



MDMG

Financial results

IFRS 2Q & 1H 2022



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MD Medical Group today

#1 federal network of affordable healthcare in Russia

by cities of presence and number of employees



77

medical
specializations



27

cities
of presence



50¹

total number
of facilities



8.6²
ths

employees

Stable financial position

driven by sustainable EBITDA margin and low leverage



29%

EBITDA margin
1H2022



85_{mn}

Net Cash position
1H2022



77%

level of out-of-
pocket payment



365^{ths}

unique patients
1H2022

Key highlights



A wide range of high-
quality medical services



High level of out-of-
pocket payment



Vertically integrated system
supported by technological
and educational initiatives

¹As of publication date


²As of 30.06.2022



Healthcare network¹

 **7**
number
of districts

 **25**
number
of regions

 **27**
number of cities
and towns

 **207 ths m²**
total area



 **38**
out-patient
clinics

 **10**
hospitals

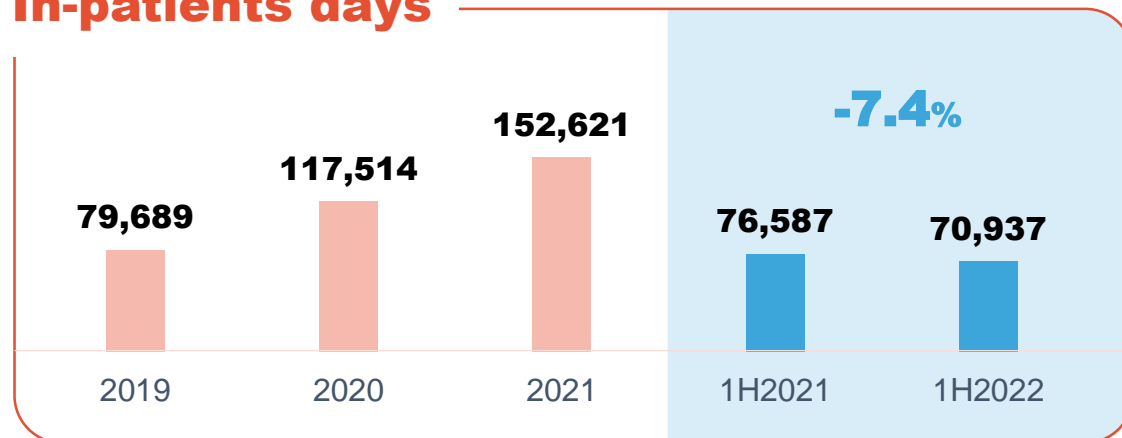
 **2**
MD Labs

¹As of publication date

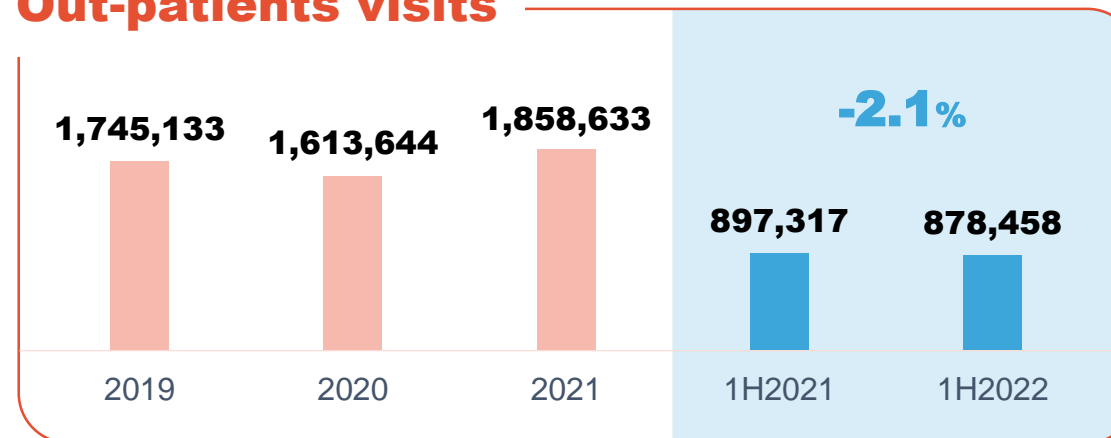


Key operational results

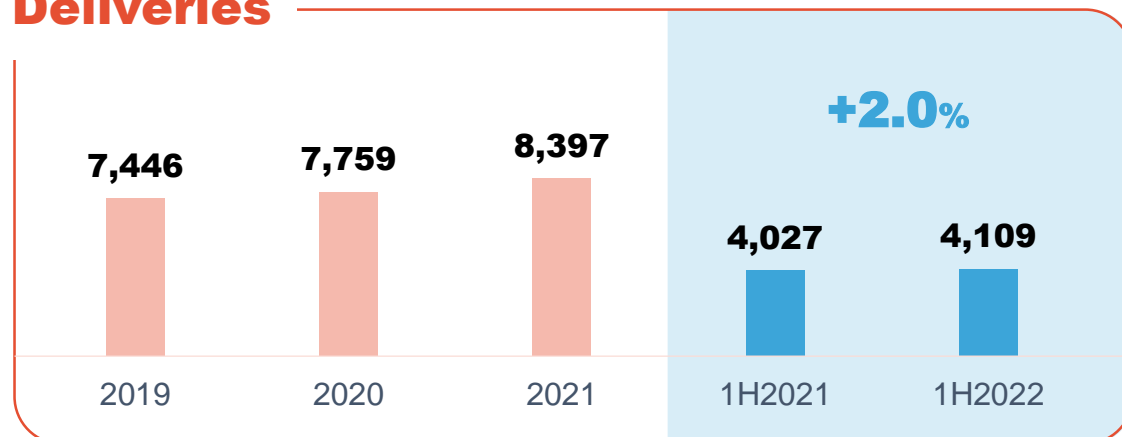
In-patients days



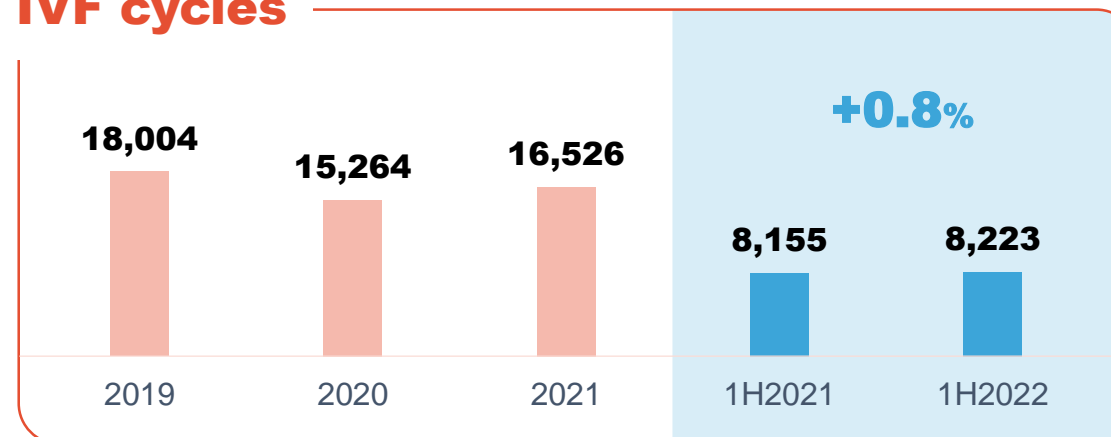
Out-patients visits



Deliveries



IVF cycles



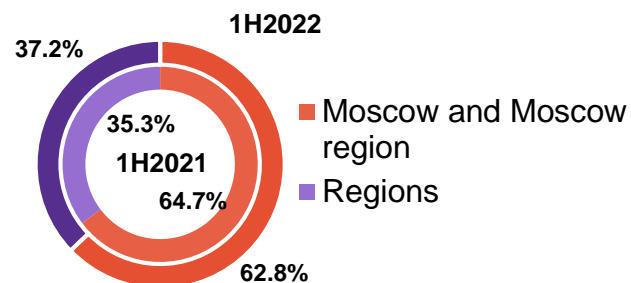


Successful service diversification strategy

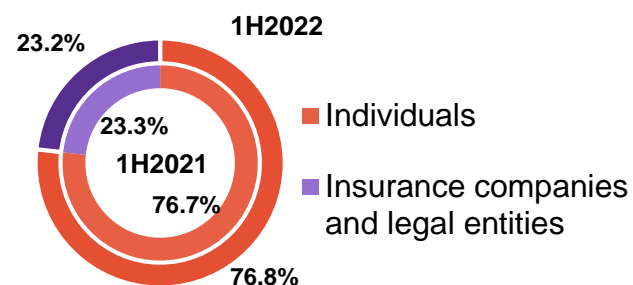
Revenue

revenue structure

in terms of geography

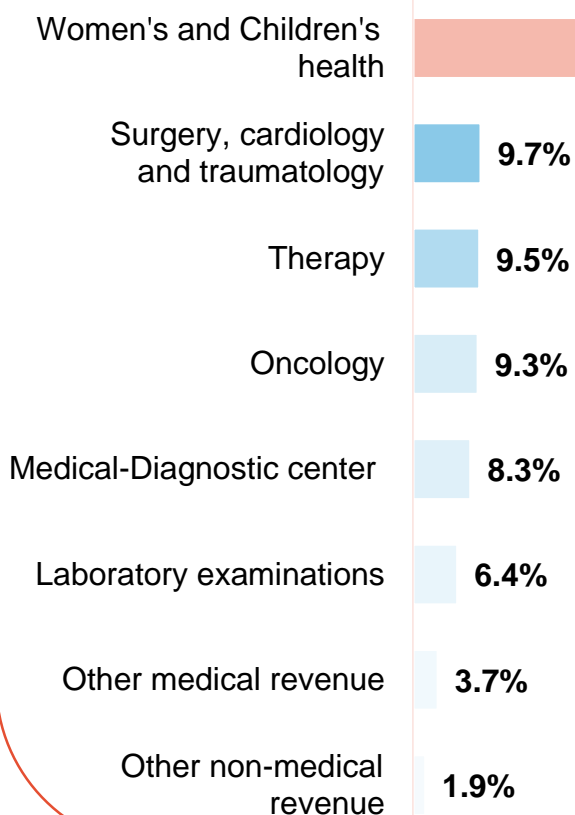


in terms of payers



Revenue decomposition

by types of services



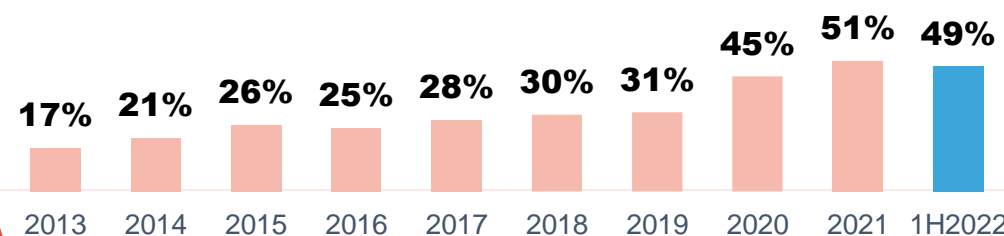
16.9%
Pediatrics

22.4%
Deliveries

32.8%
IVF

27.9%
OBGYN

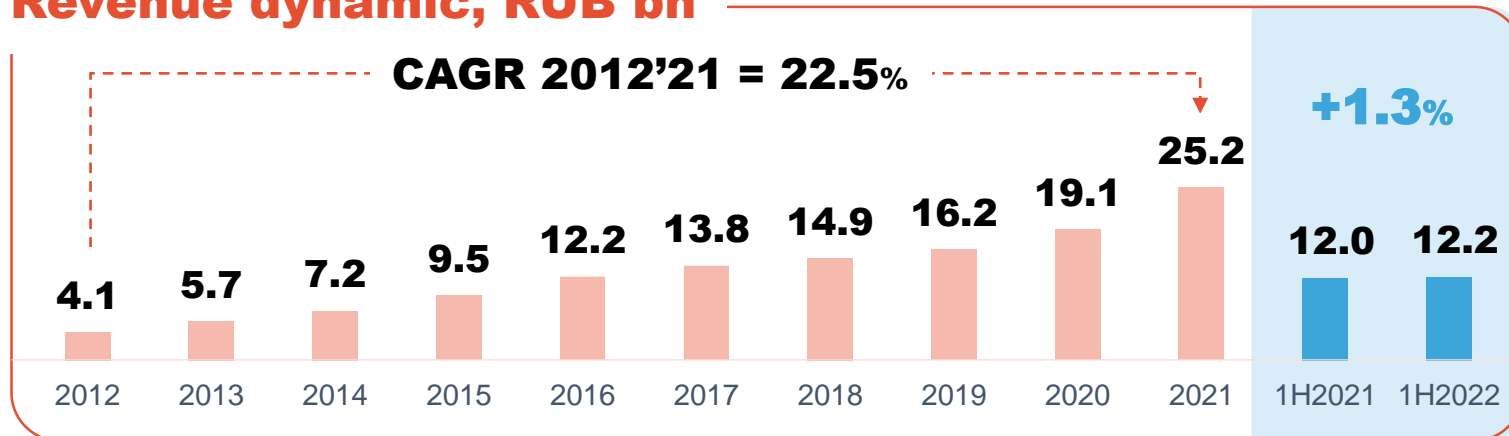
Non Women's and Children's health as % of total Revenue



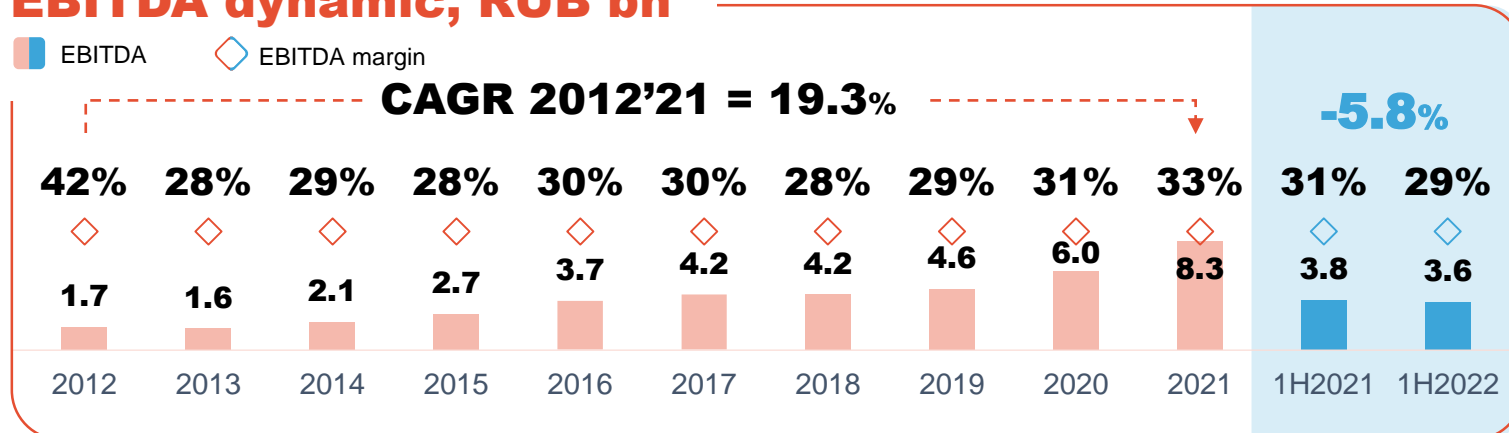


Business Growth Dynamics

Revenue dynamic, RUB bn



EBITDA dynamic, RUB bn



Core achievements

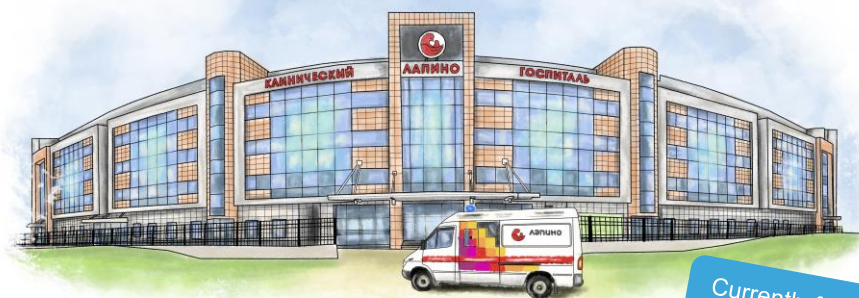


In 1H2022, the Revenue growth was mainly driven by a stable **demand for IVF** in Moscow and the Moscow Region (revenue up 26.4% y-o-y), on-target capacity utilisation rates at **regional hospitals** (revenue up 12.4% y-o-y), and strong performance of new projects – **MD Lakhta** and the **medical cluster in Tyumen**. Efficient cost control allowed maintain a **strong EBITDA margin** of 29.3%

Performance results



Hospitals in Moscow



Currently functions
as Covid-centre

Lapino-1

Flagship hospital
with a wide range
of services

42,000 m²
size

191
beds

Lapino-2

State-of-the-art
oncology centre

18,500 m²
size

120
beds

Lapino-4

Multidisciplinary
healthcare centre

4,200 m²
size

100
beds

MD Group Hospital

Multifunctional hospital
for the whole family



27,600 m²
size



261
beds

Revenue



26.7%

revenue growth
from IVF
1H2022 y/y

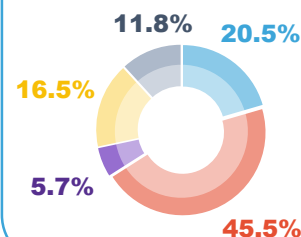
Share of total
Group revenue



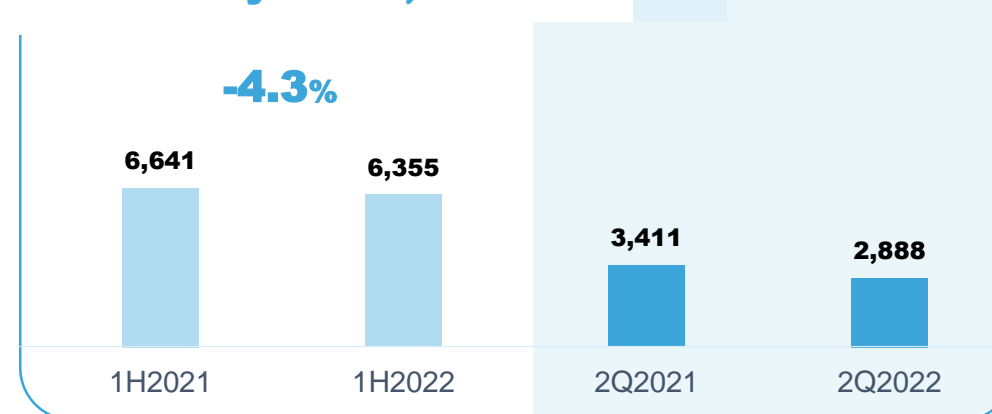
52.0%

Revenue structure

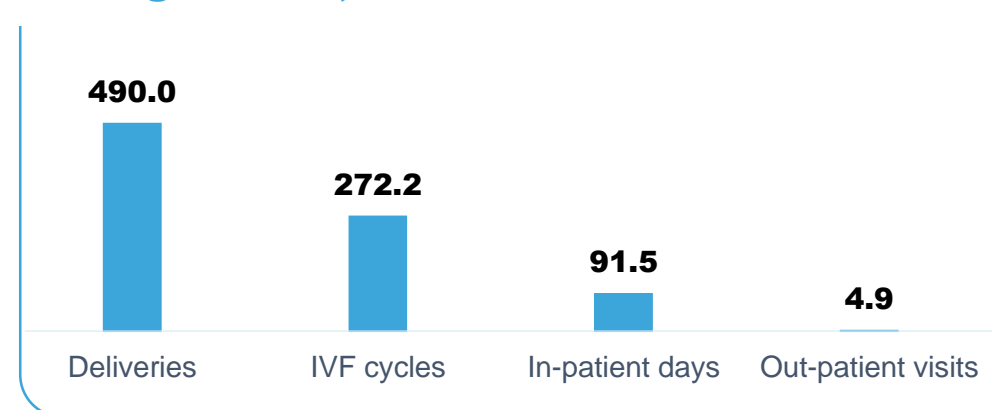
- Out-patient visits
- In-patient days
- IVF cycles
- Deliveries
- Other revenue



Revenue dynamic, RUB mn



Average ticket, RUB ths

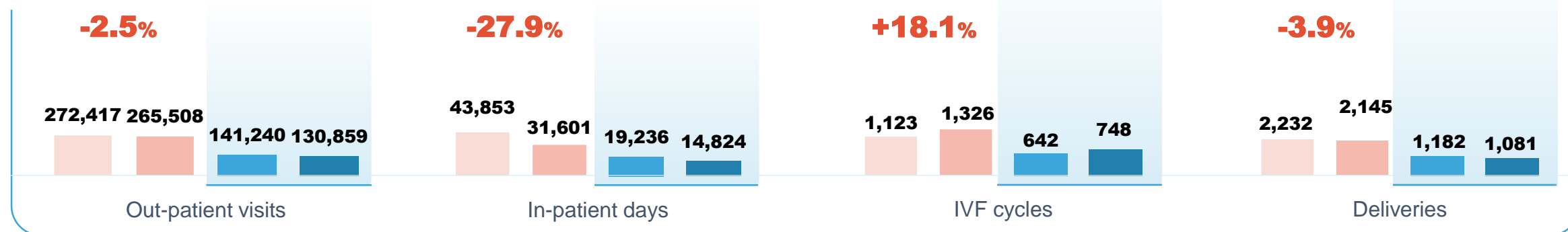




Hospitals in Moscow. Key operational results

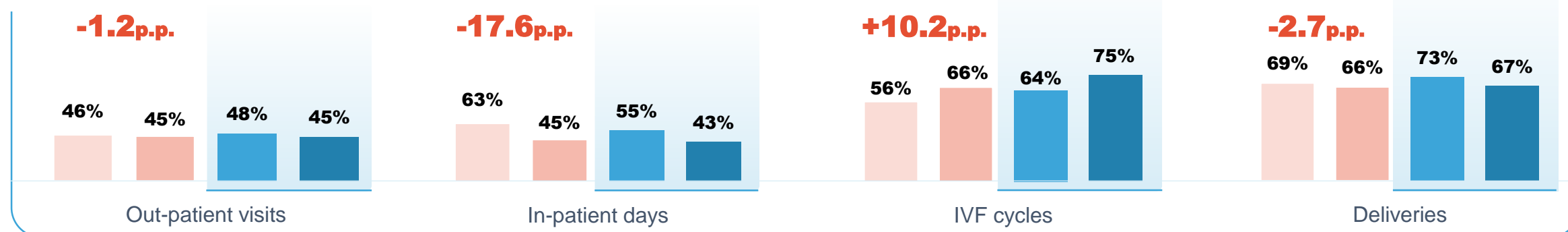
Operating indicators

1H2021 1H2022 2Q2021 2Q2022



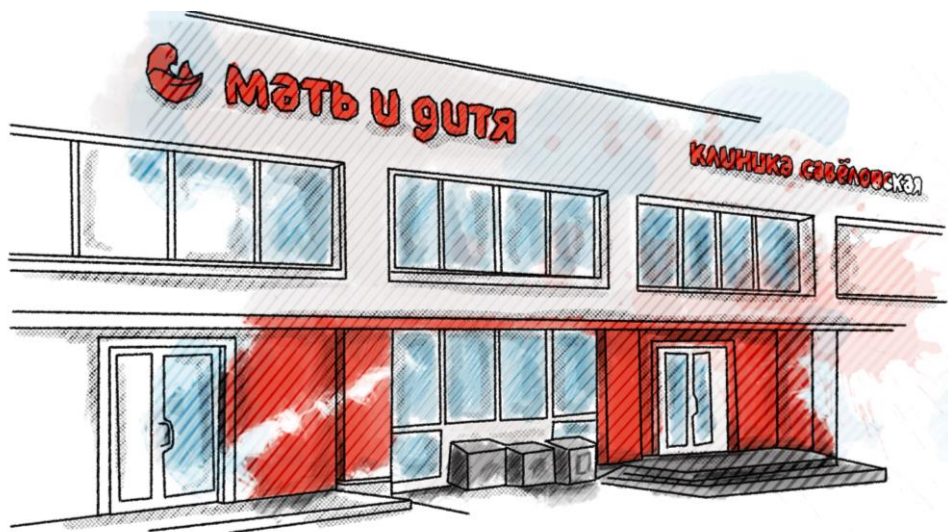
Utilization rate, %

1H2021 1H2022 2Q2021 2Q2022





Out-patient clinics in Moscow and Moscow region



**High-end medical services
for checks and treatments in a
“Close to home” format**



580 m²
clinic
average size



10 clinics
in Moscow
and Moscow region



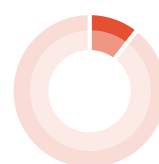
2 labs
MD Lab

Revenue



13.5%
revenue growth
1H2022 y/y

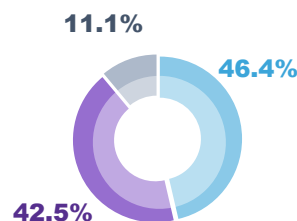
Share of total
Group revenue



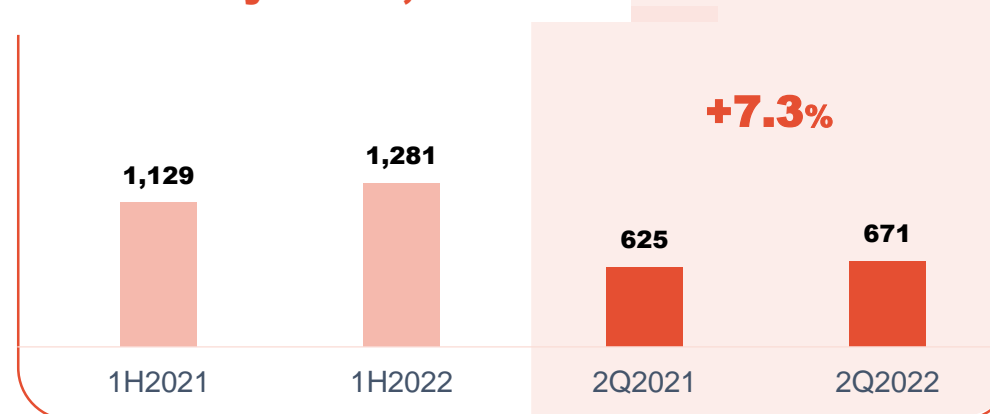
10.5%

Revenue structure

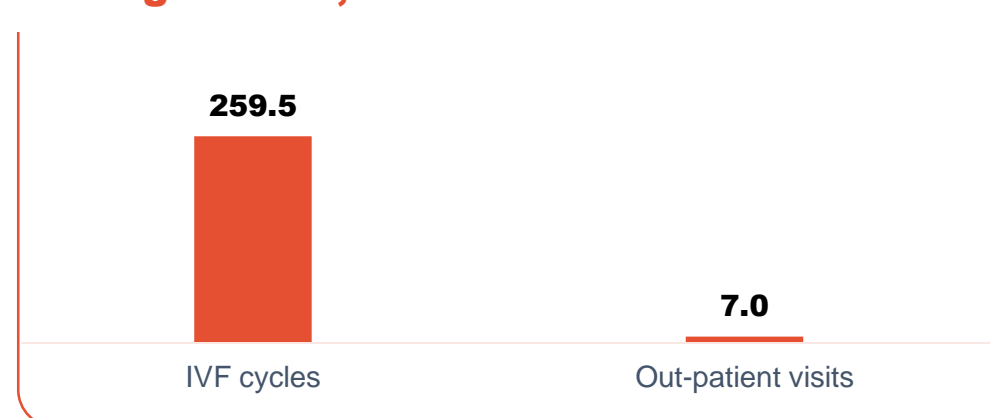
- Out-patient visits
- IVF cycles
- Other revenue



Revenue dynamic, RUB mn



Average ticket, RUB ths





Clinics in Moscow and MR. Key operational results

Operating indicators

1H2021 1H2022 2Q2021 2Q2022



Utilization rate, %

1H2021 1H2022 2Q2021 2Q2022






Hospitals in regions




Wide range of first class medical services in regions

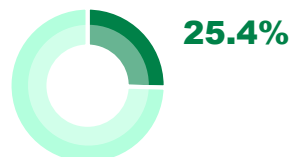
6 hospitals in: Ufa, Samara, Novosibirsk, St Petersburg and Tyumen

	33,000 m² MD Ufa	10,260 m² MD Novosibirsk	9,000 m² MD Lakhta
	15,000 m² MD Samara	15,000 m² MD Tyumen-1	4,750 m² MD Tyumen-2

Revenue

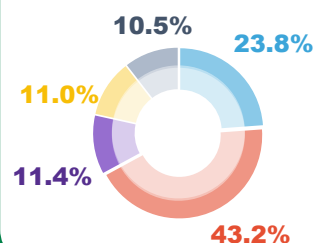
 **12.4%**
revenue growth
1H2022 y/y

Share of total
Group revenue

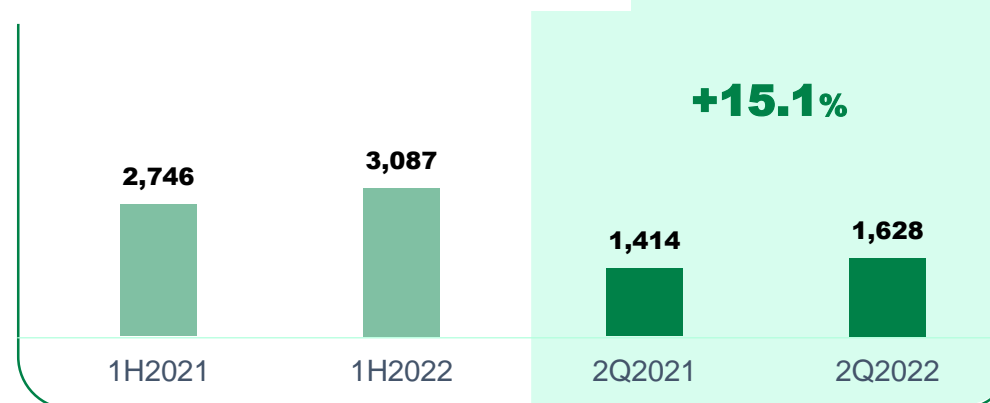


Revenue structure

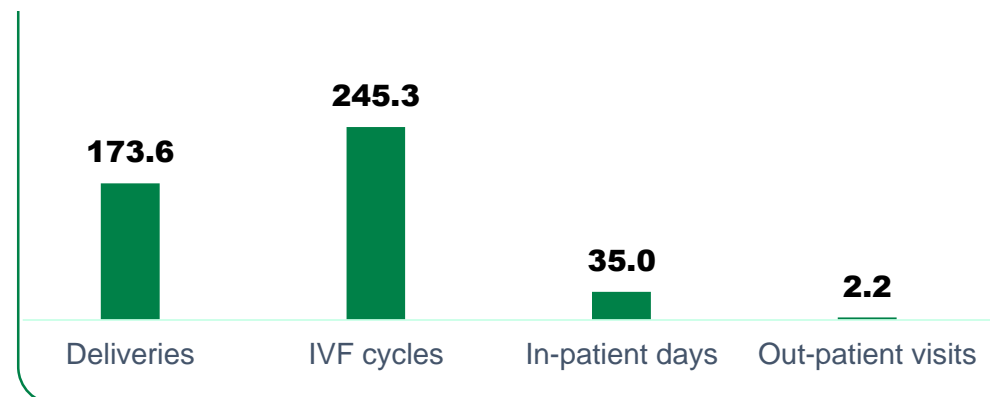
- Out-patient visits
- In-patient days
- IVF cycles
- Deliveries
- Other revenue



Revenue dynamic, RUB mn



Average ticket, RUB ths

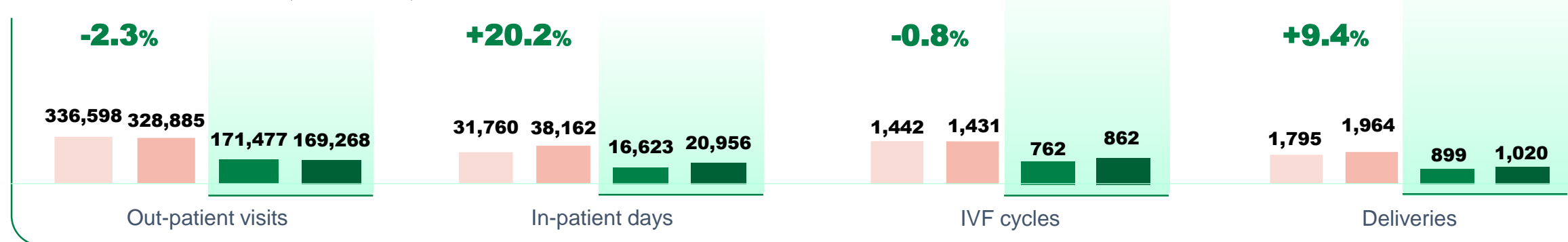




Hospitals in regions. Key operational results

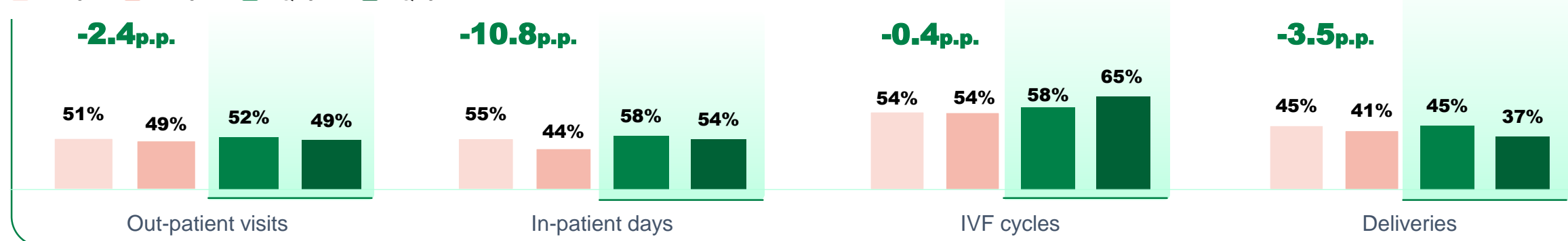
Operating indicators

1H2021 1H2022 2Q2021 2Q2022



Utilization rate¹, %

1H2021 1H2022 2Q2021 2Q2022



¹The main factor in reducing the utilization rate of hospitals is the opening of new facilities (MD Lakhta and MD Tyumen-2)



Out-patient clinics in regions



**High-end medical services
for checks and treatments in a
“Close to home” format**



780 m²
average size



28
clinics



23
cities of
presence

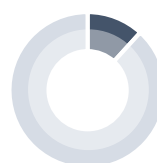
Revenue



9.4%

revenue growth
from out-patient
visits 1H2022 y/y

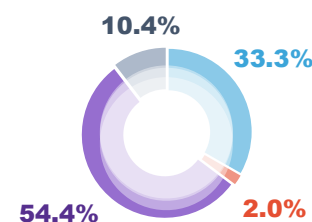
**Share of total
Group revenue**



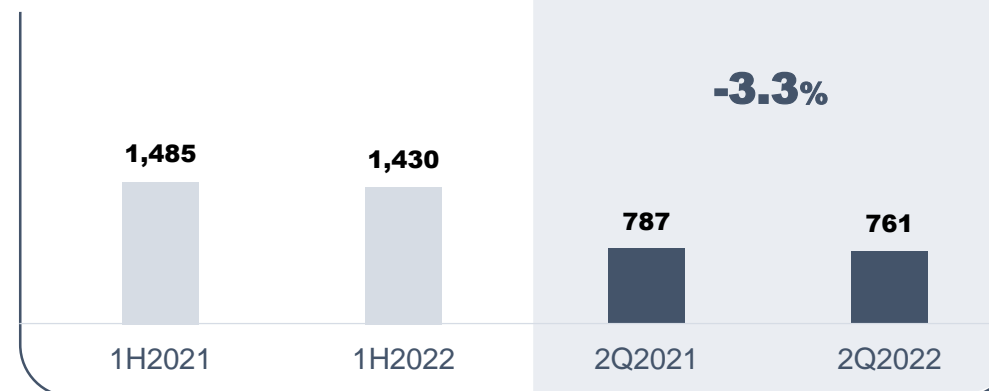
11.8%

Revenue structure

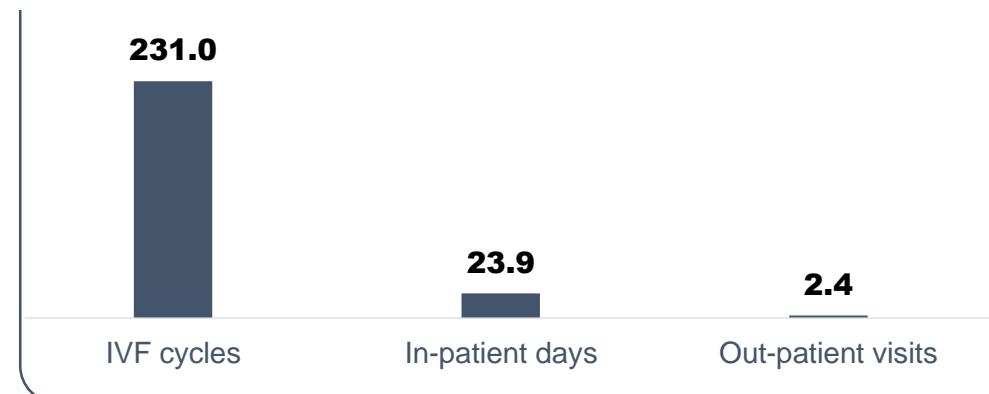
- Out-patient visits
- In-patient days
- IVF cycles
- Other revenue



Revenue dynamic, RUB mn



Average ticket, RUB ths

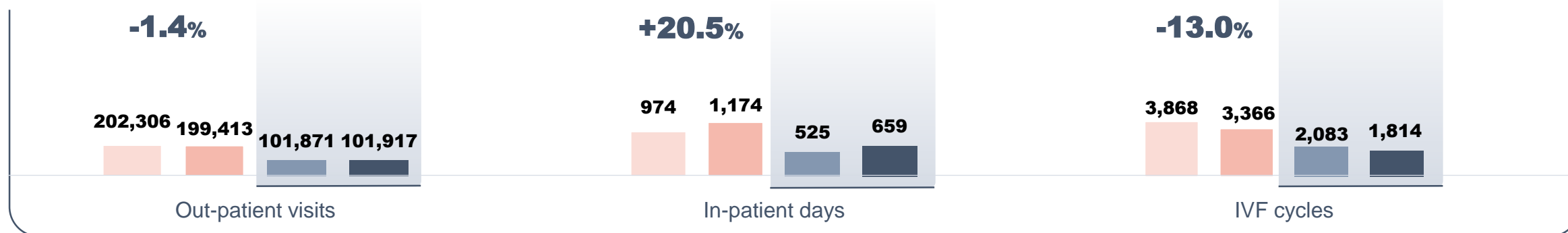




Clinics in regions. Key operational results

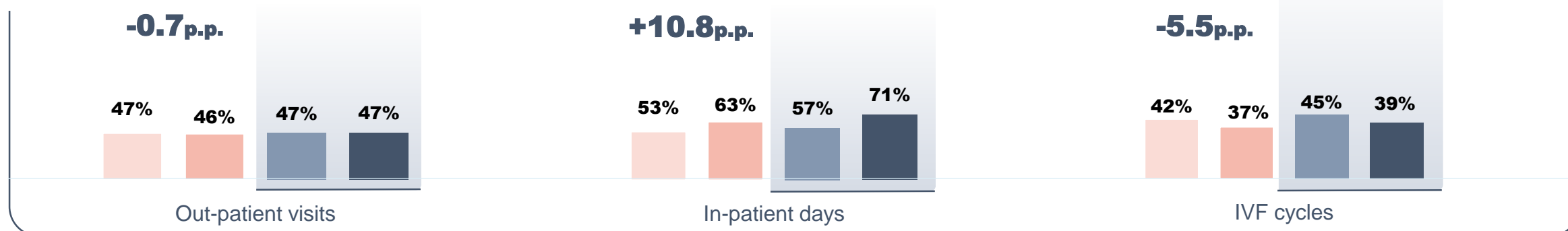
Operating indicators

1H2021 1H2022 2Q2021 2Q2022



Utilization rate, %

1H2021 1H2022 2Q2021 2Q2022



Financial results



Profit and losses statement, RUB mn

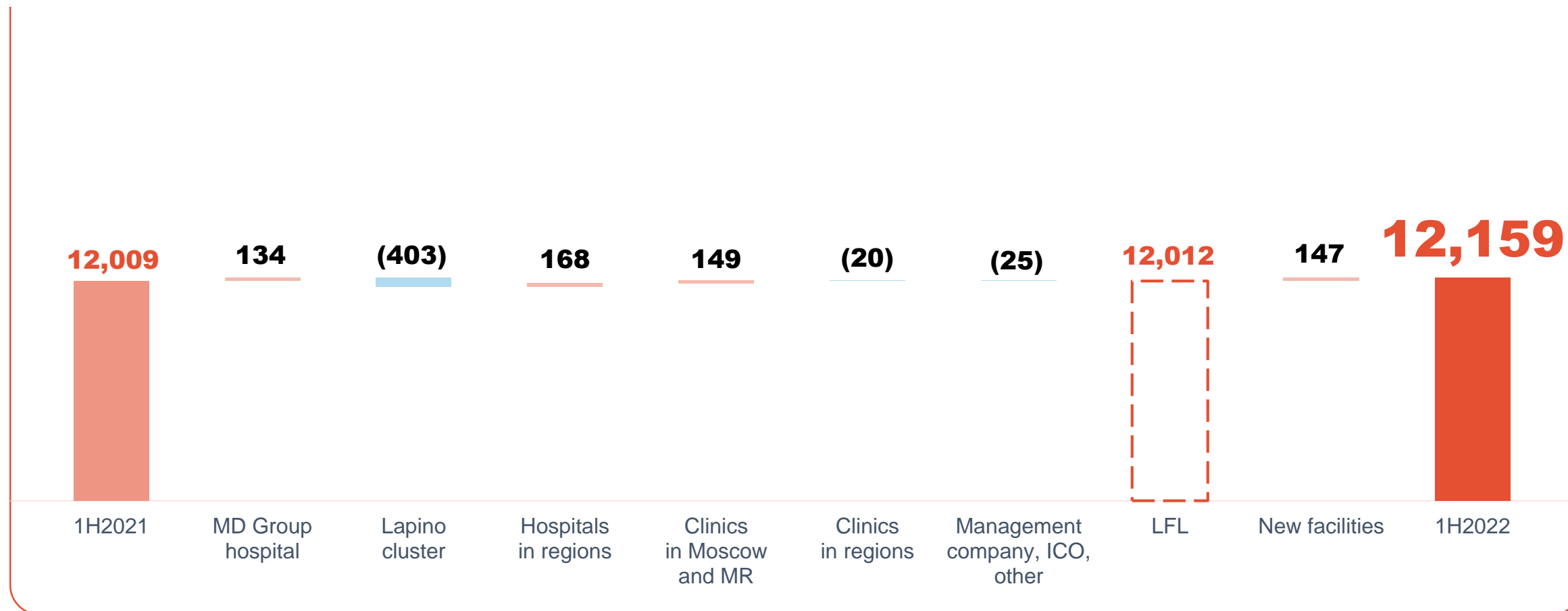
	1H2021	1H2022	YoY growth
Revenue	12,009	12,159	1.3%
Cost of sales	(7,459)	(7,644)	2.5%
Gross profit	4,550	4,514	(0.8%)
Gross margin,%	37.9%	37.1%	(0.8p.p.)
SG&A	(1,594)	(1,773)	11.2%
Other income / (loss), net	22	(13)	n/a
EBITDA	3,777	3,559	(5.8%)
EBITDA margin,%	31.5%	29.3%	(2.2p.p.)
Depreciation and Amortization and other adjustments ¹	(800)	(2,117)	164.8%
EBIT	2,977	1,442	(51.6%)
FX loss	(42)	(198)	369.1%
Net finance expenses	(242)	(134)	(44.5%)
Profit before tax	2,693	1,110	(58.8%)
Taxes	(6)	(3)	(37.2%)
Adjusted Net income¹	2,643	2,393	(9.4%)
Adjusted Net income margin,%	22.4%	19.7%	(2.7p.p.)

¹In 1H2022 adjusted for impairment of CIP, PPE and goodwill amounted to RUB 1,287 mn
In 1H2021 adjusted for other income from the property tax refund amounted to RUB 45 mn



Revenue decomposition

Bridge analysis¹, RUB mn

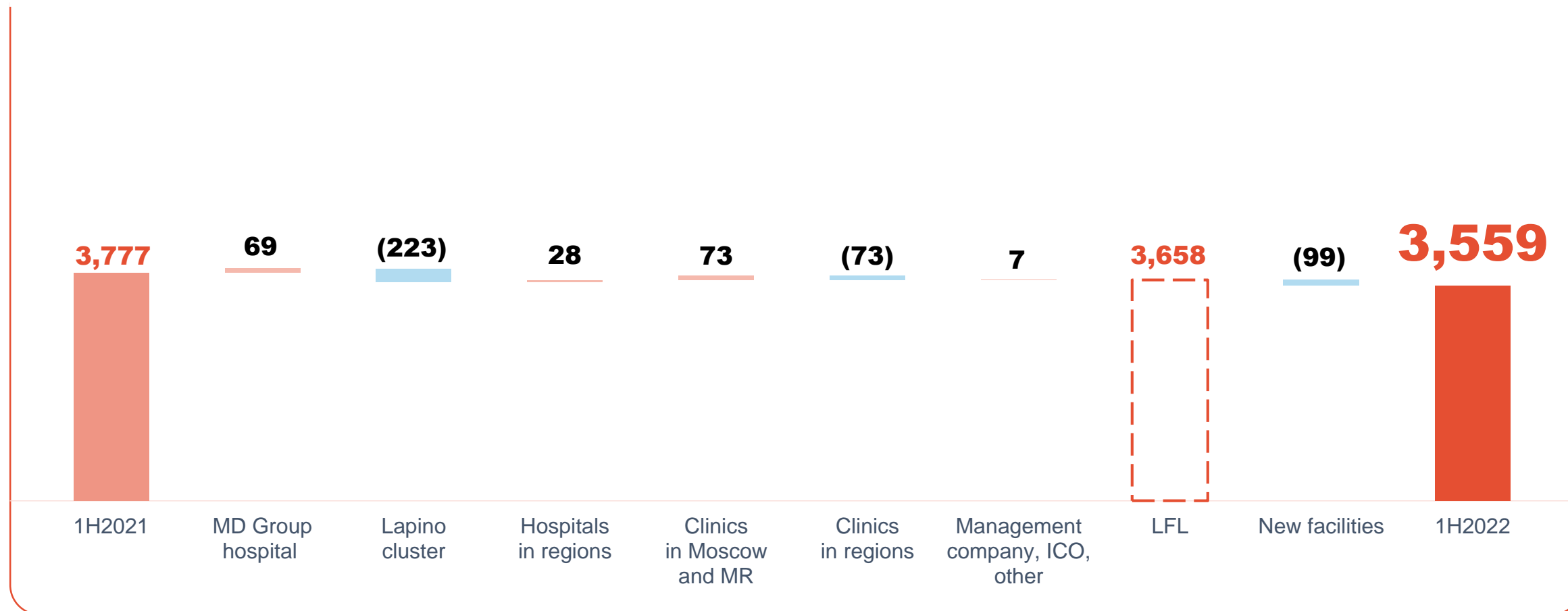


¹Changes in Revenue by assets / segments are presented taking into account intra-group transactions



EBITDA decomposition

Bridge analysis¹, RUB mn



¹Changes in EBITDA by assets / segments are presented taking into account intra-group transactions



Key expenses, RUB mn

X% as of total Revenue

Payroll and Social contributions

38.8%

4,664

1H2021

42.0%

5,110

1H2022

Medical services expenses

1.4%

169

1H2021

1.2%

152

1H2022

Material expenses

22.1%

2,649

1H2021

20.5%

2,496

1H2022

Functional expenses¹

1.1%

127

1H2021

1.4%

168

1H2022

¹Functional expenses include marketing, IT, client service costs, staff training and communication services



Balance sheet¹, RUB mn

Assets	2021	1H2022
Total non-current assets	28,557	27,084
Fixed assets	26,070	25,010
Intangible assets	2,142	1,937
Other non-current assets	344	137
Total current assets	5,726	6,833
Cash and cash equivalents	3,590	4,703
Inventories	1,165	1,156
Trade, other receivables and deferred expenses	971	974
Total assets	34,282	33,916

Equity and liabilities	2021	1H2022
Total long-term liabilities	4,818	3,891
Long-term debt	3,727	2,943
Contract liabilities	460	402
Trade and other payables	625	547
Other long-term liabilities	6	1
Total current liabilities	6,367	5,898
Short-term debt	1,786	1,677
Current trade and other payables	3,010	2,586
Other current liabilities	1,570	1,635
Total Equity	23,097	24,127
Total Equity and liabilities	34,282	33,916

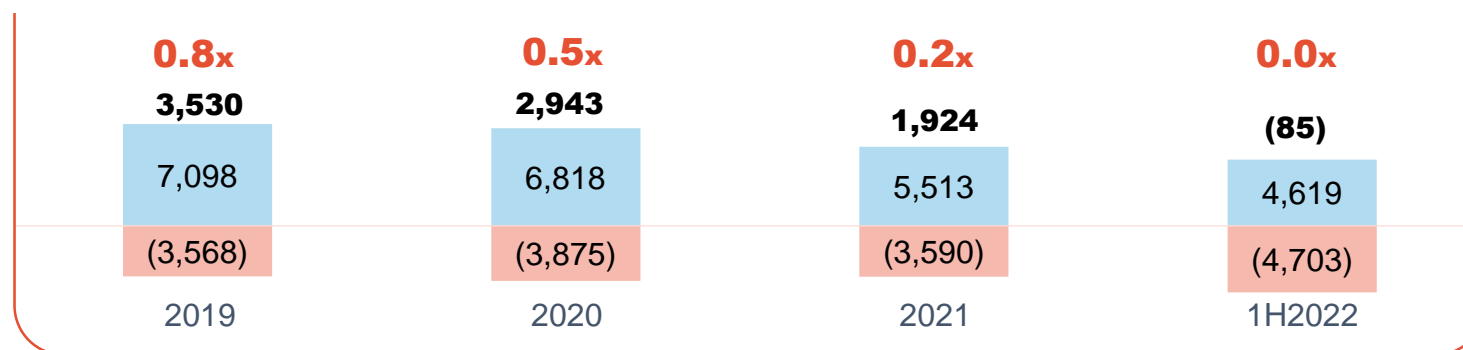
¹Minor variations in calculation of totals and subtotals are due to rounding of decimals



Debt portfolio

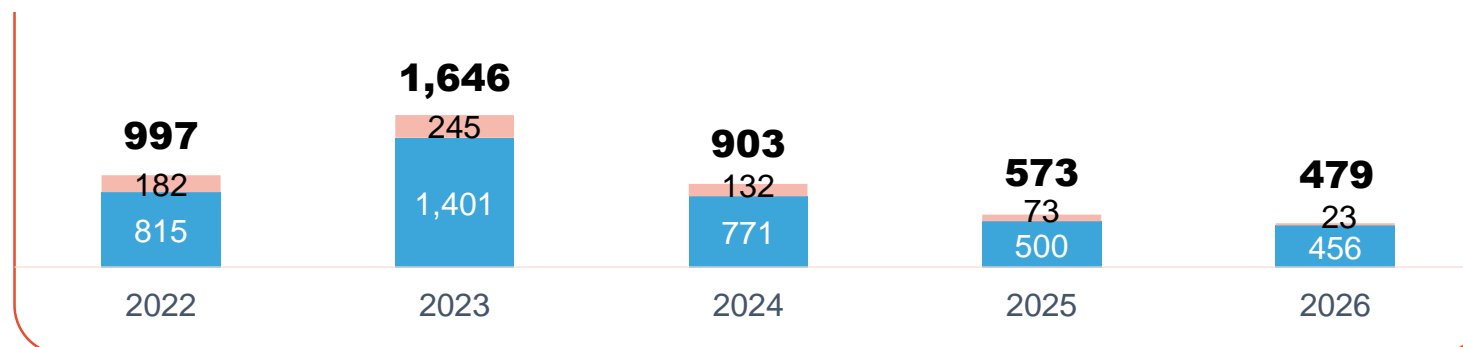
Net debt, RUB mn

■ Cash and short term bank deposits
 ■ Debt
 XX Net Debt/(Net Cash position)
 Xx Net Debt/(Net Cash position) / EBITDA



Repayment schedule¹, RUB mn

■ Interest
 ■ Principal amount



Key highlights



Stable financial position due to a strong cash balance.
Net Cash position as of 1H2022 = RUB 85 mn

Low currency risk = no debt denominated in foreign currency

In Q3 2022, Group **repaid the loan to VTB ahead of schedule** by settling all outstanding obligations in the amount of RUB 2,166 mln

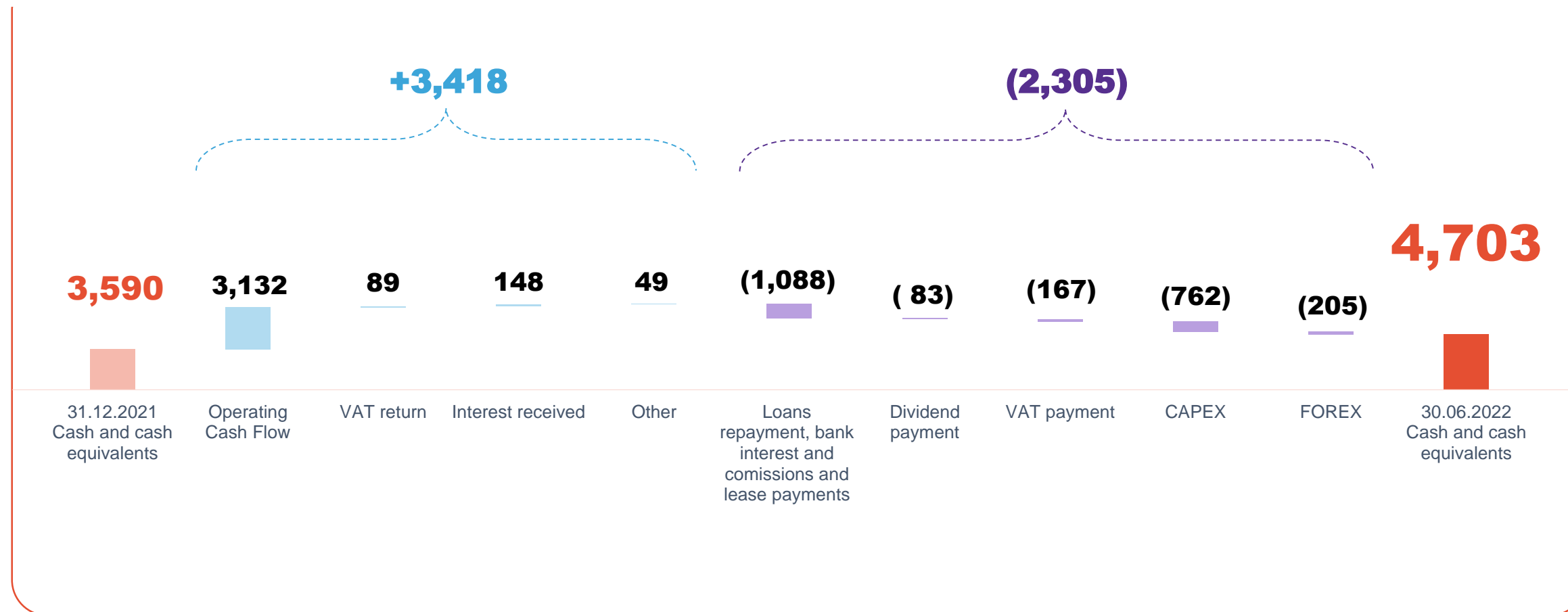
¹Repayment schedule of bank loans is reflected in accordance with the schedule as of the end of 1H2022

In Q3 2022, Group repaid the loan it had taken out from VTB bank in 2018 by settling all outstanding obligations in the amount of RUB 2,166 mln ahead of schedule



Free cash flow

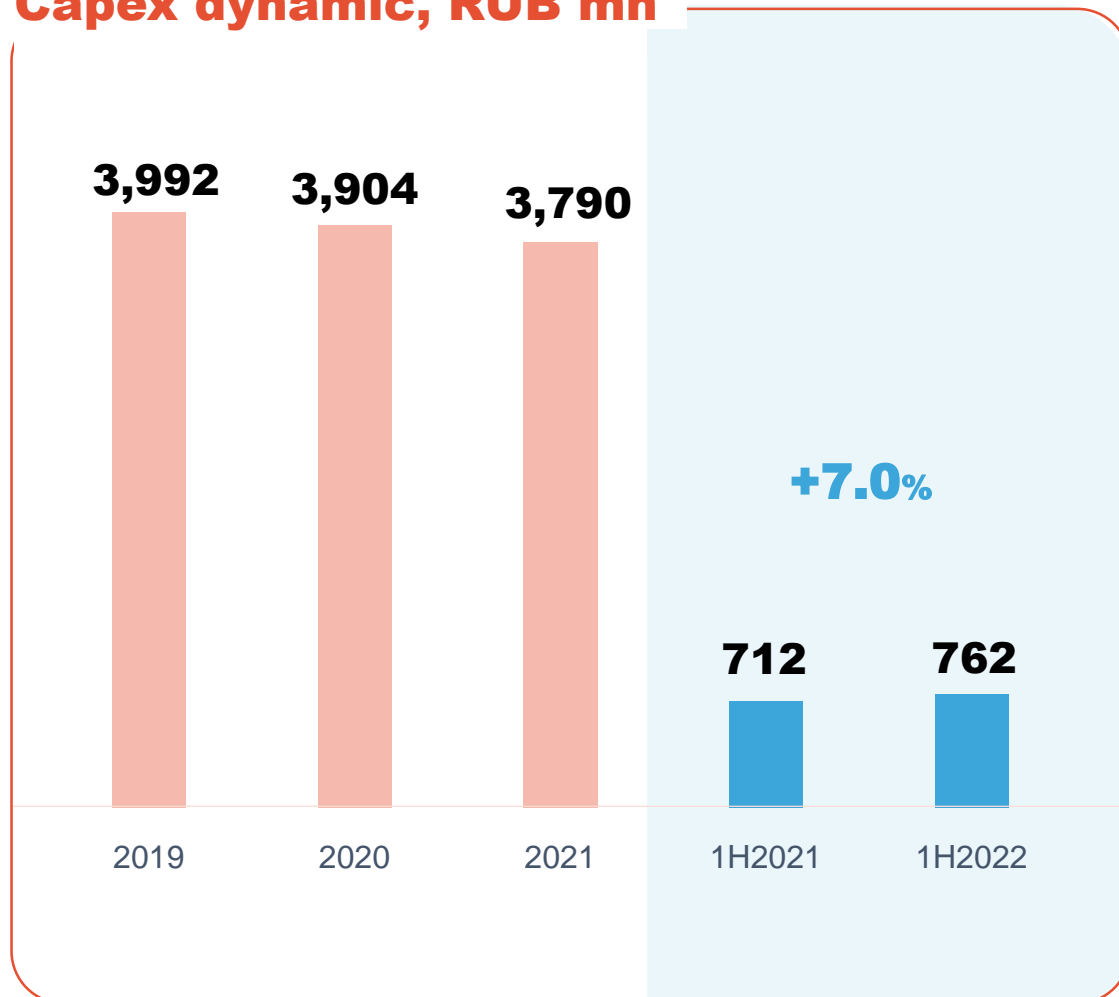
Bridge analysis, RUB mn



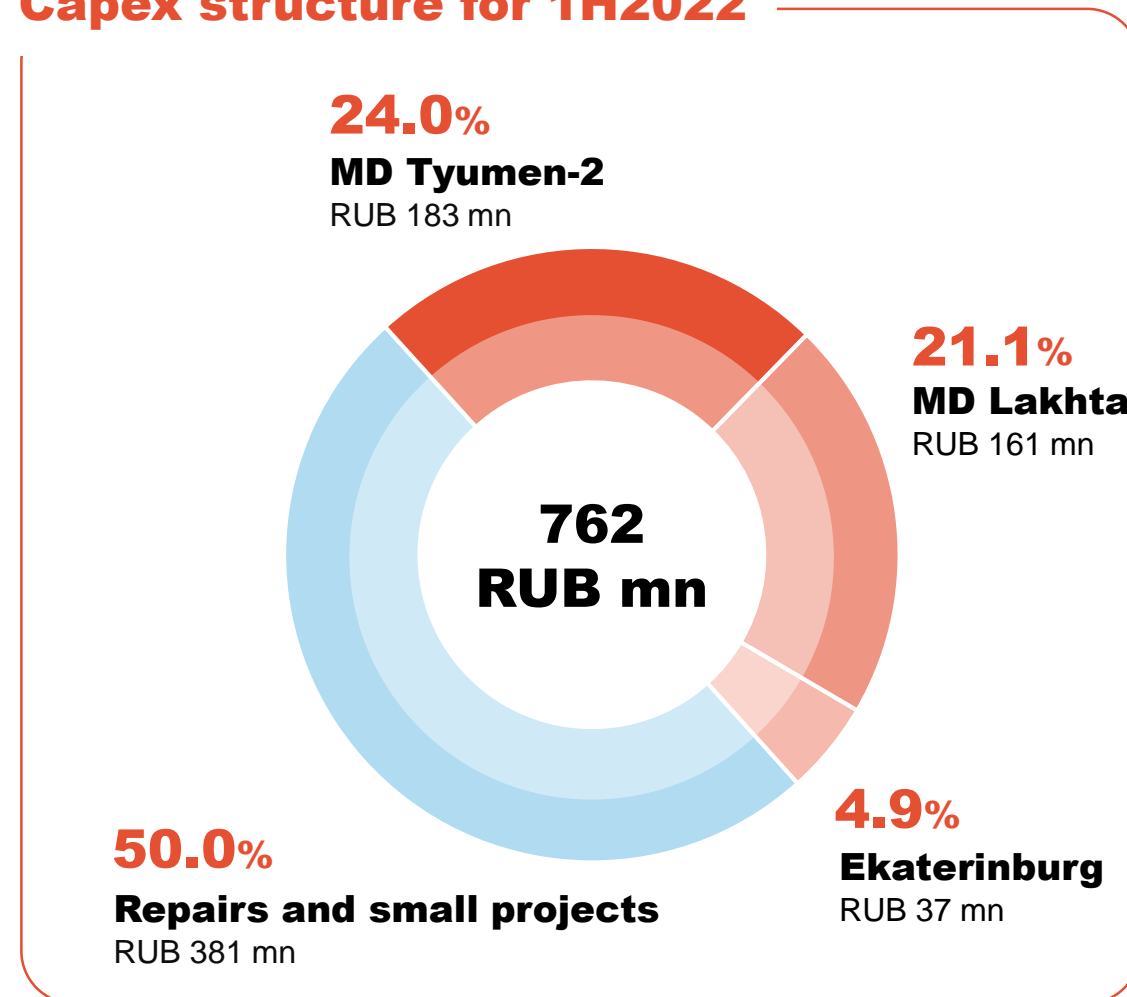


Capex highlights

Capex dynamic, RUB mn



Capex structure for 1H2022





New projects overview – hospitals

	LAUNCHED		PLANNING AND DESIGN STAGE		
					
	MD Lakhta	Tyumen-2	Lapino-3	Lapino-5	Domodedovo
Region	St. Petersburg	Tyumen region	Moscow and Moscow region	Moscow and Moscow region	Moscow and Moscow region
Profile	Multifunctional hospital / Maternity hospital	Covid centre / Infectious building	Nuclear medicine centre	Psychoneurological centre	Multifunctional hospital
Key metrics	9,000 m ² 150 beds	4,750 m ² 100 beds	11,700 m ² PET CT, radio therapy, theranostics	100 beds	15,600 m ² 164 beds
CAPEX, RUB mn	2,000	950	4,000	1,000-1,500	4,000
Expected launch	January 2022	February 2022	2024	Frozen	Frozen



Work in progress – clinics and more



Region



Profile



Key metrics



CAPEX, RUB mn



Expected launch

LAUNCHED



Mother&Child
Butovo

Moscow and
Moscow region

Gynecology

195 m²

16

June 2022



Education

Moscow and
Moscow region

Medical
university

JV with
MGIMO

23

September 2022

LAUNCH

CLINICS IN
MOSCOW
AND MR

Mother&Child
Mytishchi

Moscow and
Moscow region

Gynecology

240 m²

22

2H2022

CLINICS IN
REGIONS

Ekaterinburg

Sverdlovsk
region

IVF cycles

417 m²

50

2H2022

MD LAB

Laboratories

Moscow and
Moscow region

1 collection
station

80 m²

7

2H2022



Working capital highlights

Bridge analysis, RUB mn

Inventories

Accounts receivable

Accounts payable

Contract liabilities

XX% NWC / Revenue

NWC = (2,092)
10.9%

974

1,119



(2,276)



(1,909)

31.12.2020

NWC = (2,250)
8.9%

1,165

1,112



(2,537)



(1,990)

31.12.2021

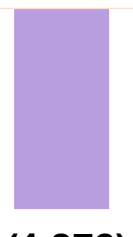
NWC = (1,829)
7.5%

1,156

1,171



(2,180)



(1,976)

30.06.2022

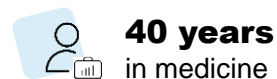


Management overview

**Mark Kurtser**

Founder, CEO and
Member of the Board
of Directors

PhD in medical science,
Member of Russian
Academy of Science

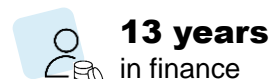


40 years
in medicine

**Andrey Khoperskiy**

First Deputy CEO

Joined the Group in 2013
as Head of Financial
Control and Treasury



13 years
in finance

**Balashova Elena**

Chief Operating Officer

Joined the Group in 2019
as Director of Procurement



8 years
in procurement management

**Yulia Kutakova**

Medical Director for Orga-
nizational and Scientific &
educational work

PhD in medical science



11 years
in medicine

**Sergey Arabadzhyan**

Medical Director for
Technology Innovation

PhD in medical science,
Assistant Professor



17 years
in medicine

**Konoplev Boris**

General Director
of Lapino Medical
Cluster

Practicing obstetrician-
gynecologist



18 years
in medicine

**Yakunina Natalia**

Medical Director,
Head of outpatient clinics,
General Director
of clinical hospital in Ufa

PhD in medical science



31 years
in medicine

**Butkevich Natalia**

Medical Director,
Head of clinical hospitals

PhD in medical science



40 years
in medicine



Doctors overview



Polyakova Olga
Ph.D. in Medicine
Specialist in Pediatrics

25 years
in medicine

- Deputy Chief Physician for Pediatrics of Lapino / Director of the children's center
- Member of Russian Association of perinatal medicine specialists
- Graduated Pirogov Research Medical University
- Order of Nikolai Pirogov
- Winner of the State Prize of the Russian Federation in science and technology



Davydov Mikhail
Ph.D. in Medicine
Specialist in Oncology,
Oncosurgery

10 years
in medicine

- Director of the Oncology Centre Lapino-2
- Member of Russian Academy of Sciences
- Graduated Pirogov Research Medical University
- Head of the Department of Oncology at Sechenov First Moscow State Medical University
- Author and co-author of more than 50 scientific publications in Russian and foreign editions



Mudunov Ali
Ph.D. in Medicine
Specialist in Oncology,
Oncosurgery

24 years
in medicine

- Head of the Department of Head and Neck Tumors
- Member of Russian Academy of Sciences
- Graduated Kabardino-Balkarian State University



Sinitsyna Olga
Specialist in Cytology

22 years
in medicine

- Head of the Group laboratory service
- Member of Russian Academy of Sciences
- Graduated Kabardino-Balkarian State University
- Author of more than 30 scientific publications in Russian and foreign editions



Ahobekov Albert
Ph.D. in Medicine
Specialist in Cardiology,
functional diagnostics

12 years
in medicine

- Head of the Department of Cardiology
- Member of European Society of Cardiology and Russian Society of Cardiology
- Graduated Kabardino-Balkarian State University
- Author of more than 50 scientific publications in Russian and foreign editions



Zeynalova Pervin
Ph.D. in Medicine
Specialist in Oncohematology

20 years
in medicine

- Deputy Director of the Oncology Centre Lapino-2
- Member of Russian Society of Supportive care in Oncology and Multinational Association of Supportive Care in Cancer
- Graduated Azerbaijan Medical University named after N. Narimanov
- Professor of the Department of Oncology at Sechenov First Moscow State Medical University
- Author of more than 70 scientific publications in Russian and foreign editions



Gruzdev Vadim
Ph.D. in Medicine
Specialist in Anesthesiology-
reanimation

26 years
in medicine

- Head of the Department of Anesthesiology and Intensive Care
- Member of Moscow Society of Anesthesiologists-Resuscitators, European Society of Anesthesiologists
- Graduated Sechenov's First Institute of Medicine
- Author and co-author of more than 50 scientific publications in Russian and foreign editions

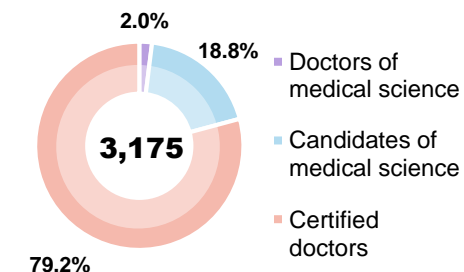


Grigoryan Ashot
Ph.D. in Medicine
Specialist in Cardiology, X-
ray endovascular surgery

20 years
in medicine

- Head of the Department of X-ray Endovascular Methods of Diagnosis and Treatment
- Member of Russian Society of Specialists in Endovascular Methods of Diagnosis and Treatment
- Graduated Pirogov Research Medical University
- Winner of the State Prize of the Russian Federation in science and technology
- Winner of the "Vocation" Prize for the creation of a new method of treatment

Medical degrees



Doctors Nurses Administrative stuff

1H2022	3,175	2,868	2,554	8,597
2021	3,093	2,817	2,549	8,459
2020	3,097	2,721	2,456	8,274
2019	2,849	2,563	2,340	7,752



Contacts

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