



## MD MEDICAL'S REVENUE GOES UP BY 22% IN Q3 2024

**30 October 2024** – MD Medical Group IPJSC ("MD Medical", "Group" or the "Company"; MOEX: MDMG), a leading Russian private healthcare provider, announces its operating and unaudited financial results for Q3 2024.

### Key financial highlights for 9M 2024:

- **Total revenue** increased by **22.3%** y-o-y to **RUB 24,033 million**
- **Like-for-like (LFL) revenue** grew by **18.9%** y-o-y
- Revenue of the Group's **hospitals in Moscow** rose by **26.0%** y-o-y to **RUB 11,880 million** on the back of robust revenue performance in the segments of in-patient care, deliveries, and out-patient treatments
- Revenue of the Group's **regional hospitals** grew by **18.4%** y-o-y to **RUB 6,440 million**, driven by strong results in in-patient and out-patient treatments
- Revenue from out-patient **clinics in Moscow and the Moscow Region** rose by **9.9%** y-o-y to **RUB 2,280 million** thanks to stronger out-patient revenue
- Revenue from out-patient **clinics in other regions** rose by **26.4%** y-o-y to **RUB 3,393 million** due to growing revenue from out-patient treatments and IVF services
- As at 30 September 2024, the Group's **net cash position** stood at **RUB 3,578 million**
- Total **Capex** for 9M 2024 was **RUB 1,595 million**

### Key operational highlights for 9M 2024:

- Total **out-patient treatments** increased by **17.9%** y-o-y to **1,793,559**
- Total **in-patient treatments** increased by **4.8%** y-o-y to **110,212**
- Total **deliveries** increased by **13.8%** y-o-y to **8,318**
- Total **IVF punctures** went up by **3.5%** y-o-y to **14,617**

### Key financial highlights for Q3 2024:

- **Total revenue** increased by **21.8%** y-o-y to **RUB 8,273 million**
- **Like-for-like (LFL) revenue** grew by **17.7%** y-o-y
- Revenue of the Group's **hospitals in Moscow** rose by **25.2%** y-o-y to **RUB 4,053 million** on the back of robust revenue performance in the segments of in-patient care, out-patient treatments, and deliveries
- Revenue of the Group's **regional hospitals** grew by **18.4%** y-o-y to **RUB 2,252 million**, driven by strong results in out-patient and in-patient treatments
- Revenue from out-patient **clinics in Moscow and the Moscow Region** rose by **11.6%** y-o-y to **RUB 798 million** thanks to stronger out-patient revenue
- Revenue from out-patient **clinics in other regions** rose by **24.4%** y-o-y to **RUB 1,158 million** due to growing revenue from out-patient treatments and IVF services

### Key operational highlights for Q3 2024:

- Total **out-patient treatments** increased by **15.4%** y-o-y to **610,340**, with the **average ticket** up **11.5%** to **RUB 6.2 thousand** in Moscow and up **12.5%** y-o-y to **RUB 2.5 thousand** in other regions
- Total **in-patient treatments** went up by **0.3%** y-o-y to **34,694**, with the **average ticket** up **44.3%** to **RUB 118.2 thousand** in Moscow and up **5.3%** y-o-y to **RUB 43.4 thousand** in other regions
- Total **deliveries** increased by **3.8%** y-o-y to **2,916**, with the **average ticket** up **19.9%** y-o-y to **RUB 582.2 thousand** in Moscow and up **16.5%** y-o-y to **RUB 235.8 thousand** in other regions
- Total **IVF punctures** increased by **3.0%** y-o-y to **4,913**, with the **average ticket** up **12.1%** to

**RUB 318.1 thousand** in Moscow and up **8.3% y-o-y** to **RUB 296.1 thousand** in other regions

**Key events during Q3 2024 and after the reporting period:**

- **New clinic in Chelyabinsk launch – expansion to new region.** On 24 October 2024 the Group opened Mother & Child Chelyabinsk clinic. Spanning 420 sq m and centrally located, the facility will offer a wide range of specialised services for women in obstetrics, gynaecology, oncology, breast health, and reproductive medicine. The new clinic is designed to accommodate 18,000 visits and 800 IVF cycles per year. The clinic has received a total investment of RUB 105 million for its opening and outfitting.
- **New medical centre in the Moscow City launch.** On 9 October 2024 the Group opened the new multidisciplinary centre Lapino City, spanning 1,460 sq m, which offers a comprehensive array of out-patient medical services for adults, focusing on the diagnosis, treatment, and prevention of various diseases. These are available at two key facilities: the Diagnostic and Treatment Centre, which includes radiology and endoscopy departments, and the Women’s Health Centre – both offering day hospital care. Patients can consult with doctors from over 25 different specialities on a daily basis. The new medical centre is designed to accommodate 100,000 visits and 1,500 IVF cycles per year. Lapino City has received a total investment of RUB 372 million for its opening and outfitting.
- **New clinic in the Solntsevo district of Moscow launch.** On 1 October 2024 the Group opened the Mother & Child Solntsevo clinic with a total area of 175 sq m which offers a wide range of specialized services for women. The capacity of the clinic allows for 24,000 outpatient visits per year. Total investments in the project came in at RUB 33 million.
- **H1 2024 Dividends announcement.** At the meeting held on 28 August 2024, the Company’s Board of Directors decided in addition to the interim dividends already paid for 3M 2024 to distribute dividends for 6M 2024 in the amount of RUB 1.7 billion, or RUB 22 per ordinary share, representing a cumulative payout of 61% of the Group’s IFRS consolidated net profit for 6M 2024. Dividend payments are scheduled to be made before mid-September
- **3M 2024 record-breaking dividends payment.** In July 2024, dividends were paid based on the results of 3M 2024 on ordinary shares of MD Medical Group IPJSC in the amount of c. RUB 10.6 billion, or RUB 141 per ordinary share, including the use of retained earnings from previous years
- **New clinic in Lipetsk launch.** On 28 August 2024 the Group opened its clinic in Lipetsk. The new 450 sq m clinic has a capacity sufficient to perform 800 IVF cycles, including those covered by mandatory health insurance, and to accommodate 18,000 outpatient visits annually. Total investments in the project came in at RUB 103 million.
- **New medical center in Anapa launch.** In August 2024 MD Medical opened its new two-storey family-oriented medical centre MD Group Anapa which spans 2,754 sq m on the premises of the Volleygrad sports and recreation family resort. The state-of-the-art healthcare facility boasts advanced medical equipment for clinical, diagnostic, and rehabilitation services, and was built in 2024 with no investment made by the Company in its development. The Company will operate the centre based on the lease agreement for the premises and equipment. The medical centre has a total capacity of up to 96,000 appointments per year.



**MD Medical CEO Mark Kurtser said:**

*"We can confidently assert that 2024 marks a period of robust growth for our Company. Our performance has been exceptional, with three consecutive quarters of double-digit revenue growth as we are actively expanding our network of medical centres in Moscow and across Russian regions. This year has already seen the opening of three new clinics and two medical centres equipped with state-of-the-art technology, welcoming patients to their facilities.*

*Revenue growth in Q3 reached an impressive 22%. I am particularly pleased to highlight the solid performance of the Group's hospitals, which have significantly contributed to our upward revenue trends. This is largely driven by in-patient services for common diseases in oncology, gynaecology, cardiology, traumatology, and respiratory medicine, alongside a wide range of surgical interventions.*

*Additionally, we have seen strong demand for out-patient care across all our medical facilities. The Company's total revenue, mainly from diagnostics, obstetrics and gynaecology, pediatrics, and other areas of out-patient services and telemedicine, increased by 26%. Patient visits have been the second largest driver of revenue, reflecting the extensive network of clinics within our Group.*

*Revenue growth from deliveries, our traditional line of business, was 22% in Q3. This year, we have observed a consistent trend of patients opting for premium formats in prenatal care and delivery services, including in home obstetrics centres. This shift comes from patients rethinking the importance of an environment for such a significant life event and the high quality of medical care provided by MD Medical Group.*

*In summary, as a growth company, we are committed to continuous development. Our strong expansion of out-patient services this year will enhance the volume of medical care provided through our new clinics and generate additional patient flow, thereby boosting the operating rate of our hospitals. As an attractive investment opportunity, we are dedicated to sharing our success with shareholders. We have already paid dividends twice this year and are considering another payment before year-end."*



## Key Highlights for Q3 and 9M2024

Operating indicators	3Q 2024	3Q 2023	change, %	9M 2024	9M 2023	change, %
<b>Moscow hospitals</b>						
Out-patient visits	157 259	146 433	7,4%	461 653	411 087	12,3%
In-patient days	13 920	15 434	(9,8%)	47 221	46 866	0,8%
IVF cycles	961	782	22,9%	2 960	2 331	27,0%
Deliveries	1 326	1 309	1,3%	3 851	3 408	13,0%
<b>Hospitals in Regions</b>						
Out-patient visits	210 845	188 011	12,1%	621 028	546 934	13,5%
In-patient days	20 113	18 583	8,2%	60 981	56 488	8,0%
IVF cycles	823	795	3,5%	2 271	2 254	0,8%
Deliveries	1 590	1 501	5,9%	4 467	3 904	14,4%
<b>Out-patient clinics in Moscow and Moscow region</b>						
Out-patient visits	64 048	58 106	10,2%	184 859	164 179	12,6%
IVF cycles	1 010	1 125	(10,2%)	2 923	3 270	(10,6%)
<b>Out-patient clinics in Regions</b>						
Out-patient visits	178 188	136 189	30,8%	526 019	398 426	32,0%
In-patient days	661	559	18,3%	2 010	1 797	11,9%
IVF cycles	2 119	2 067	2,5%	6 463	6 263	3,2%
<b>Total out-patient visits</b>	<b>610 340</b>	<b>528 739</b>	<b>15,4%</b>	<b>1 793 559</b>	<b>1 520 626</b>	<b>17,9%</b>
<b>Total in-patient days</b>	<b>34 694</b>	<b>34 576</b>	<b>0,3%</b>	<b>110 212</b>	<b>105 151</b>	<b>4,8%</b>
<b>Total IVF cycles</b>	<b>4 913</b>	<b>4 769</b>	<b>3,0%</b>	<b>14 617</b>	<b>14 118</b>	<b>3,5%</b>
<b>Total deliveries</b>	<b>2 916</b>	<b>2 810</b>	<b>3,8%</b>	<b>8 318</b>	<b>7 312</b>	<b>13,8%</b>

Revenue, RUB mln	3Q 2024	3Q 2023	change, %	9M 2024	9M 2023	change, %
<b>Hospitals in Moscow</b>						
Out-patient visits	978	803	21,8%	2 772	2 218	25,0%
In-patient days	1 645	1 264	30,1%	5 051	4 060	24,4%
IVF cycles	312	235	32,8%	907	689	31,6%
Deliveries	772	636	21,5%	2 177	1 592	36,7%
Other revenue	346	299	15,7%	973	868	12,1%
<b>Hospitals in Regions</b>						
Out-patient visits	560	445	25,8%	1 603	1 288	24,5%
In-patient days	875	770	13,6%	2 568	2 239	14,7%
IVF cycles	254	226	12,4%	707	633	11,7%
Deliveries	375	304	23,4%	1 020	779	30,9%
Other revenue	188	157	19,7%	542	501	8,2%
<b>Out-patient clinics in Moscow and Moscow region</b>						
Out-patient visits	395	335	17,9%	1 134	956	18,6%
IVF cycles	315	306	2,9%	889	898	(1,0%)
Other revenue	88	74	18,9%	257	221	16,3%
<b>Out-patient clinics in Regions</b>						
Out-patient visits	419	280	49,7%	1 194	796	50,0%
In-patient days	26	19	39,8%	77	52	49,2%
IVF cycles	617	556	10,9%	1 842	1 620	13,7%
Other revenue	96	76	25,9%	280	216	29,5%
Managing company and other	12	8	50,0%	40	20	100,0%
<b>Hospitals in Moscow</b>	<b>4 053</b>	<b>3 237</b>	<b>25,2%</b>	<b>11 880</b>	<b>9 427</b>	<b>26,0%</b>
<b>Hospitals in Regions</b>	<b>2 252</b>	<b>1 902</b>	<b>18,4%</b>	<b>6 440</b>	<b>5 440</b>	<b>18,4%</b>
<b>Out-patient clinics in Moscow</b>	<b>798</b>	<b>715</b>	<b>11,6%</b>	<b>2 280</b>	<b>2 075</b>	<b>9,9%</b>
<b>Out-patient clinics in Regions</b>	<b>1 158</b>	<b>931</b>	<b>24,4%</b>	<b>3 393</b>	<b>2 684</b>	<b>26,4%</b>
<b>Total Revenue</b>	<b>8 273</b>	<b>6 793</b>	<b>21,8%</b>	<b>24 033</b>	<b>19 646</b>	<b>22,3%</b>



Average ticket	3Q 2024	3Q 2023	change,%	9M 2024	9M 2023	change,%
<b>Moscow hospitals</b>						
Out-patient visits	6,2	5,5	13,4%	6,0	5,4	11,3%
In-patient days	118,2	81,9	44,3%	107,0	86,6	23,5%
IVF cycles	324,7	300,5	8,0%	306,4	295,6	3,7%
Deliveries	582,2	485,6	19,9%	565,3	467,1	21,0%
<b>Hospitals in Regions</b>						
Out-patient visits	2,7	2,4	12,2%	2,6	2,4	9,6%
In-patient days	43,5	41,4	5,0%	42,1	39,6	6,2%
IVF cycles	308,6	284,3	8,6%	311,3	280,8	10,9%
Deliveries	235,8	202,5	16,5%	228,3	199,5	14,4%
<b>Out-patient clinics in Moscow and Moscow region</b>						
Out patient visits	6,2	5,8	7,0%	6,1	5,8	5,3%
IVF cycles	311,9	272,0	14,7%	304,1	274,6	10,8%
<b>Out-patient clinics in Regions</b>						
Out patient visits	2,4	2,1	14,4%	2,3	2,0	13,6%
In-patient days	39,3	33,3	18,1%	38,3	28,7	33,4%
IVF cycles	291,2	269,2	8,2%	285,0	258,7	10,2%

### LFL performance for Q3 and 9M2024, % y-o-y

	3Q 2024			9M 2024		
	Revenue	Actual capacity	Average ticket	Revenue	Actual capacity	Average ticket
<b>Moscow hospitals</b>						
Out-patient visits	16,8%	2,7%	13,8%	20,8%	8,3%	11,5%
In-patient days	25,0%	(13,0%)	43,6%	21,0%	(1,4%)	22,7%
IVF cycles	21,5%	9,1%	11,4%	22,9%	16,0%	5,9%
Deliveries	21,4%	1,3%	19,9%	36,7%	13,0%	21,0%
Other revenue	10,9%	-	-	8,7%	-	-
<b>Hospitals in Regions</b>						
Out-patient visits	25,8%	12,1%	12,2%	24,5%	13,5%	9,6%
In-patient days	13,6%	8,2%	5,0%	14,7%	8,0%	6,2%
IVF cycles	12,4%	3,5%	8,6%	11,7%	0,8%	10,9%
Deliveries	23,4%	5,9%	16,5%	30,9%	14,4%	14,4%
Other revenue	19,7%	-	-	8,2%	-	-
<b>Out-patient clinics in Moscow and Moscow region</b>						
Out patient visits	14,7%	6,7%	7,6%	16,2%	9,8%	5,8%
IVF cycles	2,9%	(10,2%)	14,7%	(1,0%)	(10,6%)	10,7%
Other revenue	16,7%	-	-	14,5%	-	-
<b>Out-patient clinics in Regions</b>						
Out patient visits	10,6%	6,7%	3,7%	14,3%	5,1%	8,7%
In-patient days	39,8%	18,3%	18,1%	49,2%	11,9%	33,4%
IVF cycles	10,9%	2,5%	8,2%	13,7%	3,2%	10,2%
Other revenue	13,4%	-	-	14,2%	-	-
Managing company and other	50,0%	-	-	100,0%	-	-
<b>Total Revenue</b>	<b>17,71%</b>			<b>18,9%</b>		



## Analysis of the Group's performance in Q3 2024 compared to Q3 2023.

### Hospitals in Moscow

In Q3 2024, revenue from the hospitals in Moscow increased by 25.2% y-o-y to RUB 4,053 million primarily as a result of higher revenue from in-patient (up 30.1%) and out-patient (up 21.8%) treatments, with delivery services also posting a considerable growth (up 21.5%).

The growth in revenue from in-patient treatments was due to a 44.3% rise in the average ticket, effectively offsetting the 9.8% decline in the number of in-patient days. The drop in in-patient days resulted from changes in the structure of commercial revenue and a reduction in services provided under the MHI programme, which was counterbalanced by an increase in the volume of commercial services. This growth led to a rise in the average ticket and revenue from in-patient care.

The growth in revenue from out-patient treatments in Q3 2024 was due to an increase in the number of treatments (up 7.4% y-o-y) and average ticket (up 13.4% y-o-y). Services in obstetrics and gynaecology, diagnostics and pediatrics were the biggest contributor to revenue.

The traditional growth in revenue from deliveries (up 21.5%) was driven by a 1.3% increase in the number of deliveries and a 19.9% rise in the average ticket. This growth reflects the ongoing trend towards demand for mid-to-high priced contracts, including those at the Lapino Clinical Hospital's home obstetrics centre.

IVF revenue grew by 32.8% because of punctures and an average ticket going up 22.9% and 8.0% respectively. The new hospital on Moscow's Michurinsky Avenue accounted for a 60% rise in punctures.

### Hospitals in regions

In Q3 2024, revenue from regional hospitals increased by 18.4% y-o-y to RUB 2,252 million. Key growth drivers were higher revenue from out-patient (up 25.8%) and in-patient (up 13.6%) treatments, as well as delivery services (up 23.4%). Hospitals in Novosibirsk, Tyumen and Samara made the greatest contribution to revenue growth.

Higher revenue from in-patient treatments was due to an increase in the number of in-patient days (up 8.2% y-o-y) and average ticket (up 5.0% y-o-y). The biggest contribution to revenue from in-patient services came from traumatology, general surgery, and urology in the Novosibirsk hospital, and cardiology and therapy in the Tyumen hospital.

The growth in revenue from out-patient treatments in Q3 2024 was due to an increase in the number of treatments (up 12.1% y-o-y) and average ticket (up 12.2% y-o-y). Revenue growth is largely attributable to a higher inflow of obstetrics and gynaecology patients in the Samara and St Petersburg hospitals, including as a result of an increase in the number of signed prenatal care contracts with a positive effect on the average ticket dynamics. Strong demand for pediatrics services is driven, among other things, by consistently higher utilisation rates at new hospitals, increased headcount of highly skilled doctors, unique medical services provided in the regions, and improving recognition of the MD Medical brand.

Higher revenue from deliveries was due to a 5.9% increase in the number of deliveries and the average ticket rise (up 16.5%). The biggest contribution in this segment came from the Lakhta hospital due to average ticket performance, driven by a higher share of more expensive contracts, and Ufa hospital, which was the leader in terms of number of deliveries.

IVF revenue grew by 12.4% because of punctures and an average ticket going up 3.5% and 8.6% respectively.





## **Out-patient clinics in Moscow and Moscow Region**

In Q3 2024, revenue from out-patient clinics in Moscow and the Moscow Region rose by 11.6% y-o-y to RUB 798 million thanks to improved revenue from out-patient treatments (up 17.9% y-o-y).

IVF revenue increased by 2.9% y-o-y on the back of a 14.7% rise in the average ticket, driven by a higher volume of commercial punctures, which offset a 10.2% decline in IVF punctures resulting from a reduction in services provided under the MHI programme.

## **Out-patient clinics in regions**

In Q3 2024, revenue from regional out-patient clinics rose by 24.4% y-o-y to RUB 1,158 million. It was driven mostly by a larger number of out-patient treatments (up 49.7%, primarily attributable to strong performance of four clinics acquired in the Khanty-Mansi Autonomous Area in Q3 2023) coupled with a 14.4% rise in the average ticket, largely due to more prenatal care contracts signed in the reporting period. IVF revenue added 10.9% as punctures and an average ticket increased by 2.5% and 8.2% respectively.

## **Net cash position**

As at 30 September 2024, the Group's debt represented by lease liabilities increased from the level of 30 June 2024 by RUB 64 million to RUB 1,344 million. Following the July and September dividend payout totalling RUB 12,245 million, the Group's cash balance declined by RUB 9,686 million vs the 30 June 2024 level to RUB 4,921 million. The Company's net cash position amounted to RUB 3,580 million.

## **Capex**

In Q3 2024, total Capex increased by RUB 214 million q-o-q to RUB 649 million. A major part of Capex (38.7%) focused on the hospital segment, while the rest was allocated towards the construction of new clinics and ongoing maintenance, including RUB 123 million invested in the launch of the new Lapino City medical centre.

## **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 61 state-of-the-art healthcare facilities, including 11 multidisciplinary hospitals and 50 out-patient clinics in 30 regions of the Russian Federation. In 2023, MD Medical Group's revenue amounted to RUB 27.6 bln while EBITDA was RUB 9.2 bln. The Company's ordinary shares 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 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.