



# **MDMG**

## **Financial results**

**IFRS 1H 2023**



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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



**28**

cities  
of presence



**49<sup>1</sup>**

total number  
of facilities



**8.4<sup>2</sup>**  
ths

employees

## Stable financial position

driven by sustainable EBITDA margin and strong cash balance



**32%**

EBITDA margin  
1H2023



**6RUB bn**

Net Cash position  
1H2023



**76%**

level of out-of-  
pocket payment



**189<sup>ths</sup>**

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

<sup>1</sup>As of publication date


<sup>2</sup>As of 30.06.2023



# Healthcare network<sup>1</sup>

 **7**  
number  
of districts

 **26**  
number  
of regions

 **28**  
number of cities  
and towns

 **207 ths m<sup>2</sup>**  
total area



 **39**  
out-patient  
clinics

 **10**  
hospitals

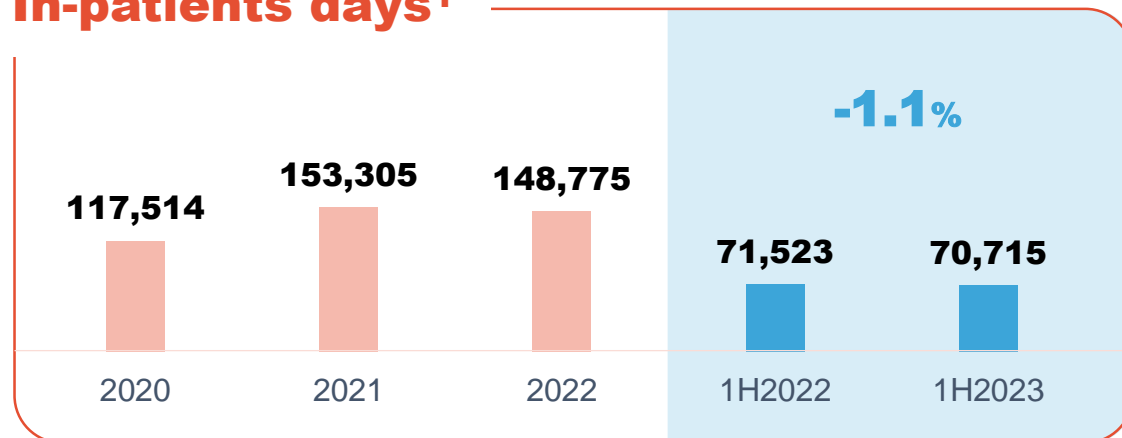
 **1**  
MGIMO-MED

<sup>1</sup>As of publication date. The information on the slide reflects the federal districts of the Russian Federation only as far as the Group's presence is concerned

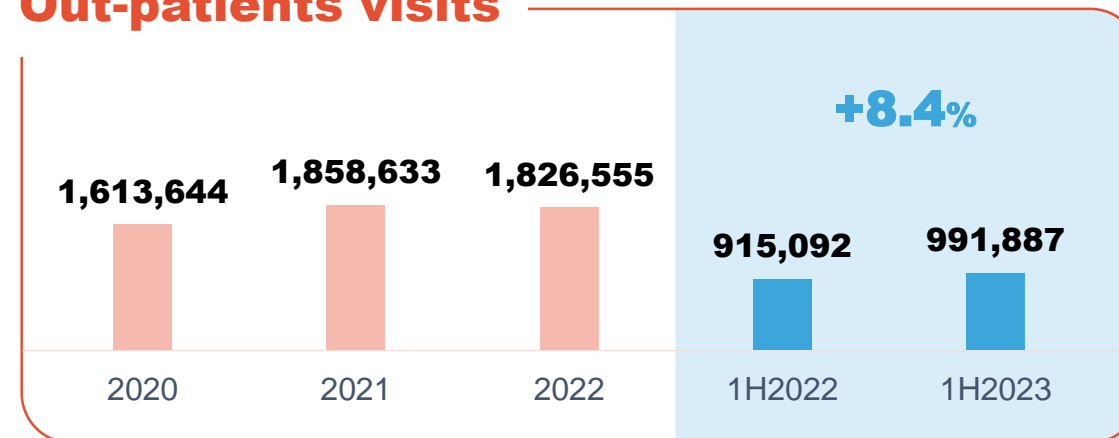


# Key operational results

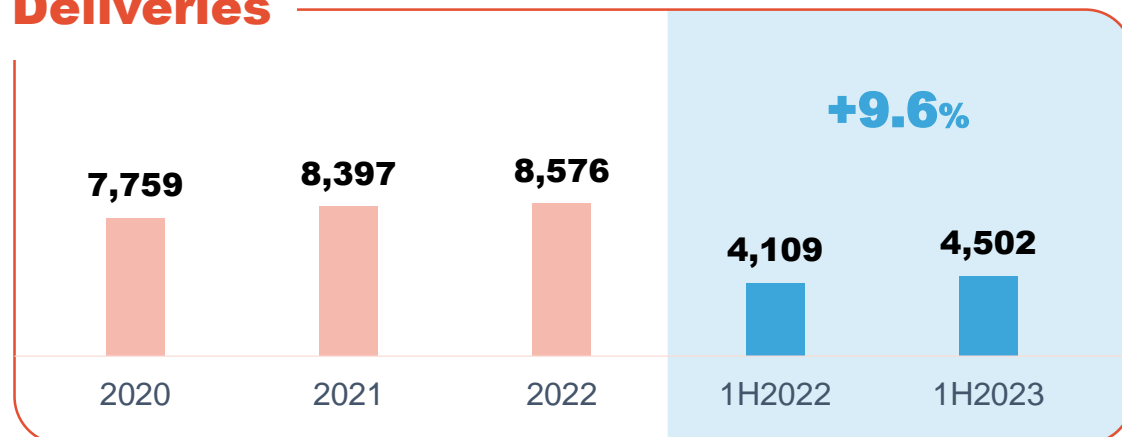
## In-patients days<sup>1</sup>



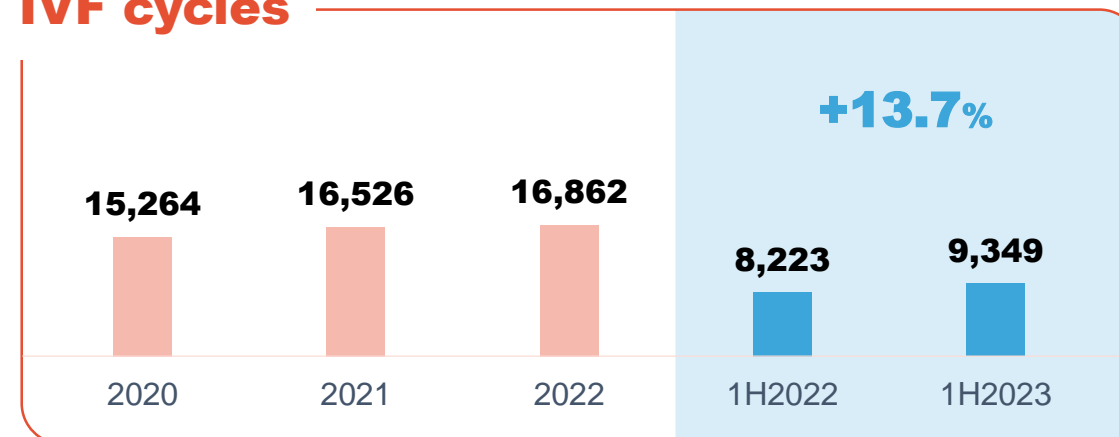
## Out-patients visits



## Deliveries



## IVF cycles



<sup>1</sup>Adjustments in 1H2022 are associated with a change in the accounting methodology in 2023 of the Group's operating indicators

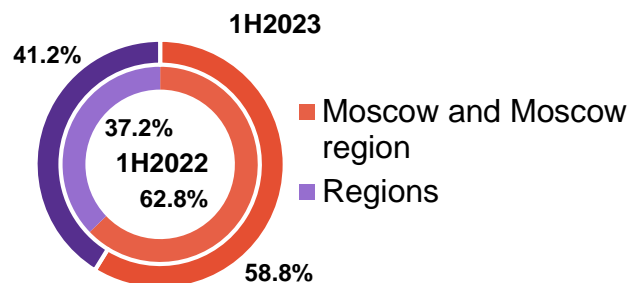


# Successful service diversification strategy

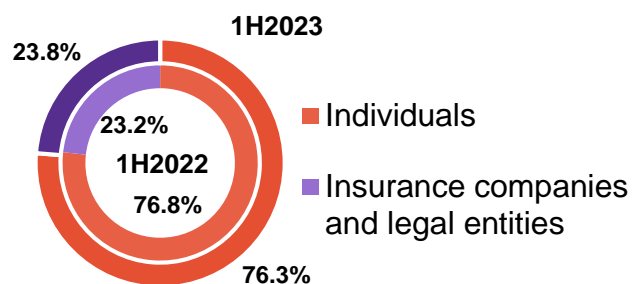
## Revenue

revenue structure

### in terms of geography

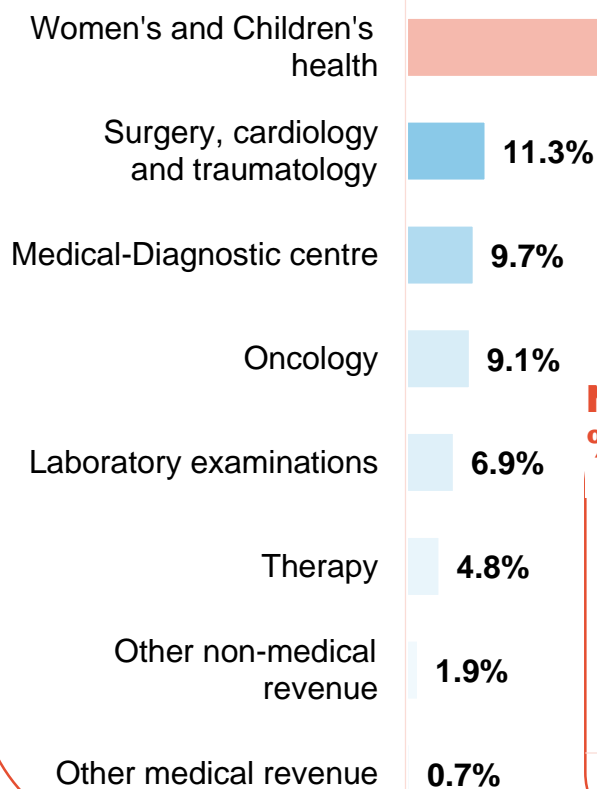


### in terms of payers



## Revenue decomposition

by types of services



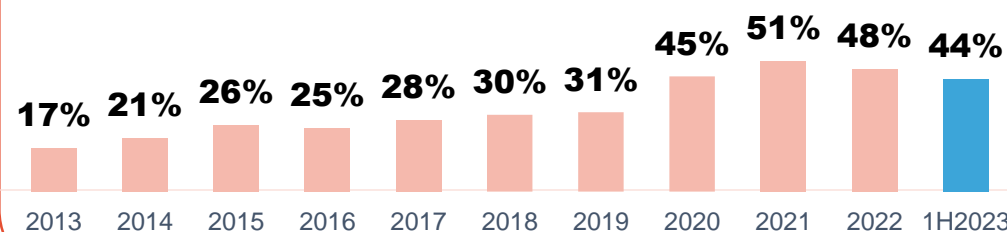
16.9%  
Pediatrics

20.0%  
Deliveries

35.3%  
IVF

27.8%  
OBGYN

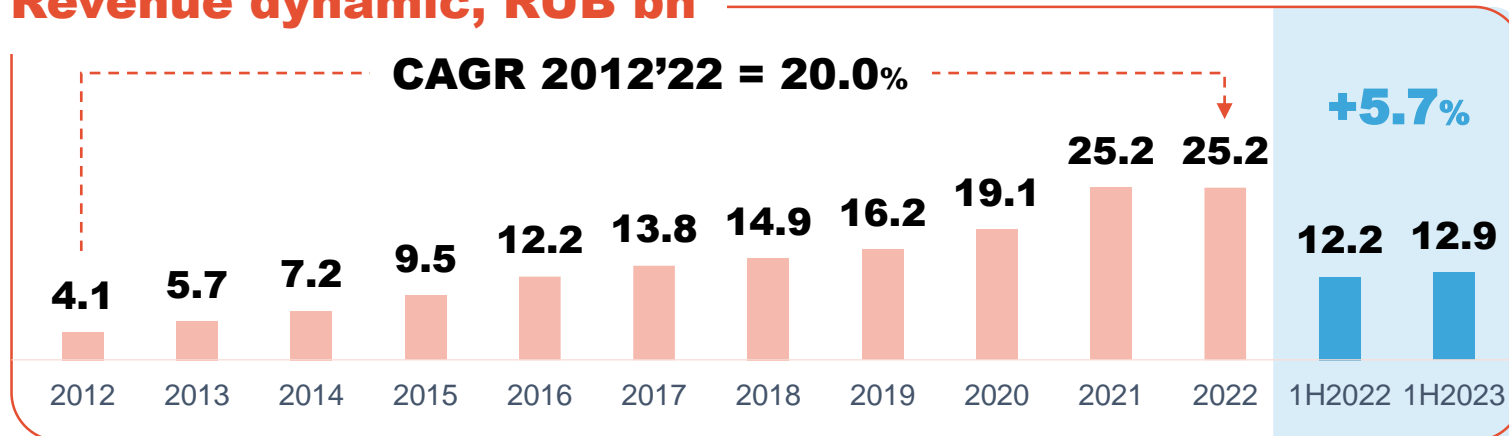
### Non Women's and Children's health as % of total Revenue



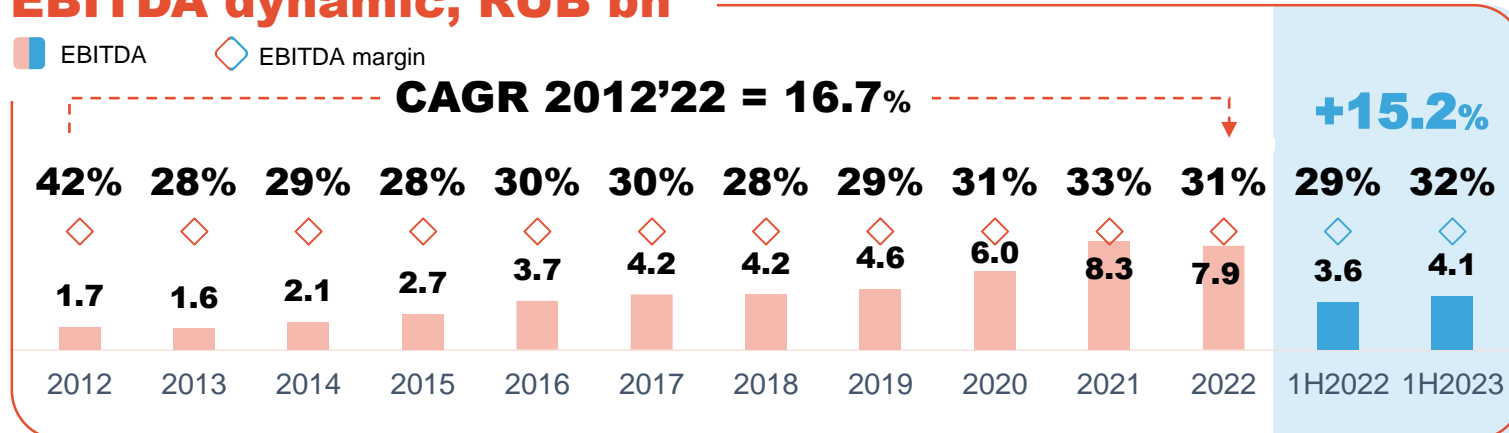


# Business Growth Dynamics

## Revenue dynamic, RUB bn



## EBITDA dynamic, RUB bn



## Core achievements



In 1H2023, the Revenue growth was mainly driven by a stable **demand for IVF** in Moscow and regions (revenue up 23.7% y-o-y), on-target capacity utilisation rates at **regional multifunctional hospitals** (revenue up 14.8% y-o-y), and strong performance of new projects – **MD Group Lakhta** and **Tyumen-2**.

Efficient cost control allowed to increase **EBITDA margin** by 3 p.p. to 31.9%.

# Performance results





# Hospitals in Moscow



## Lapino-1

Flagship hospital with a wide range of services

**42,000 m<sup>2</sup>**  
size

**191**  
beds

## Lapino-2

State-of-the-art oncology centre

**18,500 m<sup>2</sup>**  
size

**120**  
beds

## Lapino-4

Infectious diseases hospital

**4,200 m<sup>2</sup>**  
size

**100**  
beds

## MD Group Hospital

Multifunctional hospital for the whole family



**27,600 m<sup>2</sup>**  
size



**261**  
beds

## Revenue



**25.8%**

revenue growth from IVF  
1H2023 y/y

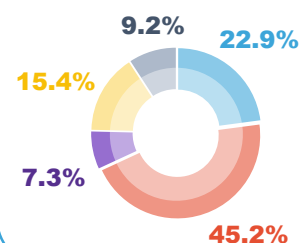
Share of total  
Group revenue



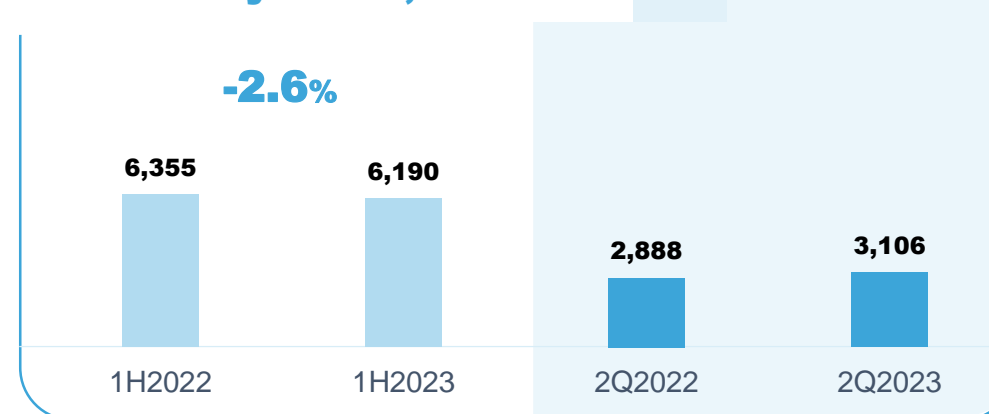
**48.2%**

## Revenue structure

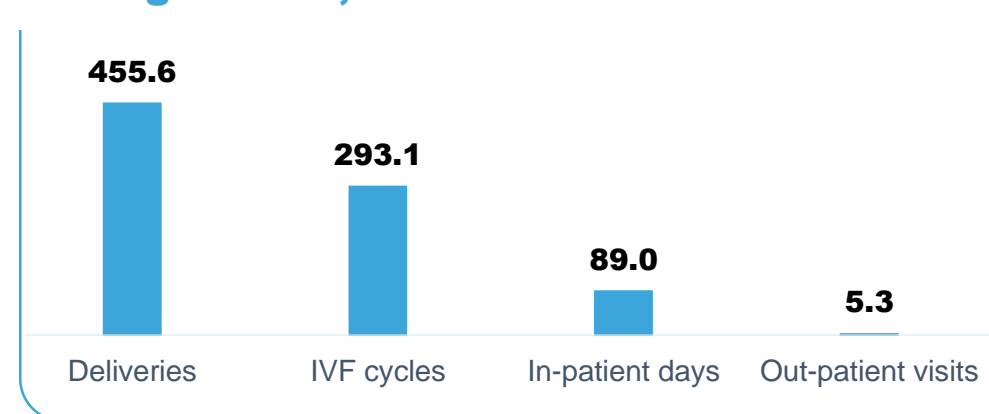
- Out-patient visits
- In-patient days
- IVF cycles
- Deliveries
- Other revenue



## Revenue dynamic, RUB mn



## Average ticket, RUB ths

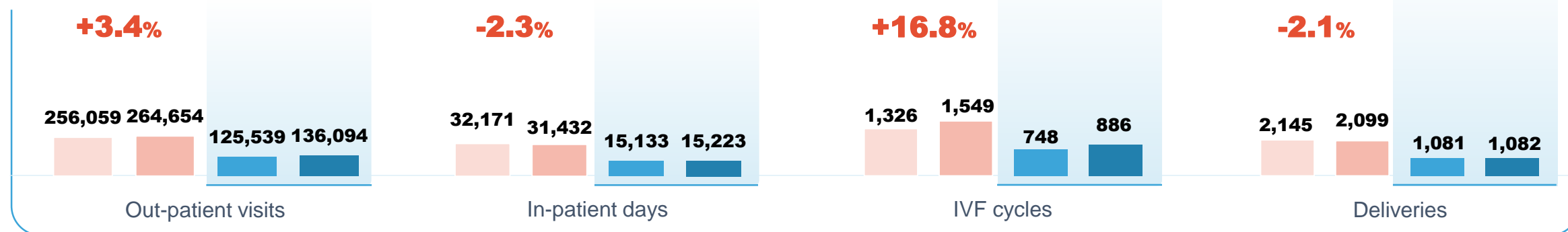




# Hospitals in Moscow. Key operational results

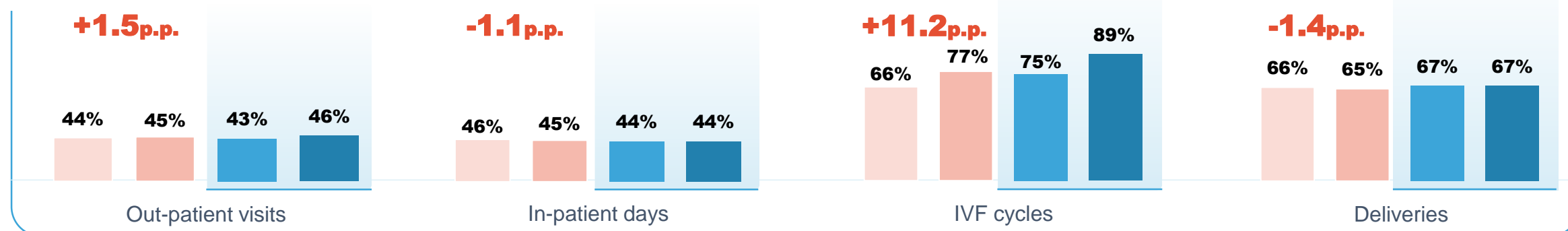
## Operating indicators

1H2022 1H2023 2Q2022 2Q2023



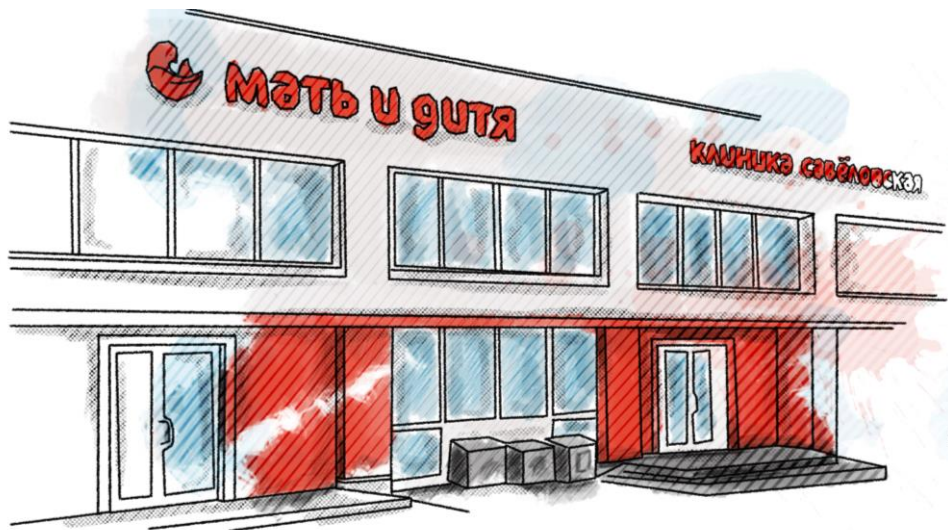
## Utilization rate, %

1H2022 1H2023 2Q2022 2Q2023





# Out-patient clinics in Moscow and Moscow region



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



**590 m<sup>2</sup>**

clinic  
average size



**10 clinics**

in Moscow  
and Moscow region

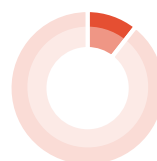
## Revenue



**6.2%**

revenue growth  
1H2023 y/y

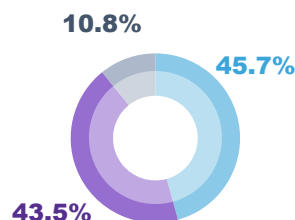
**Share of total  
Group revenue**



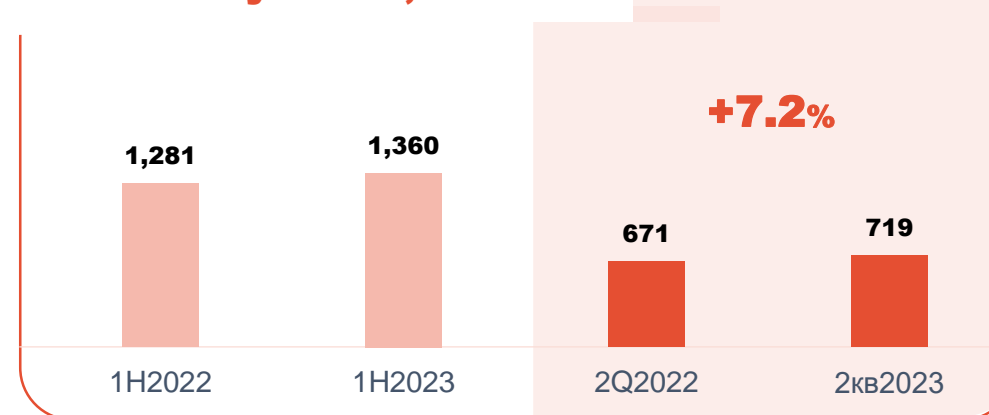
**10.6%**

## Revenue structure

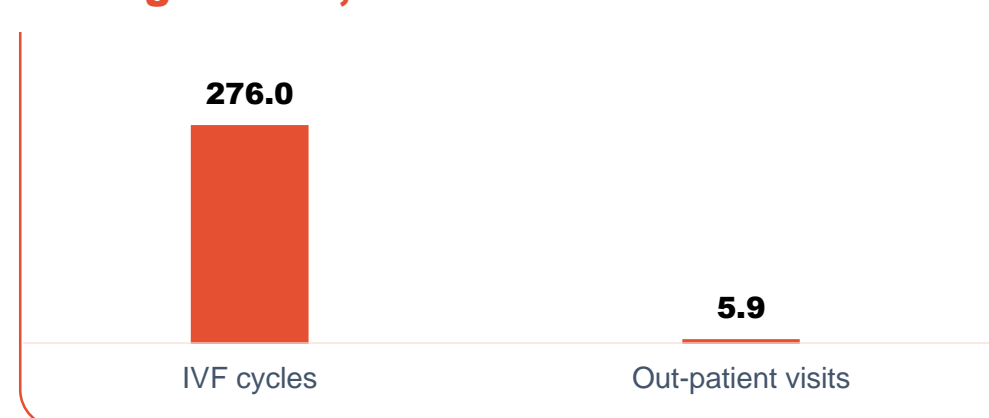
- Out-patient visits
- IVF cycles
- Other revenue



## Revenue dynamic, RUB mn



## Average ticket, RUB ths





# Clinics in Moscow and MR. Key operational results

## Operating indicators

1H2022 1H2023 2Q2022 2Q2023



## Utilization rate<sup>1</sup>, %

1H2022 1H2023 2Q2022 2Q2023



<sup>1</sup>The main factor in reducing the utilization rate of clinics in terms of out-patient visits is the opening of a new medical centre in Butovo and Mytishchi





# Hospitals in regions




## Wide range of first class medical services in regions

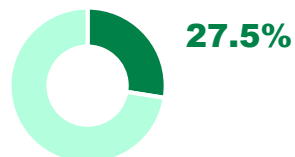
**6** hospitals in: Ufa, Samara, Novosibirsk, St Petersburg and Tyumen

	<b>33,000 m<sup>2</sup></b> MD Ufa	<b>10,260 m<sup>2</sup></b> MD Novosibirsk	<b>9,000 m<sup>2</sup></b> MD Group Lakhta
	<b>15,000 m<sup>2</sup></b> MD Samara	<b>15,000 m<sup>2</sup></b> MD Tyumen-1	<b>4,750 m<sup>2</sup></b> MD Tyumen-2

## Revenue

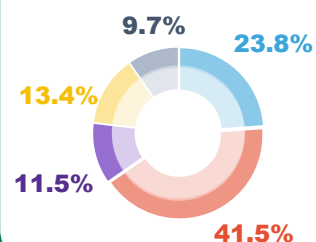
 **14.6%**  
revenue growth  
1H2023 y/y

Share of total  
Group revenue

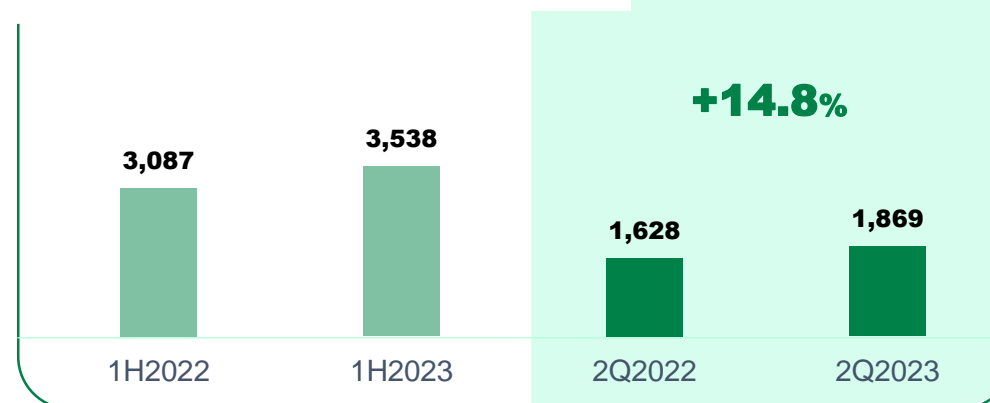


## Revenue structure

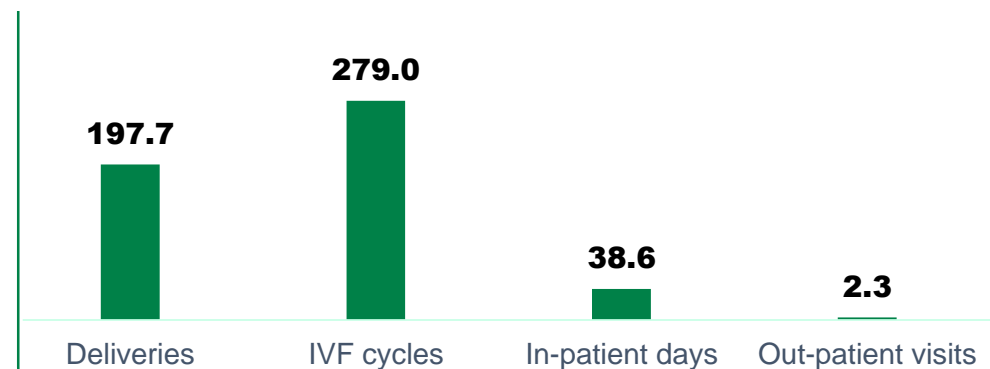
- Out-patient visits
- In-patient days
- IVF cycles
- Deliveries
- Other revenue



## Revenue dynamic, RUB mn



## Average ticket, RUB ths

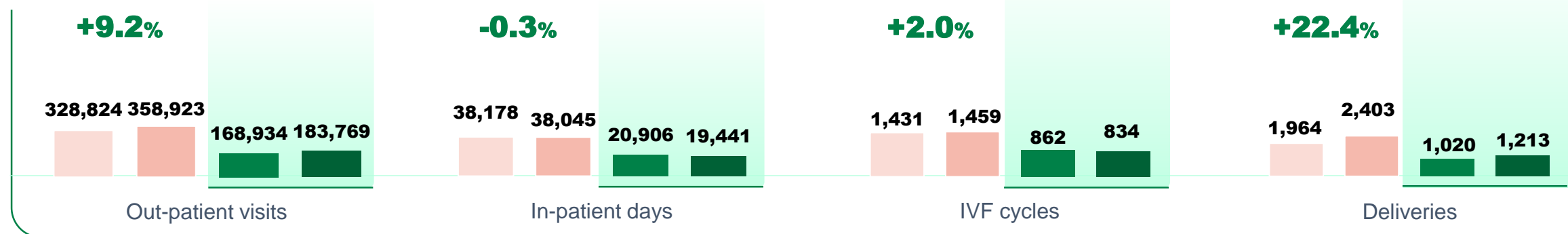




# Hospitals in regions. Key operational results

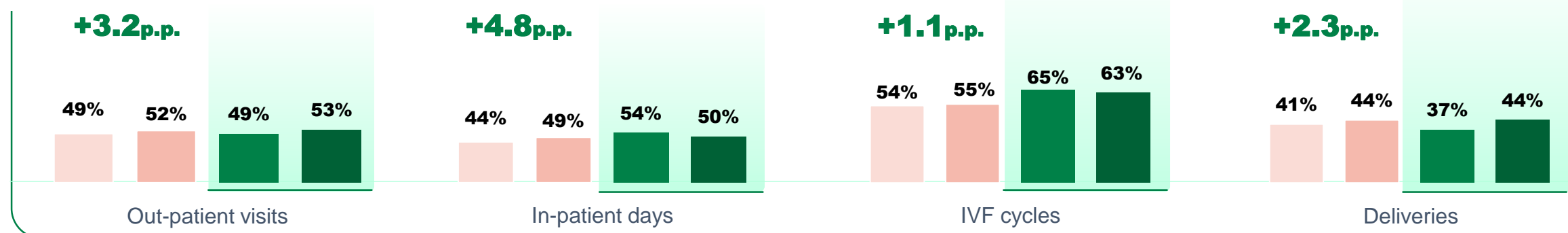
## Operating indicators

1H2022 1H2023 2Q2022 2Q2023



## Utilization rate, %

1H2022 1H2023 2Q2022 2Q2023





# Out-patient clinics in regions



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



**765 m<sup>2</sup>**  
average size



**29**  
clinics



**24**  
cities of  
presence

## Revenue



**22.6%**  
revenue growth  
1H2023 y/y

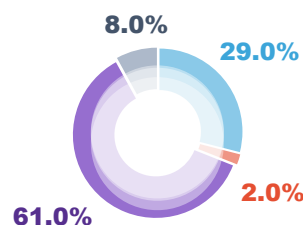
**Share of total  
Group revenue**



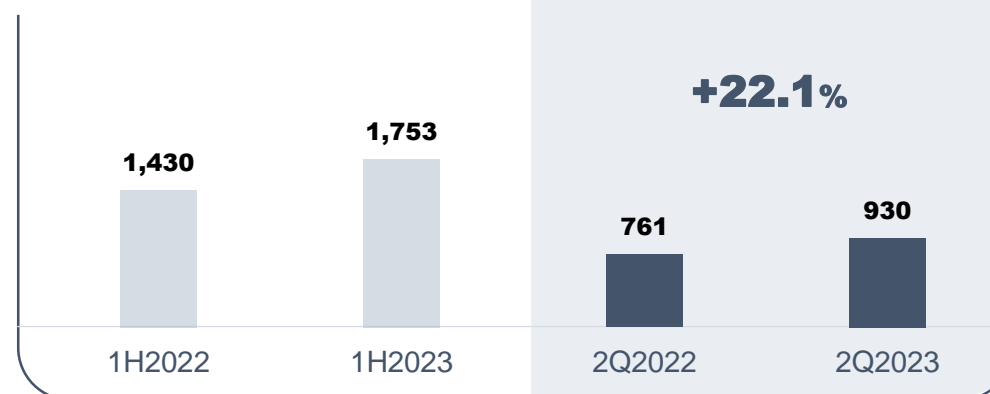
**13.6%**

## Revenue structure

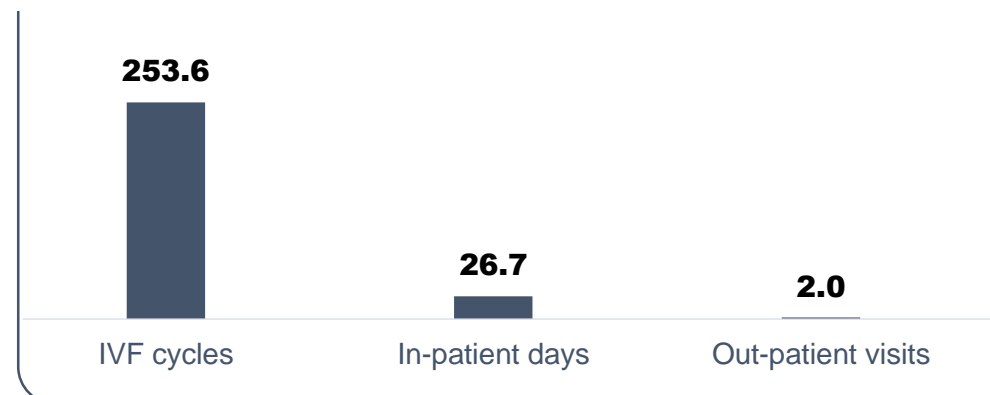
- Out-patient visits
- In-patient days
- IVF cycles
- Other revenue



## Revenue dynamic, RUB mn



## Average ticket, RUB ths



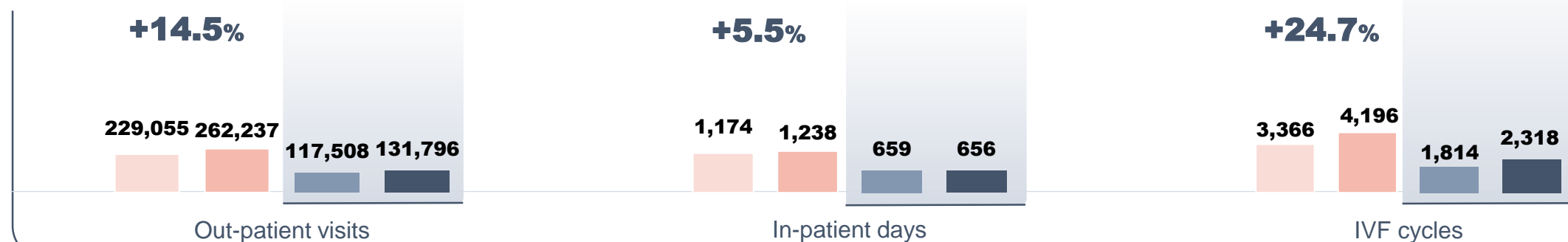




# Clinics in regions. Key operational results

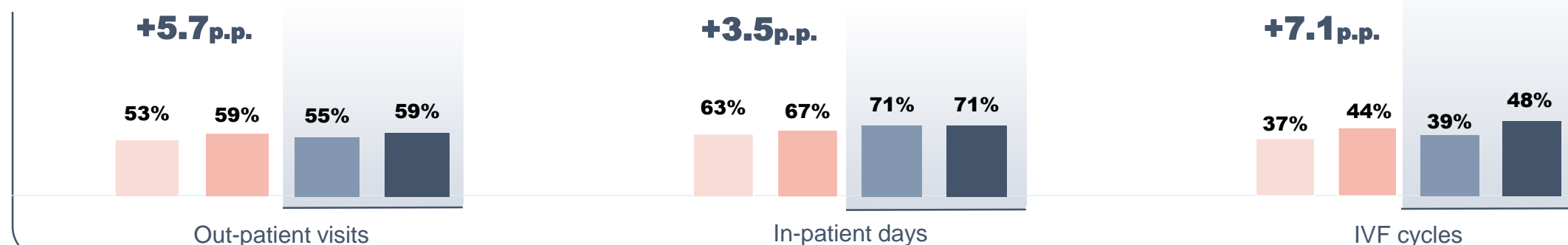
## Operating indicators

1H2022 1H2023 2Q2022 2Q2023



## Utilization rate, %

1H2022 1H2023 2Q2022 2Q2023





# **Financial results**



# Profit and losses statement<sup>1</sup>, RUB mn

	1H2022	1H2023	YoY growth
<b>Revenue</b>	<b>12,159</b>	<b>12,853</b>	<b>5.7%</b>
Cost of sales	(7,644)	(7,887)	3.2%
<b>Gross profit</b>	<b>4,514</b>	<b>4,966</b>	<b>10.0%</b>
Gross margin, %	37.1%	38.6%	1.5p.p.
SG&A	(1,773)	(1,714)	(3.3%)
Other income / (loss), net	(13)	19	n/a
<b>EBITDA</b>	<b>3,559</b>	<b>4,099</b>	<b>15.2%</b>
EBITDA margin, %	29.3%	31.9%	2.6p.p.
Depreciation and Amortization and other adjustments <sup>1</sup>	(2,117)	(827)	(60.9%)
<b>EBIT</b>	<b>1,442</b>	<b>3,272</b>	<b>126.9%</b>
Net finance income / (expenses)	100	(332)	n/a
<b>Profit before tax</b>	<b>1,110</b>	<b>3,372</b>	<b>203.8%</b>
Taxes	(3)	(3)	(1.1%)
<b>Adjusted Net Profit<sup>2</sup></b>	<b>2,393</b>	<b>3,368</b>	<b>40.8%</b>
Adjusted Net Profit margin, %	19.7%	26.2%	6.5p.p.

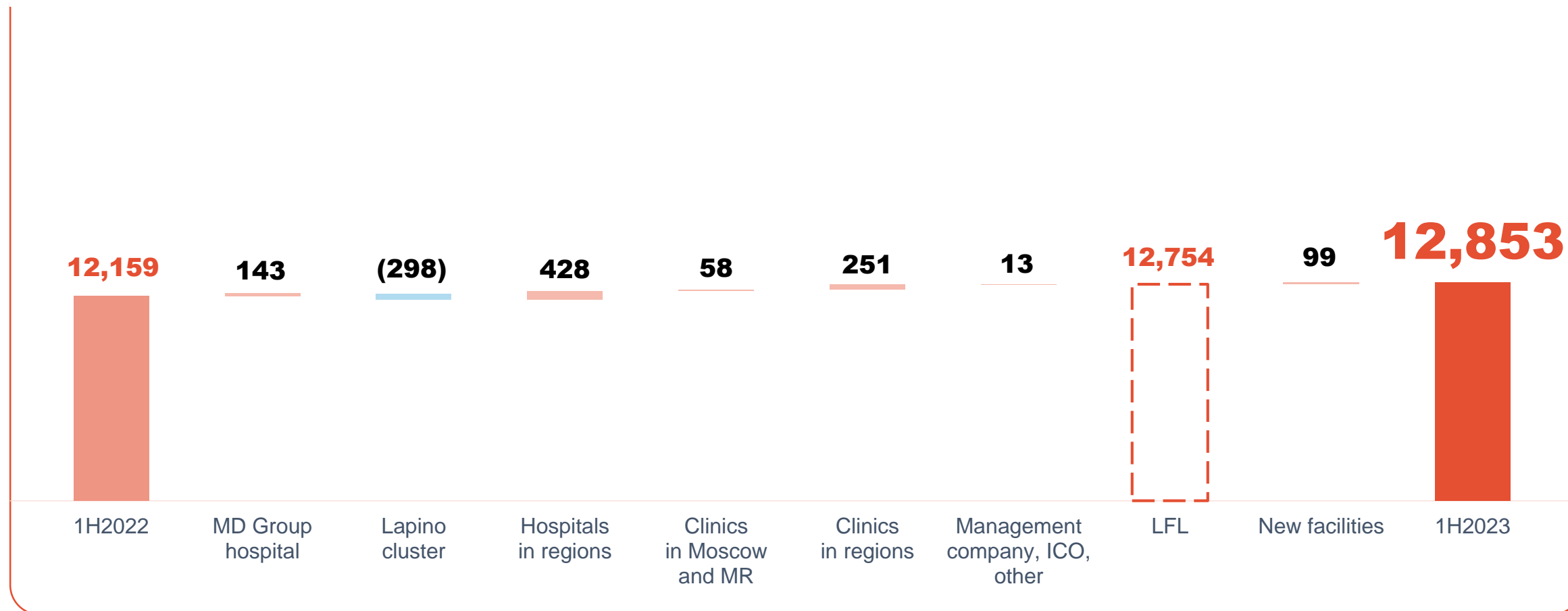
<sup>1</sup>Minor variations in calculation of totals and subtotals are due to rounding of decimals

<sup>1</sup>In 1H2022 adjusted for impairment of CIP, PPE and goodwill amounted to RUB 1,287 mn



# Revenue decomposition

## Bridge analysis<sup>1</sup>, RUB mn

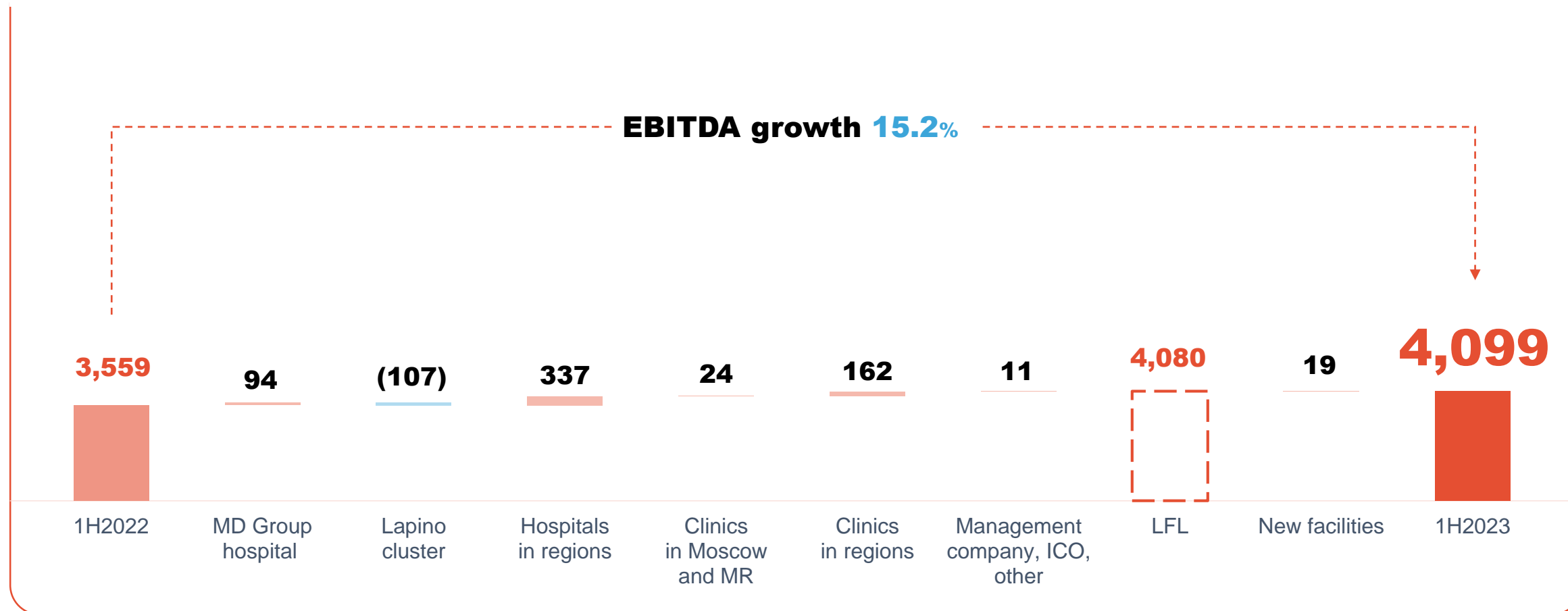


<sup>1</sup>Changes in Revenue by assets are presented taking into account intra-group transactions.



# EBITDA decomposition

## Bridge analysis<sup>1</sup>, RUB mn



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



# Key expenses, RUB mn

**X%** as of total Revenue

## Payroll and Social contributions

**42.0%**

**5,110**

1H2022

**41.5%**

**5,338**

1H2023

## Medical services expenses

**1.2%**

**152**

1H2022

**1.2%**

**152**

1H2023

## Material expenses

**20.5%**

**2,496**

1H2022

**18.3%**

**2,354**

1H2023

## Functional expenses<sup>1</sup>

**1.4%**

**168**

1H2022

**1.7%**

**217**

1H2023

<sup>1</sup>Functional expenses include marketing, IT, client service costs, staff training and communication services



# Balance sheet<sup>1</sup>, RUB mn

Assets	2022	1H2023
<b>Total non-current assets</b>	<b>26,576</b>	<b>27,762</b>
Fixed assets	24,528	24,100
Intangible assets	1,960	1,958
Other non-current assets	88	1,705
<b>Total current assets</b>	<b>6,587</b>	<b>8,629</b>
Cash and cash equivalents	4,463	6,650
Inventories	1,212	924
Trade, other receivables and deferred expenses	912	1,055
<b>Total assets</b>	<b>33,162</b>	<b>36,392</b>

Equity and liabilities	2022	1H2023
<b>Total long-term liabilities</b>	<b>1,687</b>	<b>1,522</b>
Long-term debt	489	516
Contract liabilities	469	444
Trade and other payables	729	562
<b>Total current liabilities</b>	<b>4,512</b>	<b>4,664</b>
Short-term debt	106	125
Contract liabilities	1,583	1,739
Current trade and other payables	2,822	2,801
<b>Total Equity</b>	<b>26,963</b>	<b>30,205</b>
<b>Total Equity and liabilities</b>	<b>33,162</b>	<b>36,392</b>

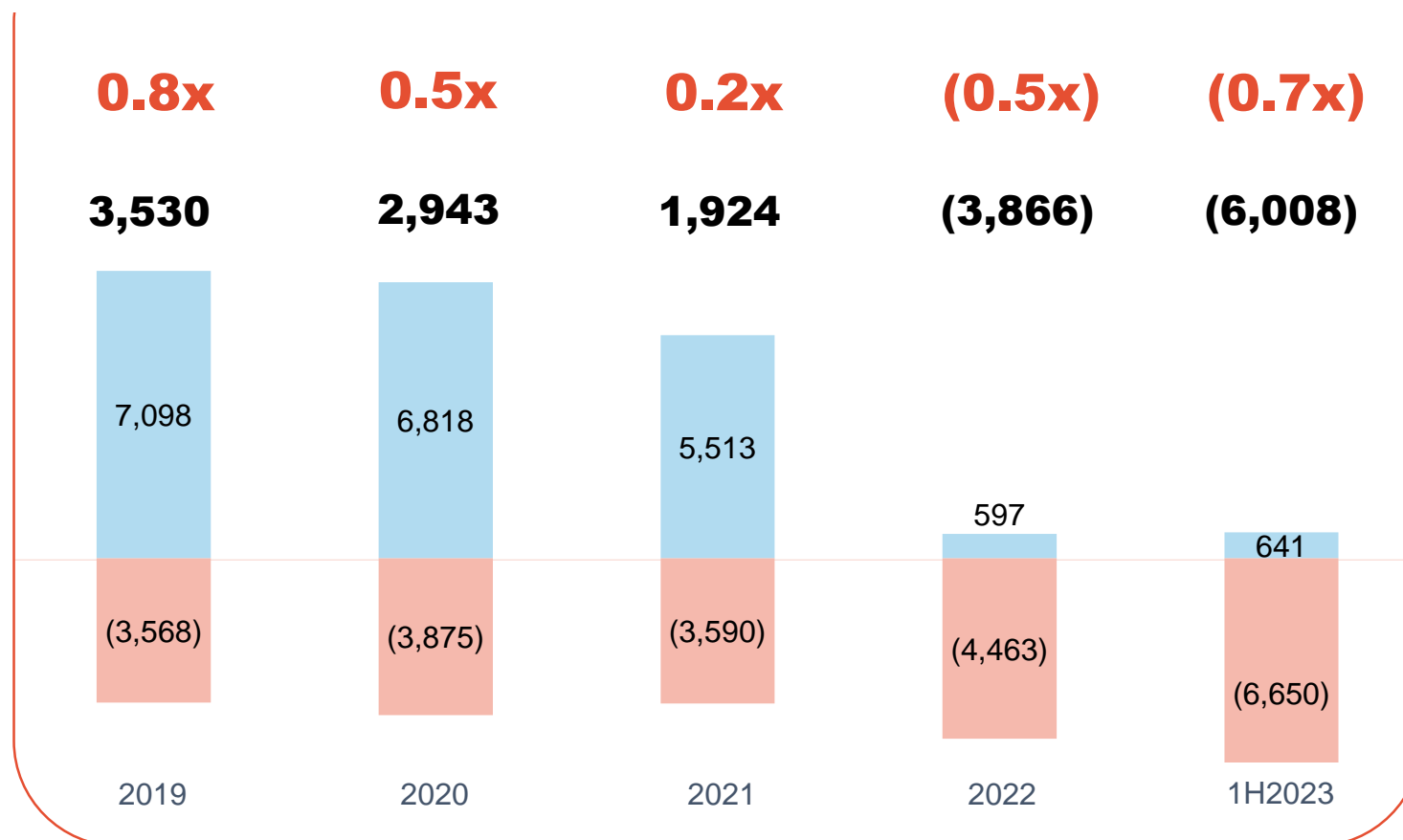
<sup>1</sup>Minor variations in calculation of totals and subtotals are due to rounding of decimals.



# Debt portfolio

## Net debt / (Net cash position), RUB mn

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



## Key highlights



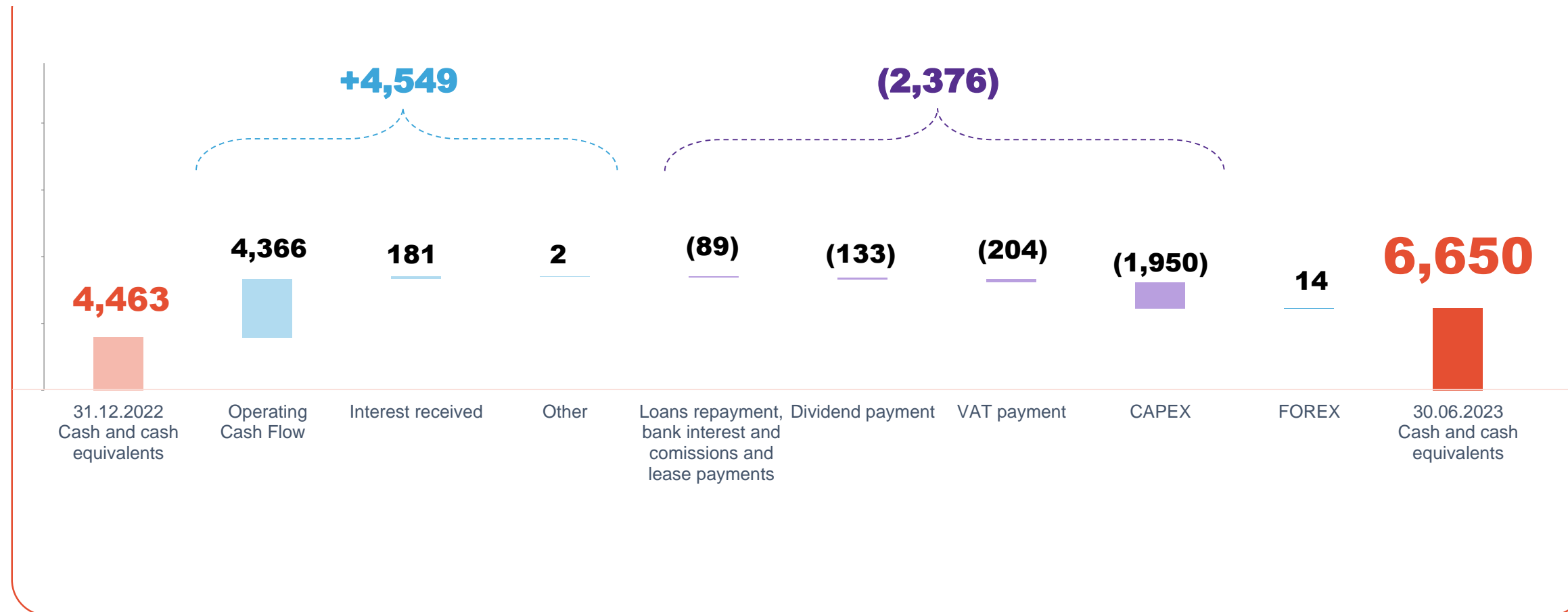
**Stable financial position** due to a strong cash balance.  
Net Cash position at the end of 1H2023 = **RUB 6,008 mn**

In 2022, MD Medical Group **fully repaid all its existing credit facilities** by settling outstanding obligations in the amount of **RUB 3,133 mn ahead of schedule**.



# Free cash flow

## Bridge analysis, RUB mn

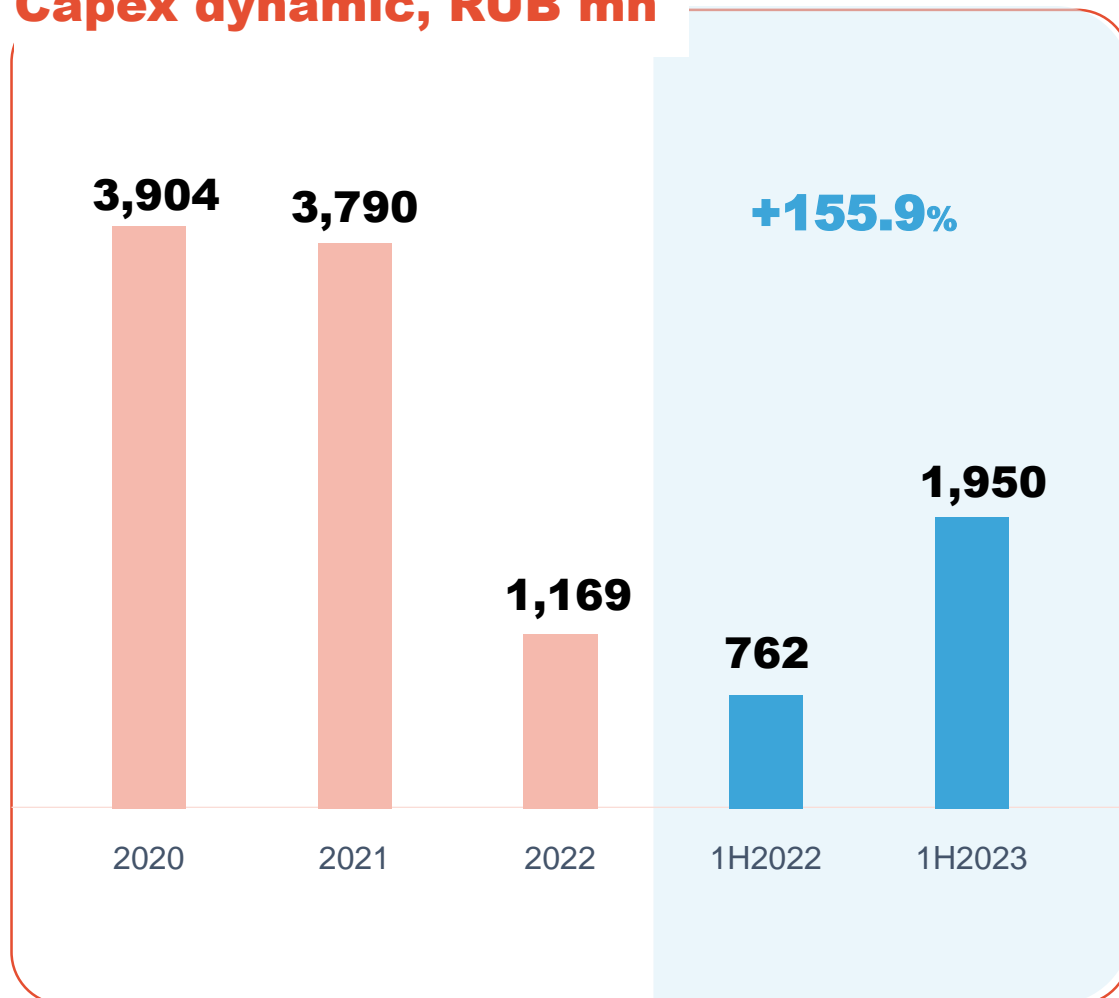






# Capex highlights

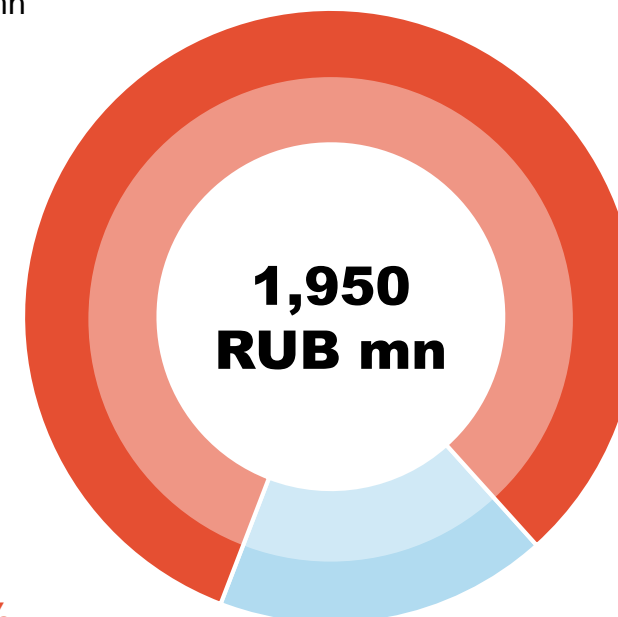
## Capex dynamic, RUB mn



## Capex structure for 1H2023

**82.5%**

**Acquisition of hospital in Moscow**  
RUB 1,608 mn



**17.5%**

**Repairs and small projects**  
RUB 342 mn







# Projects overview – hospitals

	LAUNCHED		DESIGN STAGE		RETROFITTING
	 		 		
	<div>MD Group Lakha</div> <div>Tyumen-2</div>		<div>Lapino-3</div> <div>Domodedovo</div>		<div>MD Group Michurinsky</div>
 <b>Region</b>	St. Petersburg	Tyumen region	Moscow and Moscow region	Moscow and Moscow region	Moscow and Moscow region
 <b>Profile</b>	Clinical hospital / Maternity hospital	Clinical hospital	Nuclear medicine centre (PET CT, theranostics)	Clinical hospital	Clinical hospital
 <b>Key metrics</b>	9,000 m <sup>2</sup> 150 beds	4,750 m <sup>2</sup> 100 beds	13,175 m <sup>2</sup>	15,600 m <sup>2</sup> 164 beds	8,755 m <sup>2</sup>
 <b>CAPEX, RUB mn</b>	2 000	950	4,000	4,500	2,840 <sup>1</sup>
 <b>Expected launch</b>	January 2022	February 2022	2025	2025	2H 2023

<sup>1</sup>Including the cost of acquiring the finished hospital



# Projects overview – clinics and more

	LAUNCHED				CONSTRUCTION	
	   				OUT-PATIENT CLINICS	
	Mother&Child Butovo	Education	Mother&Child Yekaterinburg	Mother&Child Mytishchi	Moscow Citi Business Centre	ZILART residential complex
Region	Moscow and Moscow region	Moscow and Moscow region	Sverdlovsk region	Moscow and Moscow region	Moscow and Moscow region	Moscow and Moscow region
Profile	Gynecology	Medical university	IVF cycles	Gynecology	Multidisciplinary	Multidisciplinary
Key metrics	195 m <sup>2</sup>	JV with MGIMO	434 m <sup>2</sup>	235 m <sup>2</sup>	1,480 m <sup>2</sup>	480 m <sup>2</sup>
CAPEX, RUB mn	16	23	74	23	236	78
Launch date	June 2022	September 2022	November 2022	January 2023	1Q'2024	4Q'2023



# Working capital highlights

## Bridge analysis, RUB mn

Inventories

Accounts receivable

Accounts payable

Contract liabilities

XX% NWC / Revenue

**NWC = (2,250)****8,9%****1,165****1,112****(2,537)**  
**(1,990)**

31.12.2021

**NWC = (2,060)****8,2%****1,212****1,147****(2,447)**  
**(1,972)**

31.12.2022

**NWC = (2,327)****8,7%****924****1,296****(2,462)**  
**(2,086)**

30.06.2023

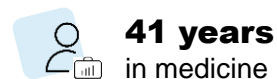


# Management overview

**Mark Kurtser**

Founder, CEO and  
Member of the Board  
of Directors

PhD in medical science,  
Member of Russian  
Academy of Science



**41 years**  
in medicine

**Alexander Kotov**

First Deputy CEO

Joined the Group in 2022  
as First Deputy CEO



**40 years**  
in public authorities

**Iya Lukyanova**

Chief Financial Officer

Joined the Group in 2015  
as Chief Accountant



**20 years**  
in finance

**Yulia Kutakova**

Medical Director for  
Organizational and  
Scientific & educational  
work

PhD in medical science



**11 years**  
in medicine

**Boris Konoplev**

General Director  
of Lapino Medical  
Cluster

Practicing obstetrician-  
gynecologist



**19 years**  
in medicine

**Natalia Yakunina**

Medical Director,  
Head of outpatient clinics

PhD in medical science



**32 years**  
in medicine

**Natalia Butkevich**

Medical Director,  
Head of clinical hospitals

PhD in medical science



**42 years**  
in medicine



# Doctors overview



**Polyakova Olga**  
Ph.D. in Medicine  
Specialist in Pediatrics

26 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

11 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

25 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

23 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

13 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

21 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

27 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

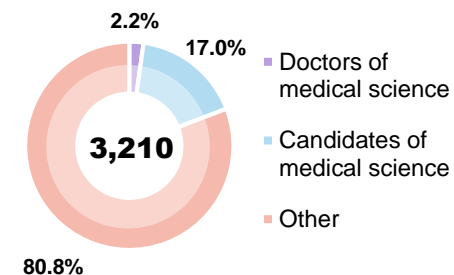


**Grigoryan Ashot**  
Ph.D. in Medicine  
Specialist in Cardiology, X-  
ray endovascular surgery

21 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 staff

1H2023	3,210	2,844	2,359	8,413
2022	3,193	2,863	2,402	8,458
2021	3,093	2,817	2,549	8,459
2020	3,097	2,721	2,456	8,274





# Contacts

## Investor relations department



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