

# MD MEDICAL GROUP POSTS STRONG GROWTH ACROSS ALL OPERATIONAL INDICATORS FOR 4Q AND FY 2017

**22 January 2018,** Moscow – MD Medical Group Investments Plc ("MD Medical Group", "MDMG" or the "Company" – LSE: MDMG), a leading Russian private healthcare provider, today announces its operating results for the fourth quarter and 12 months of 2017.

# Key operational highlights for FY 2017:

- Total deliveries increased 2% year-on-year (y-o-y) to 6,808
- Total IVF cycles increased 20% y-o-y to 16,806
- Total in-patient treatments increased 15% y-o-y to 61,344
- Total out-patient treatments increased 9% y-o-y to 1,516,001

# Mark Kurtser, CEO of MD Medical Group, said:

"We successfully completed the fourth quarter of 2017 and demonstrated strong operational results for the full year. In FY 2017, we increased the number of IVF cycles by 20%, or by over 2,800 cycles, year-on-year. In total, we completed 16,806 cycles and thus are maintaining our leadership in this sector in Russia. The number of deliveries grew 2% year-on-year to 6,808 despite demographics. In-patient and outpatient treatments grew 15% and 9% year-on-year, respectively, and were significantly driven by high growth rates in other medical services combined with the continued ramp-up of our multi-disciplinary hospitals in Ufa, Lapino, and Novosibirsk.

We will continue to focus on our core medical services for women and children in our further business development. In particular, in 2017, we opened three new clinics in different cities, and in 2018-2019 we plan to add 15 new clinics in Moscow and across the country. We will also continue to build multi-disciplinary hospitals. We launched construction of our hospital in Tyumen and continued work on our hospital in Samara, which we plan to open in Q1 2018. We are also preparing to start construction of hospitals in Kazan and St Petersburg, and to expand the Lapino hospital by adding a new building. All our new hospitals are designed to provide a wide range of services.

"The strong performance and active implementation of our plans confirm the efficiency of our business model and strategy, demonstrate the ability of our experienced management team and doctors to implement this strategy, and lay the foundation for the further successful growth going forward."

## **Deliveries**

- In FY 2017, total deliveries increased 2% y-o-y to 6,808.
- In Q4 2017, total deliveries increased 2% y-o-y to 1,665.

## IVF

- In FY 2017, total IVF cycles rose 20% y-o-y to 16,806.
- In Q4 2017, total IVF cycles rose 19% y-o-y to 4,738.
- In FY 2017, LFL<sup>1</sup> 16,243 IVF cycles were performed, up 16% y-o-y.

## **In-patient treatments**

- In FY 2017, total in-patient treatments grew 15% y-o-y to 61,344, driven by:
  - 7% increase in OBGYN in-patient treatments;
  - o 67% increase in in-patient days using other medical services.
- In Q4 2017, the total number of in-patient days increased 18% y-o-y to 16,461.

# **Out-patient treatments**

- In FY 2017, the total number of out-patient treatments increased 9% y-o-y to 1,516,001, driven by:
  - 5% increase in OBGYN out-patient treatments;
  - o 9% rise in paediatric out-patient visits;
  - 13% increase in other medical services.
- In Q4 2017, the total number of out-patient treatments increased 9% y-o-y to 403,603.
- In FY 2017, LFL out-patient treatments increased 8% y-o-y to 1,498,415.

<sup>&</sup>lt;sup>1</sup> LFL data does not include figures for the clinics in Tyumen, Vladimir, Voronezh, AMG (January 2017), Odintsovo (for January -August 2017), Kostroma (January – March 2017) as well as for the Mother and Child Khodynskoe Pole clinic in Moscow (January-June 2017)

TOTAL							LFL		
	FY 2017	FY 2016	у-о-у, %	4Q 2017	4Q 2016	у-о-у, %	FY 2017	FY 2016	у-о-у, %
Obstetrics and Gynaecology									
Deliveries	6,808	6,656	2%	1,665	1,637	2%	6,808	6,656	2%
In-patient treatments (except deliveries)	25,375	23,796	7%	6,462	5,758	12%	25,375	23,796	7%
Out-patient treatments	534,187*	506,756	5%	138,110	132,133	5%	518,936	501,330	4%
IVF									
	16,806	14,004	20%	4,738	3,993	19%	16,243	14,004	16%
Paediatrics									
In-patient treatments	18,580	18,946	-2%	4,994	5,238	-5%	18,580	18,946	-2%
Out-patient treatments	431,256	396,608	9%	116,843	108,767	7%	431,252	396,608	9%
Other medical services									
In-patient treatments	17,389	10,400	67%	5,005	2,930	71%	17,389	10,400	67%
Out-patient treatments	550,558*	485,631	13%	148,650	129,984	14%	548,227	485,631	13%
Total									
Total deliveries	6,808	6,656	2%	1,665	1,637	2%	6,808	6,656	2%
Total IVF	16,806	14,004	<b>20</b> %	4,738	3,993	19%	16,243	14,004	<b>16</b> %
Total in-patient treatments	61,344	53,142	15%	16,461	13,926	18%	61,344	53,142	15%
Total out-patient treatments	1,516,001	1,388,995	9%	403,603	370,884	<b>9</b> %	1,498,415	1,383,569	8%

\* In 2017 figures for out-patient treatments were adjusted

## This announcement contains inside information.

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## **About MD Medical Group**

MD Medical Group is a leading provider in the highly attractive Russian private healthcare service market. The company manages 34 modern healthcare facilities, including 4 hospitals and 30 outpatient clinics in Moscow and the Moscow Region, St. Petersburg, Ufa, Perm, Samara and the Samara Region, Irkutsk, Novosibirsk, Irkutsk, Yaroslavl, Ryazan, Kostroma, Novokuznetsk, Krasnoyarsk, Omsk, Barnaul, Vladimir, Tyumen, and Voronezh.

The Company's shares have been listed on the London Stock Exchange (LSE ticker "MDMG") in the form of Global Depositary Receipts (GDRs) since 12 October 2012.

## **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.