



MOTHER & CHILD
GROUP OF COMPANIES

MDMG POSTS 40% REVENUE GROWTH IN Q1 2021

29 April 2021, 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 and unaudited financial results for Q1 2021¹.

Key highlights for Q1 2021:

- Total **revenue** in Q1 2021 increased by 40% year-on-year (y-o-y) to RUB 5,766 mln;
- Total **deliveries** grew by 11% y-o-y and amounted to 1,946. **Revenue** from deliveries increased by 14% y-o-y to RUB 618 mln;
- Total **IVF** cycles decreased by 9% y-o-y to 3,586. **Revenue** from IVF decreased by 2% y-o-y to RUB 857 mln;
- Total **in-patient treatments** increased by 75% y-o-y to 40,862. **Revenue** from in-patient treatments increased by 143% y-o-y to RUB 2,200 mln;
- Total **out-patient treatments** increased by 2% y-o-y to 439,865. **Revenue** from out-patient treatments increased by 6% y-o-y to RUB 1,361 mln.

Mark Kurtser, CEO of MD Medical Group, said:

“2021 started successfully for our business, and in Q1 we significantly increased our revenue by 40%. This growth was driven by the following two factors – gradual recovery in demand for elective care, which led to stronger revenue and operational performance in our traditional area of service such as women’s healthcare, as well as further development of our recently launched services such as oncology, orthopedics and traumatology and COVID-19 treatment.”

“In-patient days grew significantly by 75%, mainly thanks to our performance in internal medicine and oncology, traumatology and orthopedics, as well as surgery, while the respective revenue grew 143%. Our deliveries grew 11%, which together with growth in the average check by 2% resulted in 14% growth in revenue from deliveries.”

“A key driver behind our growth continued to be our Lapino hospital. Since the beginning of the year, Lapino-2 restarted oncology treatments. Following the launch of the bacteriological and PCR laboratory at Lapino-2, we expanded our laboratory services offering. In addition, we opened a dentistry department offering a wide range of services using state-of-the-art equipment at Lapino-2. In the reporting quarter, we significantly expanded the Lapino complex with the opening of the new Lapino-4 building specialising in treating patients with coronavirus and other infectious diseases. As a result of admitting and treating thousands of patients with COVID-19 from March 2020, as well as providing out-patient treatment during the pandemic and carrying out related lab tests, we have significantly strengthened and expanded our medical competences. We have gained invaluable experience, which is a further step towards the continued diversification of our services and should help us further develop our internal medicine offering, as well as intensive care and anesthetic capabilities for treating patients in other areas.”

¹ Data is based on management accounts

Key operational highlights for Q1 2021:

Deliveries

- In Q1 2021, total deliveries and like-for-like (LFL) deliveries both grew 11% y-o-y and amounted to 1,946. Key growth drivers were the Group's regional hospitals:
 - deliveries at the Tyumen clinical hospital grew 78% y-o-y;
 - deliveries at the Samara clinical hospital grew 37% y-o-y;
 - deliveries at the Novosibirsk clinical hospital grew 31% y-o-y;
- Revenue from deliveries grew by 14% y-o-y and amounted to RUB 618 mln, or 11% of the Group's total revenue;
- The average check for deliveries amounted to RUB 450 thsd (up by 10% y-o-y) in Moscow and the Moscow Region, and RUB 162 thsd in the regions (up by 7% y-o-y).

IVF

- In Q1 2021, total IVF cycles and LFL IVF cycles both decreased by 9% y-o-y to 3,586. Cycles completed under the Mandatory Health Insurance (MHI) programme accounted for 50% of the total number of cycles for Q1 2021;
- At the same time, revenue in Q1 2021 in IVF decreased by just 2% y-o-y to RUB 857 mln. Revenue in this area amounted to 15% of the Group's total revenue, and the respective average ticket increased by 8%;
- MHI services accounted for 33% of revenue from IVF;
- The average ticket for commercial IVF cycles grew 6% y-o-y to RUB 325 thsd, average check for IVF cycles under the MHI programme grew 8% y-o-y to RUB 154 thsd. Growth of the average check was due to the expansion of the medical services offering in assisted reproductive technologies, such as cryo-embryos transfers, pre-implant genetic diagnostics and other services aimed at improving the IVF programme's efficiency.

In-patient treatments

- In Q1 2021, total and LFL in-patient treatments both grew by 75% y-o-y to 40,862 on the back of:
 - A 510% increase in internal medicine in-patient treatments, mainly due to the performance of hospitals in Lapino and Samara;
 - A 384% increase in oncology in-patient treatments, mainly due to performance of the hospital Lapino;
 - A 37% increase in "Traumatology and orthopaedics" in-patient treatments, mainly due to the hospitals in Lapino, Samara and Tyumen;
- Revenue from in-patient treatments grew by 143% y-o-y to RUB 2,200 mln, or 38% of the Group's total revenue. This growth was mainly driven by the Lapino clinical hospital;
- The average check for in-patient treatments amounted to RUB 65.0 thsd (up by 31% y-o-y) in Moscow and the Moscow Region and RUB 35.0 thsd in other regions (up by 12% y-o-y). Growth in the average check was due to a stronger demand in oncology – both in Moscow and regional hospitals. The average ticket was also supported by treatment of COVID-19 patients.

Out-patient treatments

- In Q1 2021, total out-patient and LFL out-patient treatments both increased by 2% y-o-y to 439,598 treatments mainly due to the deferred demand for routine medical services;
- Revenue from out-patient treatments grew 6% y-o-y to RUB 1,361 mln, or 24% of the Group's total revenue, largely due to the performance of the Treatment and diagnostic centre at Lapino;
- The average ticket for out-patient treatments amounted to RUB 3.1 thsd (up by 4% y-o-y).

Revenue and average check

In Q1 2021, total revenue grew by 40% y-o-y (up by RUB 1,653 mln y-o-y) to RUB 5,766 mln on the back of revenue growth for the following service lines:

- A 14% increase in revenue from deliveries;
- A 143% increase in revenue from in-patient treatments;
- A 6% increase in revenue from out-patient treatments;
- A 43% increase in other medical revenue.

The average check for key services in Q1 2021 amounted to:

- RUB 317 thsd for deliveries, up by 2% y-o-y;
 - Moscow and the Moscow Region – RUB 450 thsd;
 - Other regions – RUB 162 thsd.
- RUB 239 thsd for IVF, up by 8% y-o-y;
- RUB 53.8 thsd for in-patient treatments, up by 39% y-o-y;
- RUB 3.1 thsd for out-patient treatments, up by 4% y-o-y.

Net debt

As of 31 March 2021, net debt declined by 36%, or by RUB 1,067 mln compared to 31 December 2020 and amounted to RUB 1,876 mln.

CAPEX

Total CAPEX in Q1 2021 decreased by 44% y-o-y to RUB 389 mln. Investments mainly included the completion of the construction of Lapino-4.

Operating results for Q1 2021

Consolidated data				Like-for-like		
	Q1 2021	Q1 2020	y-o-y, %	Q1 2021	Q1 2020	y-o-y, %
OBSTETRICS AND GYNAECOLOGY						
Deliveries	1,946	1,748	+11%	1,946	1,748	+11%
In-patient treatments (except deliveries)	4,858	5,462	-11%	4,858	5,462	-11%
Out-patient treatments	137,960	141,638	-3%	137,960	141,638	-3%
IVF						
IVF	3,586	3,946	-9%	3,586	3,946	-9%
PAEDIATRICS						
In-patient treatments	5,386	6,612	-19%	5,386	6,612	-19%
Out-patient treatments	102,822	107,513	-4%	102,558	107,513	-5%
OTHER MEDICAL SERVICES						
In-patient treatments	30,618	11,278	+171%	30,618	11,278	+171%
Out-patient treatments	199,083	182,921	+9%	199,080	182,921	+9%
TOTAL						
Total deliveries	1,946	1,748	+11%	1,946	1,748	+11%
Total IVF	3,586	3,946	-9%	3,586	3,946	-9%
Total in-patient treatments	40,862	23,352	+75%	40,862	23,352	+75%
Total out-patient treatments	439,865	432,072	+2%	439,598	432,072	+2%

Revenue for Q1 2021, RUB mln¹

	Consolidated data			Like-for-like		
	Q1 2021	Q1 2020	y-o-y, %	Q1 2021	Q1 2020	y-o-y, %
Deliveries	618	543	+14%	618	543	+14%
IVF	857	874	-2%	857	874	-2%
In-patient treatments	2,200	904	+143%	2,200	904	+143%
Out-patient treatments	1,361	1,280	+6%	1,359	1,280	+6%
Other revenue	730	512	+43%	730	512	+42%
Total	5,766	4,113	+40%	5,764	4,113	+40%

Average check for Q1 2021, RUB thsd¹

	Consolidated data			Like-for-like		
	Q1 2021	Q1 2020	y-o-y, %	Q1 2021	Q1 2020	y-o-y, %
Deliveries	317	311	+2%	317	311	+2%
Moscow and the Moscow Region	450	410	+10%	450	410	+10%
Other regions	162	152	+7%	162	152	+7%
IVF	239	222	+8%	239	222	+8%
Commercial cycles	325	307	+6%	325	307	+6%
MHI	154	143	+8%	154	143	+8%
In-patient treatments	53.8	38.7	+39%	53.8	38.7	+39%
Moscow and the Moscow Region	65.0	49.8	+31%	65.0	49.8	+31%
Other regions	35.0	31.1	+12%	35.0	31.1	+12%
Out-patient treatments	3.1	3.0	+4%	3.1	3.0	+4%

¹ Minor discrepancies in calculating percentage changes and totals in this and other tables of this press release are due to rounding.

Data is based on management accounts.

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 42 modern healthcare facilities, including 6 hospitals and 36 out-patient clinics in Moscow and the Moscow Region, St. Petersburg, Ufa, Perm, Samara and the Samara Region, Novosibirsk, Irkutsk, Yaroslavl, Ryazan, Kostroma, Novokuznetsk, Krasnoyarsk, Omsk, Barnaul, Vladimir, Tyumen, Voronezh, Nizhny Novgorod, Volgograd, Tula, Kazan, Vladivostok, Krasnodar and Rostov-on-Don.

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.

Since 9 November 2020, the Company's GDRs have also been traded on Moscow Exchange (in RUB).

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.