonstrate strong growth in operational and financial performance, maintaining its position as a leader in the private healthcare sector.*

*Our core segments – deliveries and IVFs – have significantly improved their results, with combined revenue up 21% in Q3 despite the overall downward trend in Russia's birth rate. This impressive performance further solidifies our undisputed leadership in these segments fuelled by the unwavering trust patients place in our brand, the expertise of our team, and the service quality and comfort we provide.*

*We have also posted solid operating results in traumatology, cardiology, dentistry, neurology and plastic surgery thanks to our strongly diversified range of healthcare services and their superior quality.*

*Following our growth strategy in Moscow and other regions with a strong economic potential, we finalised the acquisition of four clinics in the Khanty-Mansi Autonomous Area–Yugra this September and are set to inaugurate a recently acquired hospital in Michurinsky Avenue and a clinic in ZILART residential complex in Moscow before the end of this year.*

*Thanks to our sound financial status with a net cash balance of RUB 6.7 billion, we are well-positioned to continue our organic and non-organic growth and resume dividend payouts once the redomiciliation process is complete."*



## Key Highlights for Q3 and 9M 2023<sup>1</sup>

Operating indicators	3Q 2023	3Q 2022	change, %	9M 2023	9M 2022	change, %
<b>Moscow hospitals</b>						
Out-patient visits	146 433	136 413	7,3%	411 087	392 472	4,7%
In-patient days	15 434	16 771	(8,0%)	46 866	48 942	(4,2%)
IVF cycles	782	685	14,2%	2 331	2 011	15,9%
Deliveries	1 309	1 178	11,1%	3 408	3 323	2,6%
<b>Hospitals in Regions</b>						
Out-patient visits	188 011	174 475	7,8%	546 934	503 297	8,7%
In-patient days	18 583	21 700	(14,4%)	56 488	59 912	(5,7%)
IVF cycles	795	757	5,0%	2 254	2 188	3,0%
Deliveries	1 501	1 235	21,5%	3 904	3 199	22,0%
<b>Out-patient clinics in Moscow and Moscow region</b>						
Out-patient visits	58 106	53 687	8,2%	164 179	154 841	6,0%
IVF cycles	1 125	947	18,8%	3 270	3 047	7,3%
<b>Out-patient clinics in Regions</b>						
Out-patient visits	136 189	119 047	14,4%	398 426	348 172	14,4%
In-patient days	559	605	(7,6%)	1 797	1 779	1,0%
IVF cycles	2 067	1 824	13,3%	6 263	5 190	20,7%
<b>Total out-patient visits</b>	<b>528 739</b>	<b>483 622</b>	<b>9,3%</b>	<b>1 520 626</b>	<b>1 398 782</b>	<b>8,7%</b>
<b>Total in-patient days</b>	<b>34 576</b>	<b>39 076</b>	<b>(11,5%)</b>	<b>105 151</b>	<b>110 633</b>	<b>(5,0%)</b>
<b>Total IVF cycles</b>	<b>4 769</b>	<b>4 213</b>	<b>13,2%</b>	<b>14 118</b>	<b>12 436</b>	<b>13,5%</b>
<b>Total deliveries</b>	<b>2 810</b>	<b>2 413</b>	<b>16,5%</b>	<b>7 312</b>	<b>6 522</b>	<b>12,1%</b>

Revenue, RUB mln	3Q 2023	3Q 2022	change, %	9M 2023	9M 2022	change, %
<b>Hospitals in Moscow</b>						
Out-patient visits	803	698	15,0%	2 218	2 000	10,9%
In-patient days	1 264	1 594	(20,7%)	4 060	4 485	(9,5%)
IVF cycles	235	191	23,0%	689	552	24,8%
Deliveries	636	559	13,7%	1 592	1 610	(1,1%)
Other revenue	299	333	(10,3%)	868	1 083	(19,9%)
<b>Hospitals in Regions</b>						
Out-patient visits	445	386	15,3%	1 288	1 122	14,8%
In-patient days	770	697	10,5%	2 239	2 032	10,2%
IVF cycles	226	193	17,1%	633	544	16,4%
Deliveries	304	228	33,3%	779	569	36,9%
Other revenue	157	156	0,6%	501	480	4,4%
<b>Out-patient clinics in Moscow and Moscow region</b>						
Out-patient visits	335	306	9,5%	956	900	6,2%
IVF cycles	306	266	15,0%	898	811	10,7%
Other revenue	74	70	5,7%	221	212	4,2%
<b>Out-patient clinics in Regions</b>						
Out-patient visits	280	239	17,1%	796	715	11,3%
In-patient days	19	19	0%	52	47	9,8%
IVF cycles	556	430	29,2%	1 620	1 207	34,2%
Other revenue	76	76	0,9%	216	225	(3,9%)
Managing company and other	8	3	207,7%	20	9	122,2%
<b>Hospitals in Moscow</b>	<b>3 237</b>	<b>3 375</b>	<b>(4,1%)</b>	<b>9 427</b>	<b>9 730</b>	<b>(3,1%)</b>
<b>Hospitals in Regions</b>	<b>1 902</b>	<b>1 660</b>	<b>14,6%</b>	<b>5 440</b>	<b>4 747</b>	<b>14,6%</b>
<b>Out-patient clinics in Moscow and Moscow region</b>	<b>715</b>	<b>642</b>	<b>11,4%</b>	<b>2 075</b>	<b>1 923</b>	<b>7,9%</b>
<b>Out-patient clinics in Regions</b>	<b>931</b>	<b>764</b>	<b>21,9%</b>	<b>2 684</b>	<b>2 194</b>	<b>22,3%</b>
<b>Total Revenue</b>	<b>6 793</b>	<b>6 444</b>	<b>5,4%</b>	<b>19 646</b>	<b>18 603</b>	<b>5,6%</b>

<sup>1</sup> Adjustments in 2022 are associated with a change in the accounting methodology in 2023 of the Group's operating indicators



Average ticket	3Q 2023	3Q 2022	change, %	9M 2023	9M 2022	change, %
<b>Moscow hospitals</b>						
Out-patient visits	5,5	5,1	7,2%	5,4	5,1	5,9%
In-patient days	81,9	95,0	(13,8%)	86,6	91,6	(5,5%)
IVF cycles	300,5	278,8	7,8%	295,6	274,5	7,7%
Deliveries	485,6	474,5	2,3%	467,1	484,5	(3,6%)
<b>Hospitals in Regions</b>						
Out-patient visits	2,4	2,2	7,0%	2,4	2,2	5,6%
In-patient days	41,4	32,1	29,0%	39,6	33,9	16,9%
IVF cycles	284,3	255,0	11,5%	280,8	248,6	13,0%
Deliveries	202,5	184,6	9,7%	199,5	177,9	12,2%
<b>Out-patient clinics in Moscow and Moscow region</b>						
Out patient visits	5,8	5,7	1,2%	5,8	5,8	0,2%
IVF cycles	272,0	280,9	(3,2%)	274,6	266,2	3,2%
<b>Out-patient clinics in Regions</b>						
Out patient visits	2,1	2,0	2,4%	2,0	2,1	(2,7%)
In-patient days	33,3	31,4	6,0%	28,7	26,4	8,7%
IVF cycles	269,2	236,0	14,1%	258,7	232,7	11,2%

## LFL performance for Q3 and 9M 2023, % y-o-y

	3Q 2023			9M 2023		
	Revenue	Actual capacity	Average ticket	Revenue	Actual capacity	Average ticket
<b>Moscow hospitals</b>						
Out-patient visits	15,0%	7,3%	7,2%	10,9%	4,7%	5,9%
In-patient days	(20,7%)	(8,0%)	(13,8%)	(9,5%)	(4,2%)	(5,5%)
IVF cycles	23,0%	14,2%	7,8%	24,8%	15,9%	7,7%
Deliveries	13,7%	11,1%	2,3%	(1,1%)	2,6%	(3,6%)
Other revenue	(10,3%)	-	-	(19,9%)	-	-
<b>Hospitals in Regions</b>						
Out-patient visits	15,3%	7,8%	7,0%	14,3%	8,1%	5,7%
In-patient days	10,5%	(14,4%)	29,0%	9,1%	(7,0%)	17,3%
IVF cycles	17,1%	5,0%	11,5%	16,4%	3,0%	13,0%
Deliveries	33,3%	21,5%	9,7%	34,5%	19,8%	12,2%
Other revenue	0,6%	-	-	2,8%	-	-
<b>Out-patient clinics in Moscow and Moscow region</b>						
Out patient visits	7,8%	6,0%	1,7%	4,0%	2,8%	1,2%
IVF cycles	15,0%	18,8%	(3,2%)	10,7%	7,3%	3,1%
Other revenue	(1,2%)	-	-	(2,3%)	-	-
<b>Out-patient clinics in Regions</b>						
Out patient visits	12,3%	10,3%	1,8%	9,3%	12,6%	(2,9%)
In-patient days	(5,8%)	(7,6%)	2,0%	6,7%	1,0%	5,6%
IVF cycles	24,8%	8,2%	15,3%	30,3%	16,1%	12,2%
Other revenue	(4,5%)	-	-	(7,8%)	-	-
Managing company and other	207,7%	-	-	122,2%	-	-
<b>Total Revenue</b>	<b>4,70%</b>			<b>4,8%</b>		

## Hospitals in regions

In Q3 2023, regional hospitals' revenue grew across all service segments, up 14.6% y-o-y to RUB 1,902 million. This growth was mainly driven by a surge in deliveries (up 21.5% y-o-y to 1,501) and a higher average ticket for in-patient treatments (up 29% y-o-y to RUB 41.4 thousand).

A considerable increase in the number of deliveries came on the back of strong results of the MD Group Lakhta hospital in St Petersburg, which achieved a high utilisation rate in the reporting period, as well as Tyumen-1 and Samara-based IDK hospital gradually progressing towards design capacity.

The 9.7% y-o-y increase in the average ticket for deliveries in regional hospitals was mainly driven by indexed prices, along with contribution of the MD Group Lakhta hospital, which boasted a higher average ticket than other regions and is advancing towards design capacity.

Revenue growth was also strongly supported by an increase in the average ticket for in-patient treatments, which helped offset a decrease in the number of in-patient treatments (down 14.4% y-o-y), with revenue rising by 10.5% y-o-y in this segment. In the reporting period, the Group's regional hospitals focused on providing comprehensive commercial services in segments such as surgery, oncology, cardiology and traumatology.

In Q3 2023, the Group's regional hospitals saw a 5% y-o-y increase in total IVF cycles (due to an increase in commercial cycles) and an 11.5% y-o-y increase in the average ticket (due to the use of new treatment standards (EmbryoScope). Thus, revenue growth in this segment amounted to 17.1% y-o-y.

## Out-patient clinics in regions

In Q3 2023, revenue from regional out-patient clinics went up by 21.9% y-o-y to RUB 931 million. This growth was mainly driven by a higher number of IVF cycles (up 13.3 y-o-y) and an improved average ticket (up 14.6 y-o-y) on the back of an increased number of IVF services provided using new treatment standards (EmbryoScope).

Furthermore, the revenue growth was supported by a 14.4% increase in the number of out-patient treatments along with a marginal growth in average ticket size, primarily in cities such as Yaroslavl, Tula, Ryazan and Yekaterinburg (the clinic in the latter was launched in November 2022).

## Hospitals in Moscow

In Q3 2023, revenue from Moscow hospitals declined slightly by 4.1% y-o-y to RUB 3,237 million. This was caused by a drop in the number of COVID-19 cases and a decrease in oncology cases treated under the MHI programme at the Lapino Clinical Hospital, with the number of in-patient treatments dropping by 8% y-o-y.

Despite the overall negative trend in birth rates across Russia, revenue from deliveries and IVF cycles increased by 13.7% and 23% y-o-y to RUB 636 million and RUB 235 million, respectively, which serves as a testament to the trust that patients have in the MD Medical Group brand. Both the number of deliveries and IVF cycles as well as their average ticket showed notable growth.

Revenue from out-patient treatments rose by 15% y-o-y to RUB 803 million, with the respective average ticket up 7.2% y-o-y, primarily on the back of treatments in gynaecology and pediatrics.

## Out-patient clinics in Moscow and Moscow Region

In Q3 2023, revenue from clinics in Moscow and the Moscow Region rose by 11.4% y-o-y to RUB 715 million thanks to improved performance across all service segments.

Revenue from IVF services went up by 15% y-o-y to RUB 306 million on the back of an 18.8% increase in the number of IVF cycles, despite a marginal 3.2% drop in the average ticket size. The latter was due to a higher share of IVFs performed under the MHI programme in Q3 2023 vs Q3 2022.

## Net cash position

As at 30 September 2023, the Group's debt represented entirely by lease liabilities increased from the 30 June 2023 level by RUB 215 million to RUB 859 million, while its cash balance grew by RUB 859 million to RUB 7,509 million. As a result, as at 30 September 2023, the Company's net cash position amounted to RUB 6,652 million.

## Capex

Total Capex declined by RUB 657 million y-o-y to RUB 1,144 million in Q3 2023. The hospital segment accounts for the bulk of Capex (92.06%), while the construction of new clinics and ongoing maintenance make up 7.94% of total Capex. Investments were mainly allocated towards the newly acquired hospital in Moscow's Michurinsky Avenue, with its share in Q3 2023 Capex amounting to RUB 847 million.

## 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 53 state-of-the-art healthcare facilities, including 10 multidisciplinary hospitals and 43 out-patient clinics in 27 regions of the Russian Federation. In 2022, MD Medical Group's revenue amounted to RUB 25.2 bln while EBITDA amounted to RUB 7.9 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





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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.