



MDMG

Financial and Operational Results

2023



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MD Medical Group – Unique Company on the Russian Healthcare Market

- ✓ One of the largest private healthcare providers in Russia
- ✓ Leading company in multidisciplinary healthcare
- ✓ Unique competences in women's and children's healthcare
- ✓ The first public company in the industry, with the London Stock Exchange IPO back in 2012
- ✓ Primary listing of GDRs on the Moscow Exchange (ticker: MDMG)

Investment case

Vertically integrated business model strengthened by in-house medical university – MGIMO-MED

Extensive Geography

Wide range of healthcare services



55 Total number of facilities



1 Medical university



78 Medical specializations



8.8ths employees

33%
EBITDA
margin

RUB 9bn
net cash
position

77%
level of out-of-
pocket payment

501ths
unique
patients

Attractive market fundamentals

High standards of medical care, brand recognition

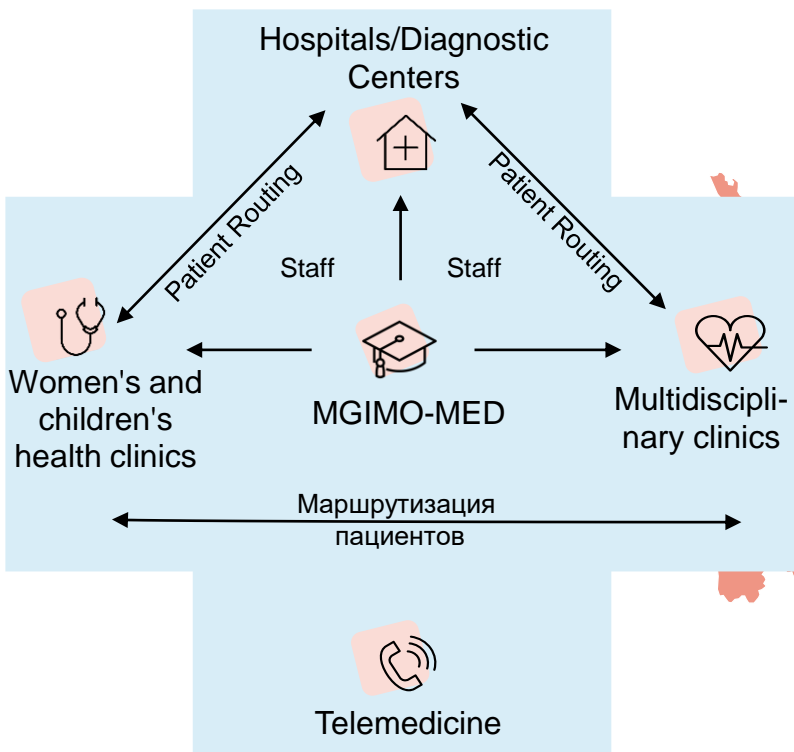
Professional management team motivated for the Company's growth



MD Medical Group – #1 federal network of affordable medicine in Russia

Vertically integrated business model

Extensive geography



- 44 outpatient clinics
- 11 hospitals
- 1 MGIMO-MED
- 219 th. m² Total area
- 7 federal districts
- 27 regions
- 32 cities and towns

¹ As at publication date

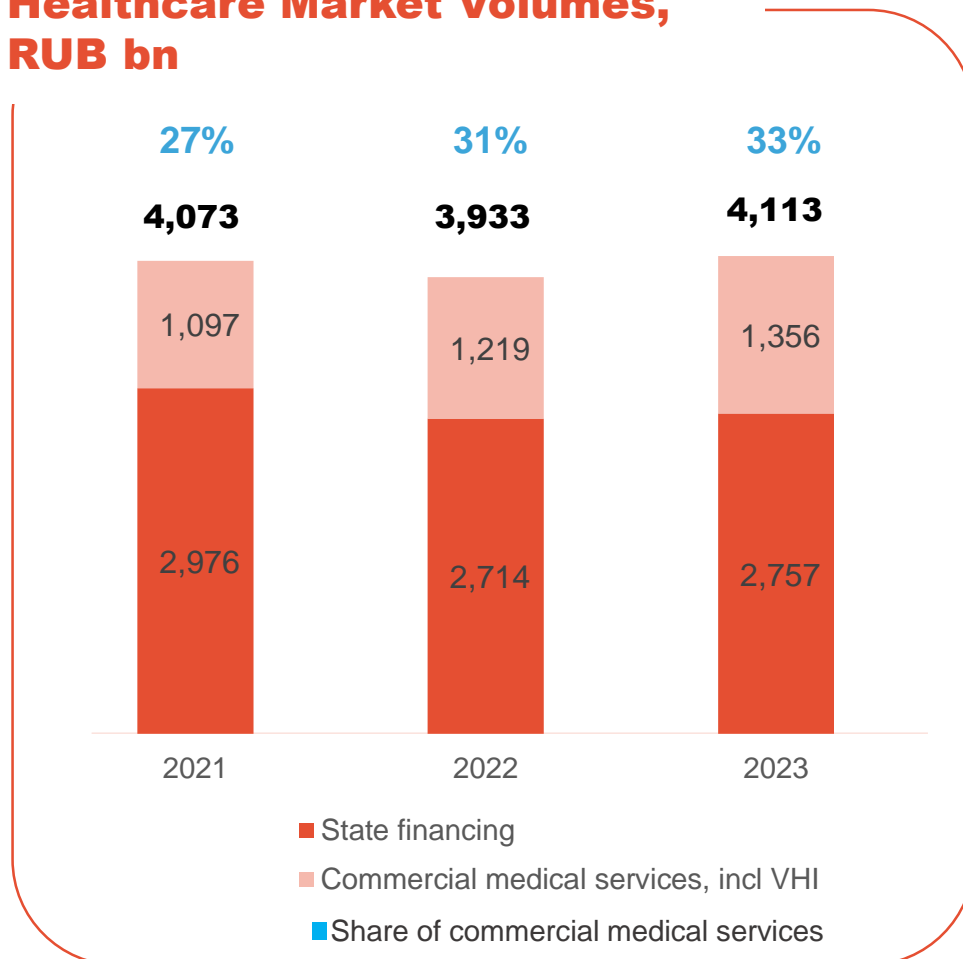
Operational results

The image features a solid blue background with several overlapping, semi-transparent circles of varying shades of blue. The text "Operational results" is prominently displayed in the upper left quadrant in a bold, white, sans-serif font. The word "Operational" is on the top line, and "results" is on the line below it.



Attractive Market Fundamentals

Healthcare Market Volumes, RUB bn



Government support for private healthcare providers:



- ✓ 0% income tax
- ✓ Availability of medical services under MHI
- ✓ Permanent medical licensing

Key healthcare growth drivers:

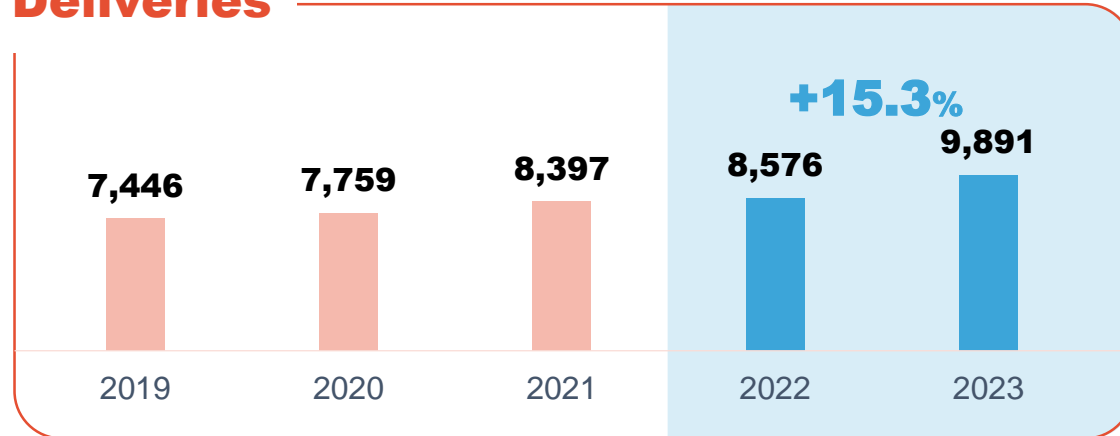


- ✓ Realization of deferred demand for medical services, including due to the coronavirus pandemic
- ✓ Increase in the proportion of the elderly population. The share of the population over the working age will increase from 24.5% in 2023 to 27% in 2046
- ✓ Increased state attention to the treatment of complex diseases, primarily oncology
- ✓ Growth of purchasing power. Real incomes in Russia increased by 5% in 2023

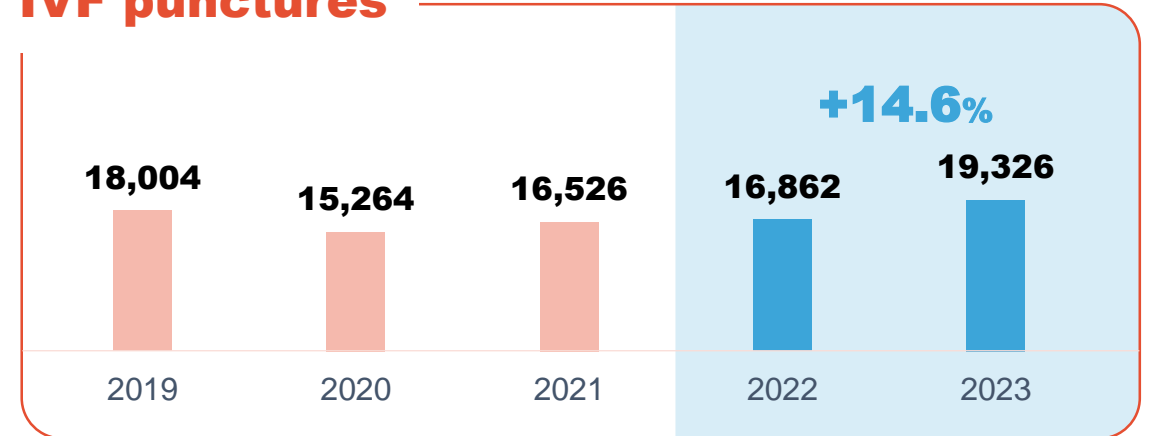


Key operational results

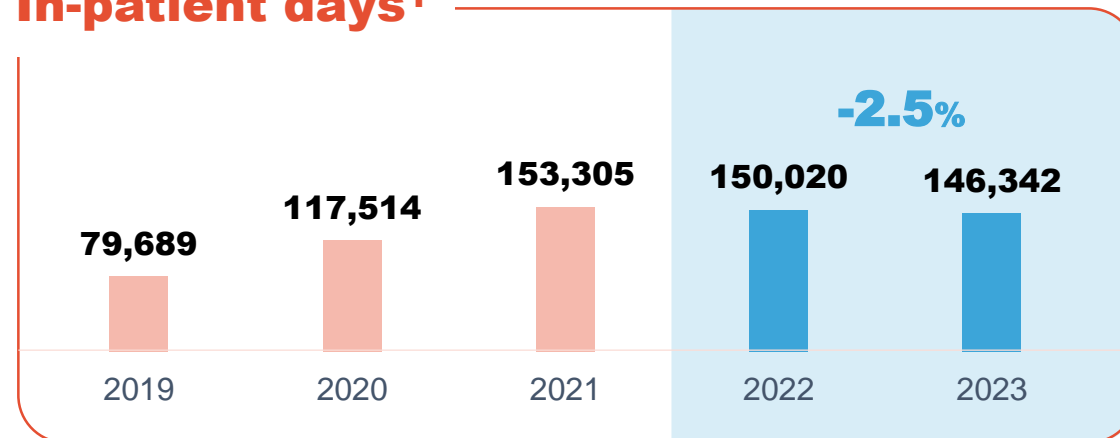
Deliveries



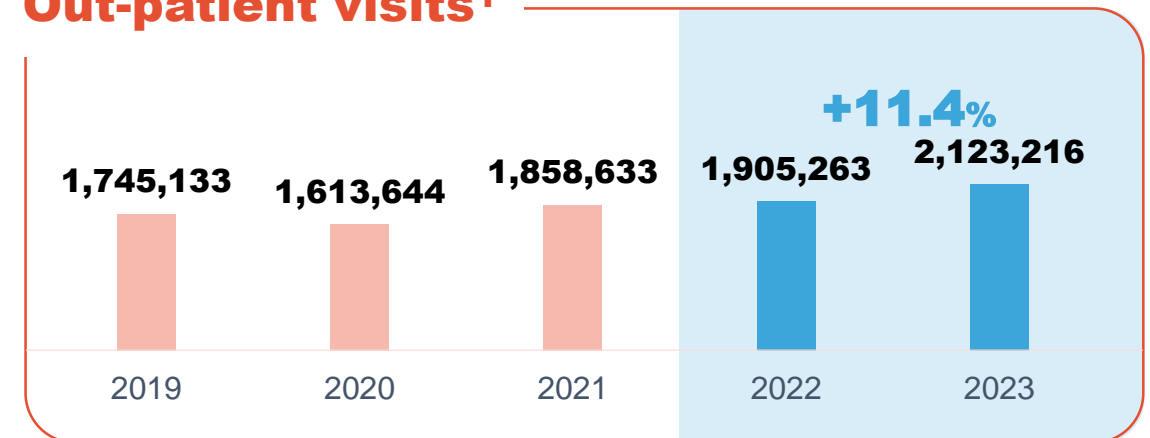
IVF punctures



In-patient days¹



Out-patient visits¹



¹Adjustments in 2022 are associated with a change in the methodology for reflecting new contracts.



Hospitals in Moscow



LAPINO CLUSTER

Lapino-1

Flagship hospital with a wide range of services

42,000 m²
size

120
beds

Lapino-2

State-of-the-art oncology centre

18,500 m²
size

120
beds

Lapino-4

Infectious diseases hospital

4,200 m²
size

46
beds

MD Group

Multifunctional hospital for the whole family

27,600 m²
size

259
beds

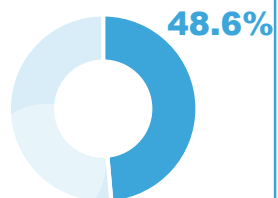
MD Group Michurinsky

Multifunctional Hospital for the whole family

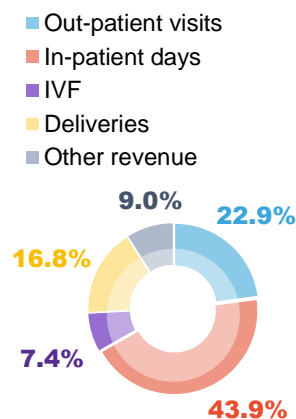
8,755 m²
size

60
beds

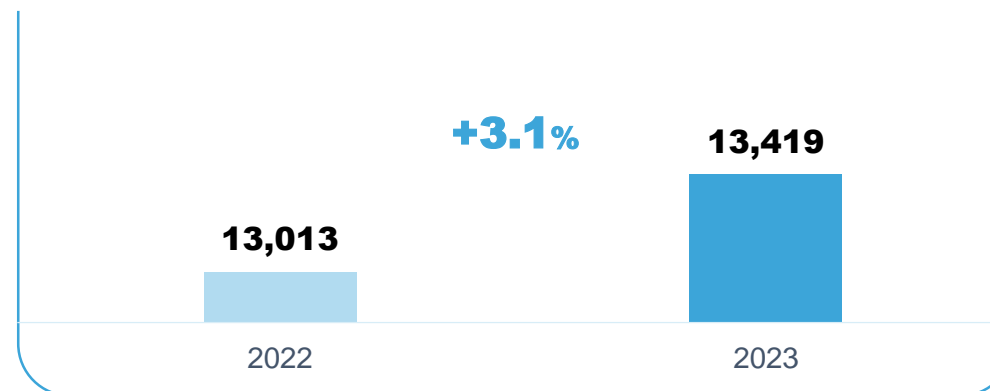
Share of total Group revenue



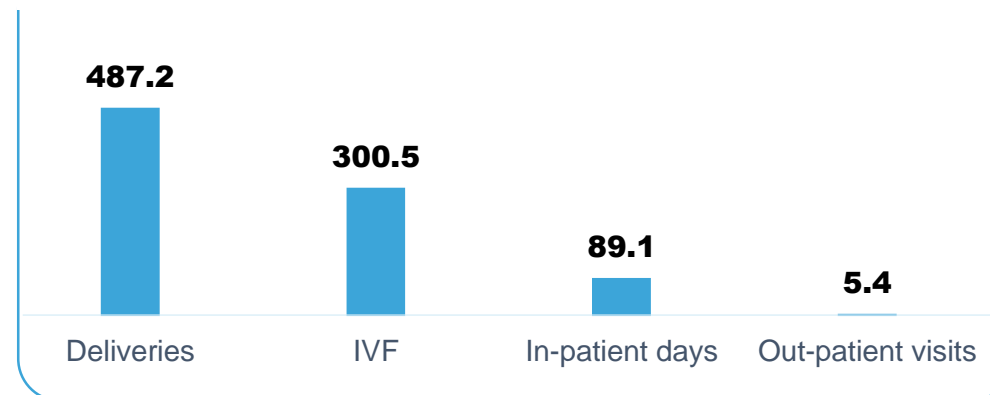
Revenue Structure



Revenue dynamic, RUB mn



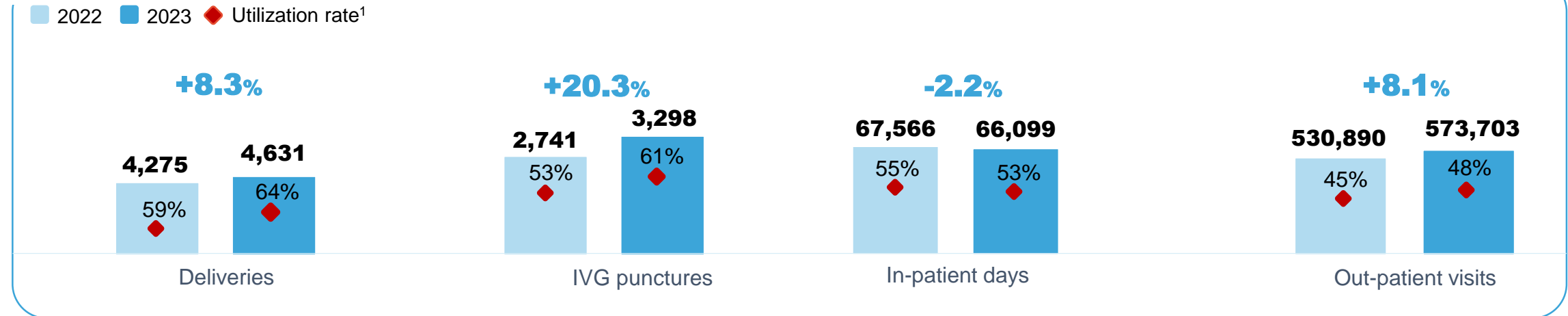
Average ticket, RUB ths





Hospitals in Moscow. Key operational results

Operating indicators



- ✓ Traditional increase in the number of deliveries and IVF punctures
- ✓ Increase in out-patient visits
 - ✓ demand areas: diagnostics, telemedicine, gynecology, pediatrics
- ✓ Reduction in the number of in-patient days due to the weakening of the COVID pandemic in 2023

In 2023, the new MD Group Michurinsky Hospital was acquired and opened

New competences

- ✓ Center for Biological (Immunosuppressive) Therapy
- ✓ High-risk Pregnancy Preservation Center
- ✓ Neurosurgery Center
- ✓ Home Obstetrics Center

¹ Adjustments in 2022 utilization rate are associated with a change in the methodology for calculating installed capacity



Out-patient clinics in Moscow and Moscow region



High-end medical services for checks and treatments on the base of multidisciplinary clinics and women's and children's health clinics



580 m²

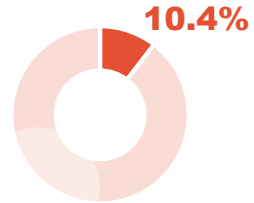
Clinic average size



11 clinics

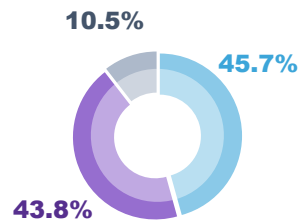
in Moscow and Moscow region

Share of total Group revenue

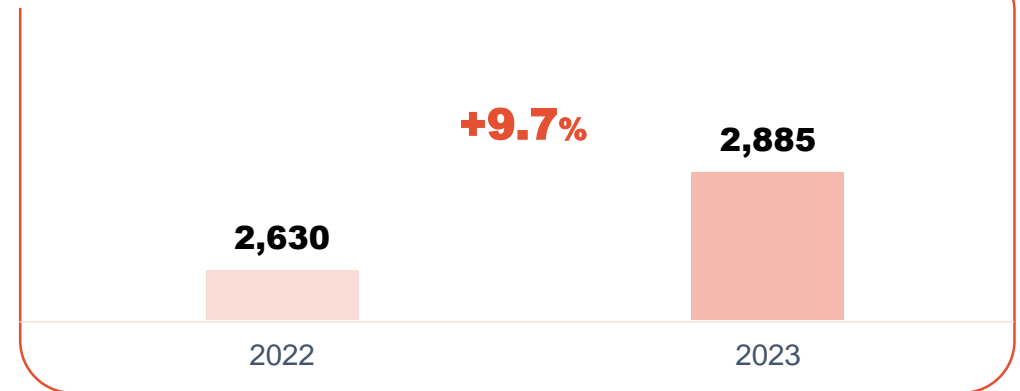


Revenue structure

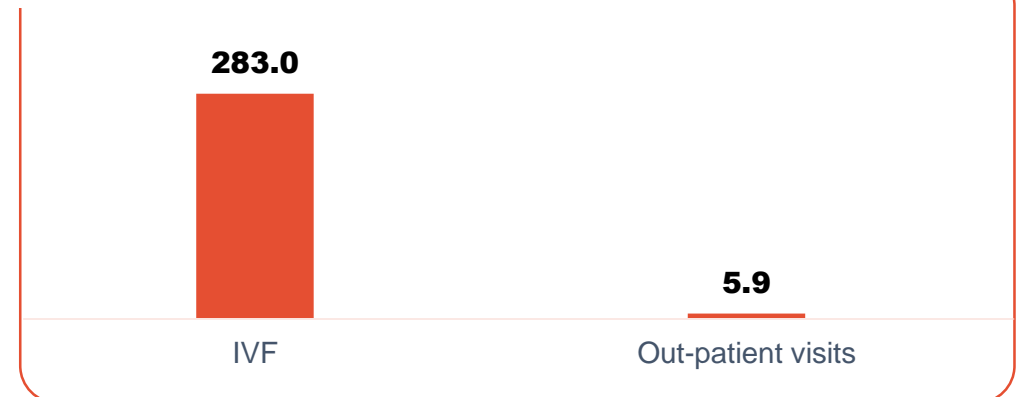
- Out-patient visits
- IVF
- Other revenue



Revenue dynamic, RUB mn



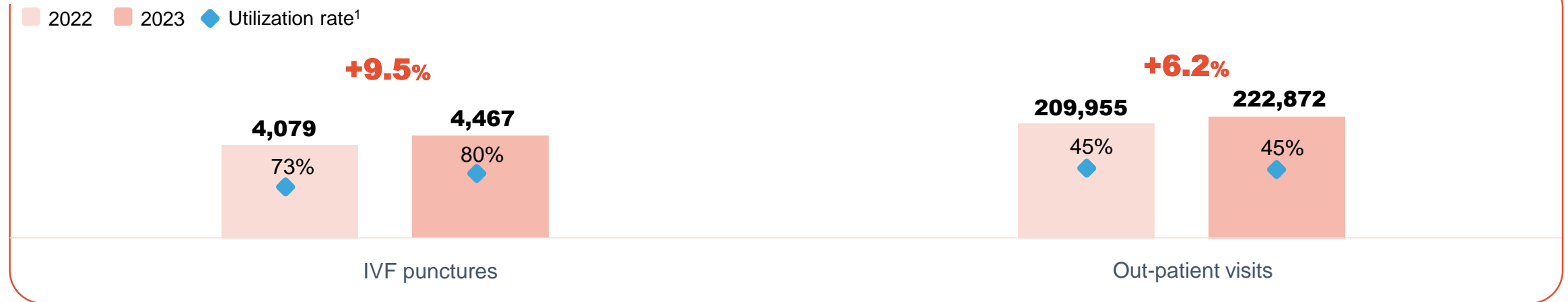
Average ticket, RUB ths





Clinics in Moscow and region. Key operational results

Operating indicators



- ✓ IVF cycles growth:
 - ✓ Resurgence of reproductive behaviour
 - ✓ Growing number of genetic studies
 - ✓ Application of new standards of treatment (EmbryoScope)
- ✓ Out-patient visits growth
 - ✓ strong demand for obstetrics and gynaecology, pediatrics
 - ✓ The new clinics in Butovo and Mytishchi, commissioned in 2023, have not yet reached their design capacity in the reporting period



- ✓ In 2023, a new clinic in Mytishchi was launched
- ✓ At the beginning of 2024, a new multidisciplinary clinic of the family format MD Group Zilart was launched

¹Adjustments in 2022 utilization rate are associated with a change in the methodology for calculating installed capacity



Hospitals in regions

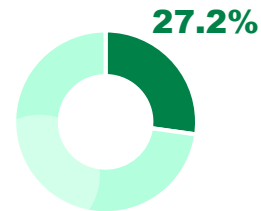


Wide range of first class medical services in regions

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

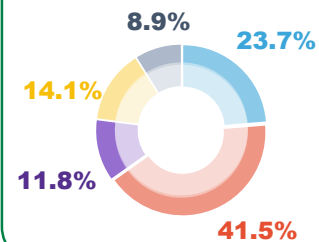
33,000 m² MD Ufa	10,260 m² MD Novosibirsk	9,000 m² MD Lakhta
15,000 m² MD Samara	15,000 m² MD Tyumen-1	4,750 m² MD Tyumen-2

Share of total Group revenue

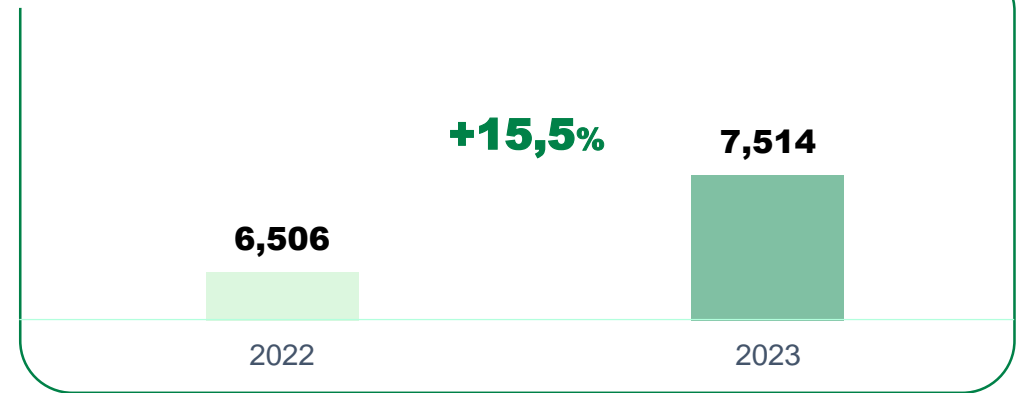


Revenue structure

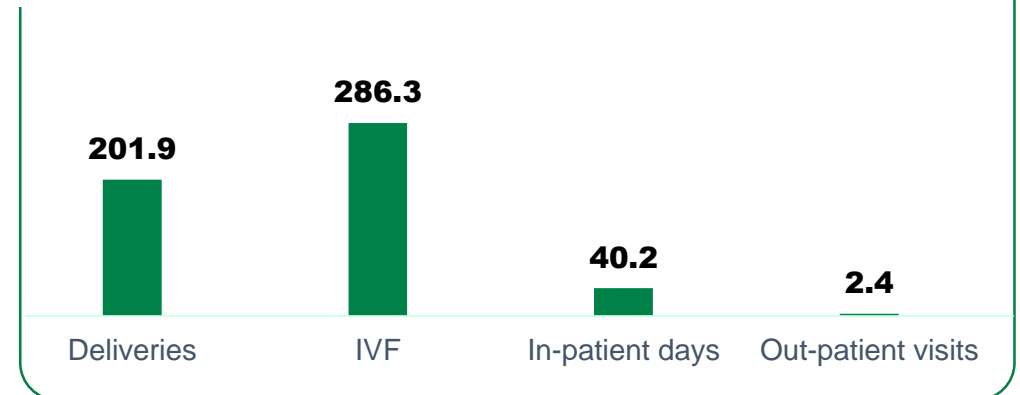
- Out-patient visits
- In-patient days
- IVF
- Deliveries
- Other revenue



Revenue dynamic, RUB mn



Average ticket, RUB ths

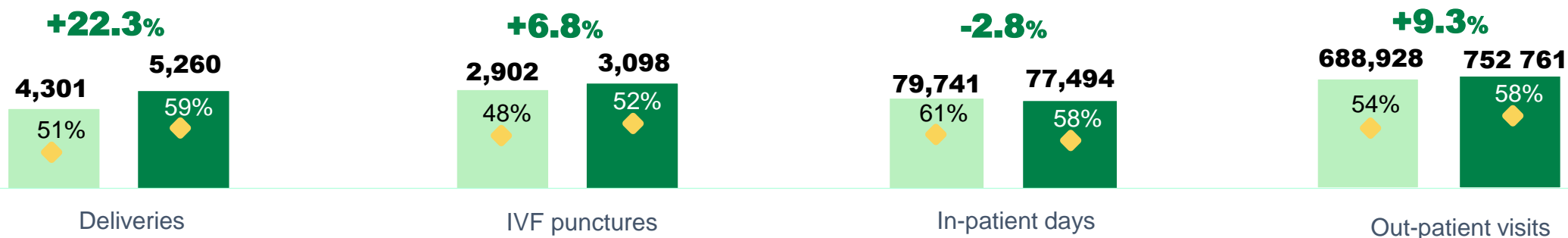




Hospitals in regions. Key operational results

Operating indicators

■ 2022 ■ 2023 ◆ Utilization rate¹



- ✓ Increase in deliveries, especially in Samara, Tyumen and Lakhta, due to the constant growth of "young" hospitals utilisation rate
- ✓ Increase in out-patient visits
 - ✓ demand areas: gynecology, pediatrics, diagnostics and telemedicine
- ✓ Decrease in in-patient days due to a reduction in quotas for MHI programmes, as well as a reduction in the length of stay in the hospital during medication treatment according to MHI programmes terms

New competences

- ✓ Trauma center for adults and children in Ufa hospital
- ✓ A new technology for oncofertility (OTO-IVM program) has been launched at the Samara hospital
- ✓ Palliative care in Tyumen Hospital

¹Adjustments in 2022 utilization rate are associated with a change in the methodology for calculating installed capacity



Out-patient clinics in regions



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



733 M²
Clinic average size

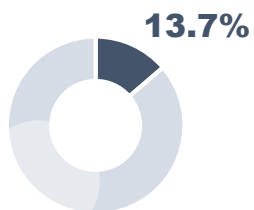


33
clinics



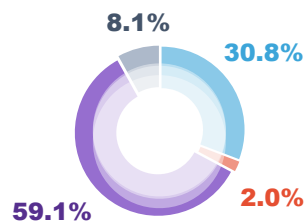
26
Cities and towns

Share of total Group revenue

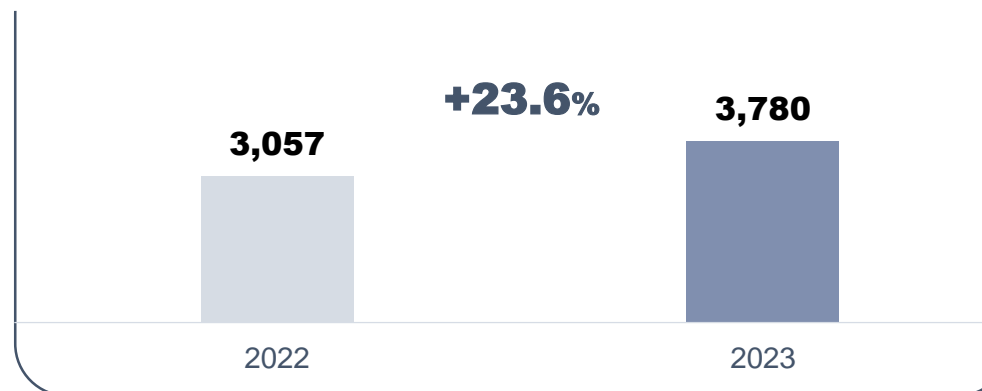


Revenue structure

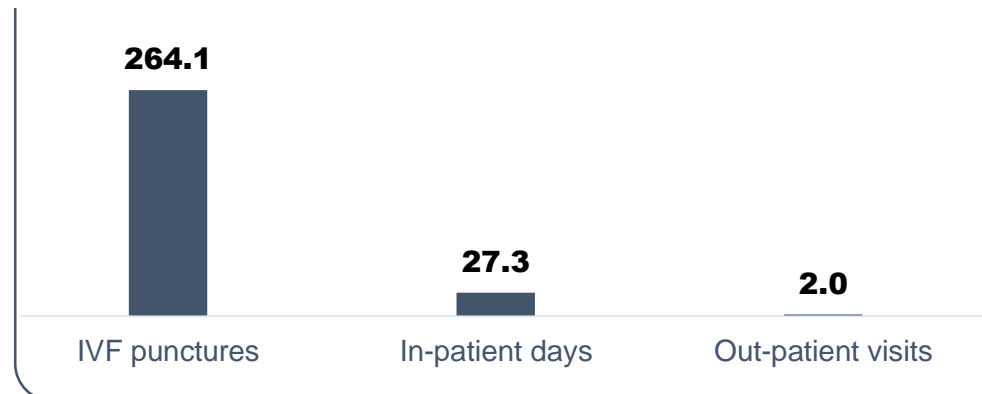
- Out-patient visits
- In-patient days
- IVF
- Other revenue



Revenue dynamic, RUB mn



Average ticket, RUB ths

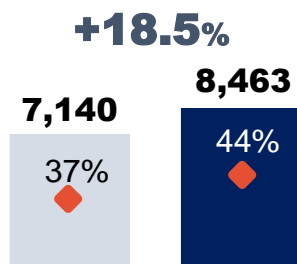




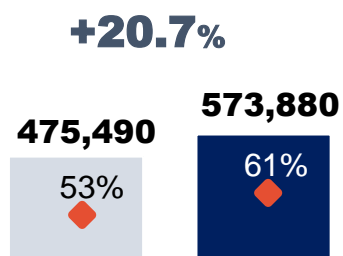
Clinics in regions. Key operational results

Операционные показатели

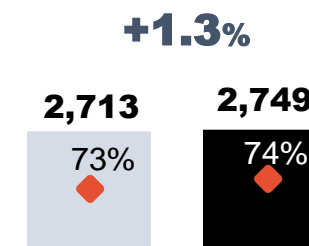
■ 2022 ■ 2023 ◆ Utilization rate¹



IVF punctures



Out-patient visits



In-patient days

- ✓ Increase in the number of IVF cycles both commercial and under MHI programmes, as well as the growing popularity of clinics among patients living in nearby regions
- ✓ Increase in out-patient visits
 - ✓ demand areas: obstetrics and gynecology, diagnostics and telemedicine
- ✓ The largest contribution to the results of regional clinics was made by the "young" clinic in Yekaterinburg, as well as clinics in Rostov, Krasnodar and St. Petersburg.



- ✓ In 2023, 4 new clinics were acquired in Khanty-Mansi region in Surgut and Nefteyugansk

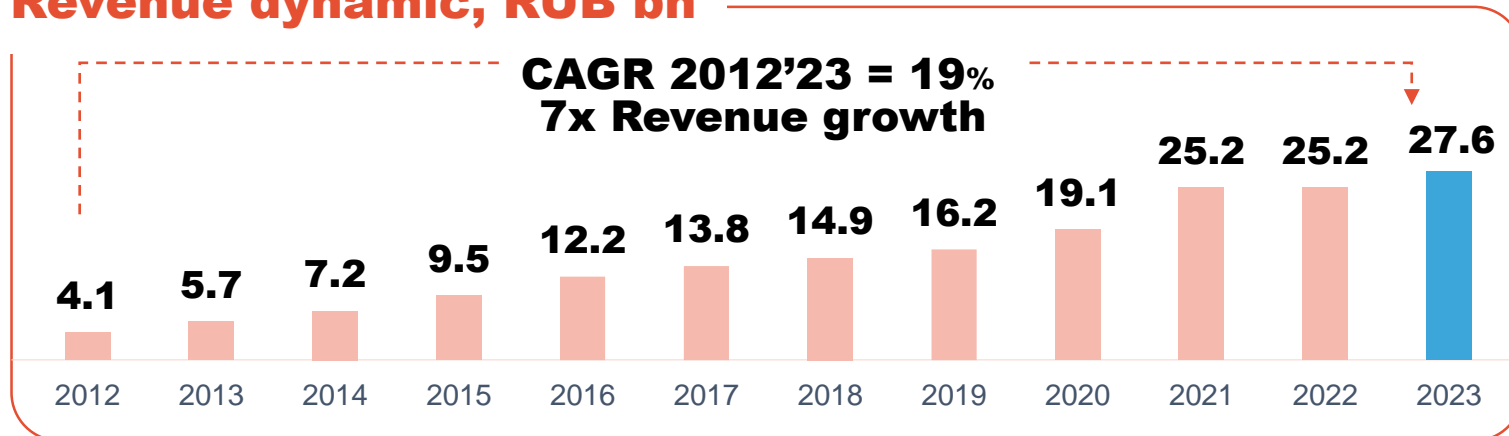
¹Adjustments in 2022 utilization rate are associated with a change in the methodology for calculating installed capacity

Financial Results

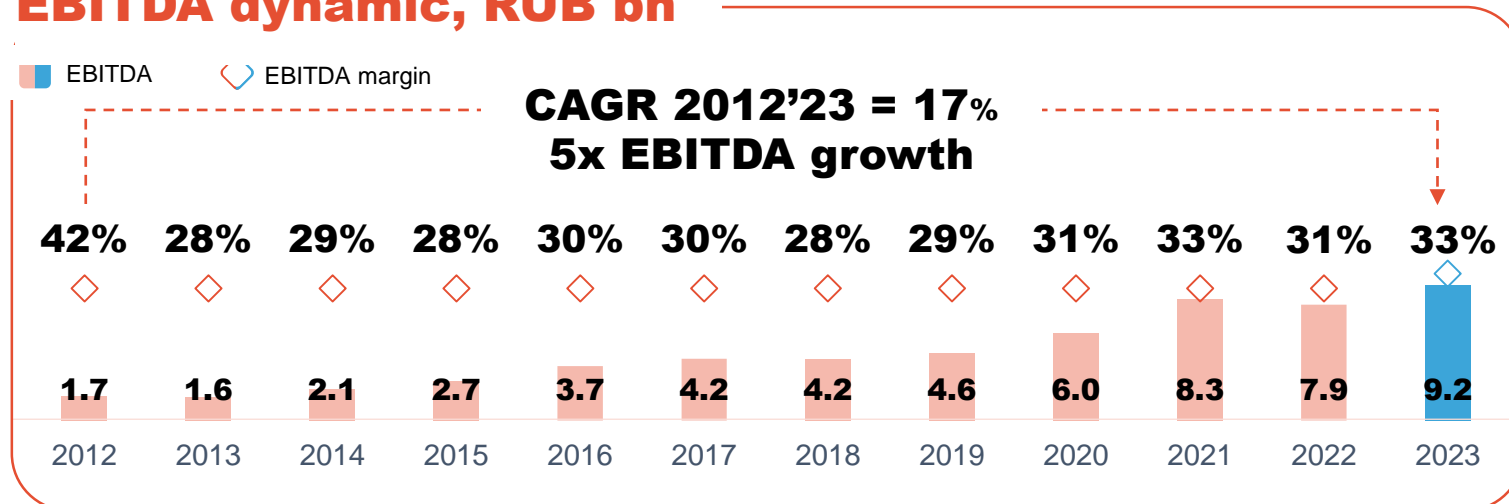


Business Growth Dynamics

Revenue dynamic, RUB bn



EBITDA dynamic, RUB bn



Core achievements



2023 revenue dynamic on the back of resurgence of robust purchasing power, reproductive behaviour, and outpatient demand.

Revenue growth was mainly driven by a **stable demand for deliveries** in Moscow and regions, **as well as for IVF** in all medical institutions of the Group.

Effective cost management allowed achieve an **high EBITDA margin of 33,4%**.



Profit and losses statement, RUB mn

	2022	2023	Change
Revenue	25,222	27,631	9.6%
Cost of sales	(15,429)	(16,339)	5.9%
Gross profit	9,793	11,292	15.3%
Gross margin	38.8%	40.9%	2.1 п.п.
SG&A	(3,513)	(3,767)	7.2%
Impairment of CIP, PPE and goodwill	(1,287)	-	n/a
Other income / (loss), net	(24)	(16)	(33.3%)
EBIT	4,969	7,509	51.1%
Net finance expenses ¹	(138)	406	n/a
FX loss/gain	(105)	20	(119%)
Taxes	(7)	(112)	n/a
Net profit	4,719	7,823	65.8%
Net profit margin	18.7%	28.3%	9.6 п.п.
EBITDA	7,924	9,218	16.3%
EBITDA margin	31.4%	33.4%	2.0 п.п.
Adjusted net profit²	6,005	7,823	30,3%
Adjusted net profit margin	23.8%	28.3%	4.5 п.п.

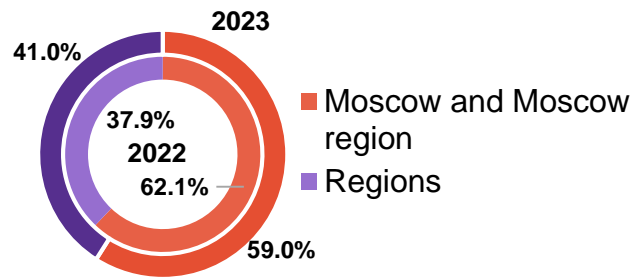
¹Including bank commissions and impairment under MSFO-9

²In 2022 adjusted for impairment of CIP, PPE and goodwill amounted to RUB 1,287 mn

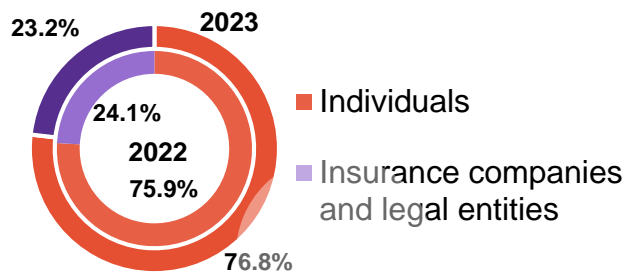


Successful service diversification strategy

by geography

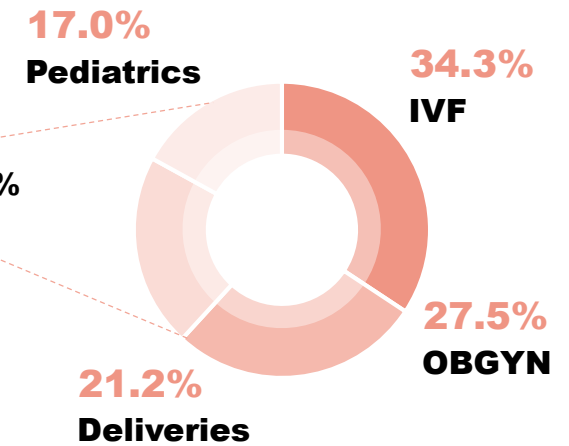
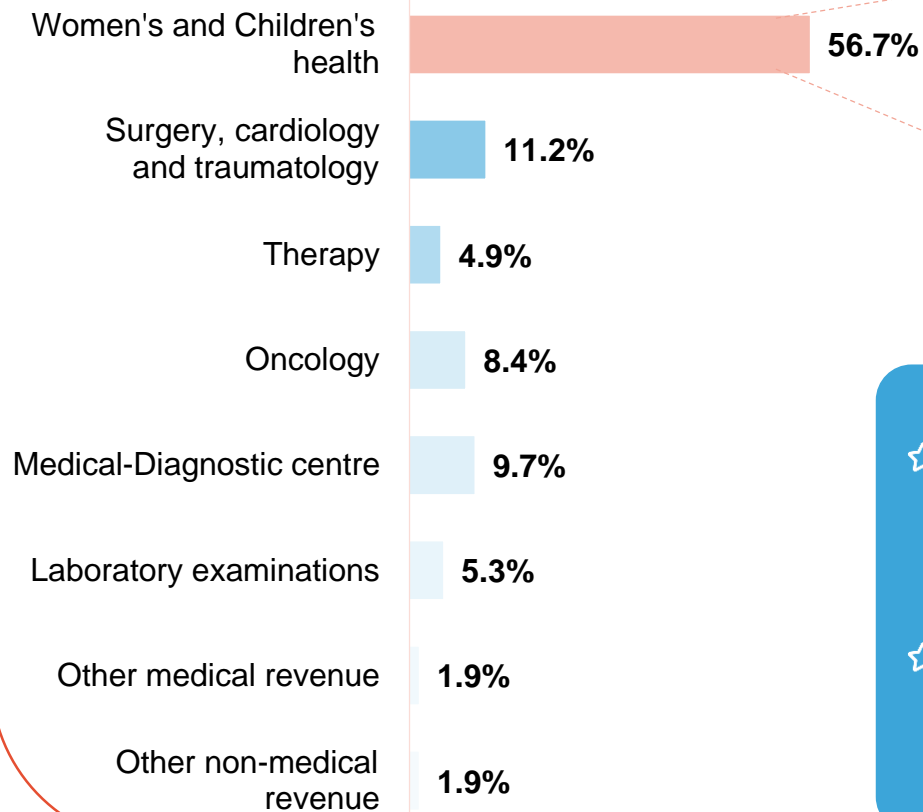


by payers



Revenue structure

by types of services



Unique competences in women's and children's healthcare

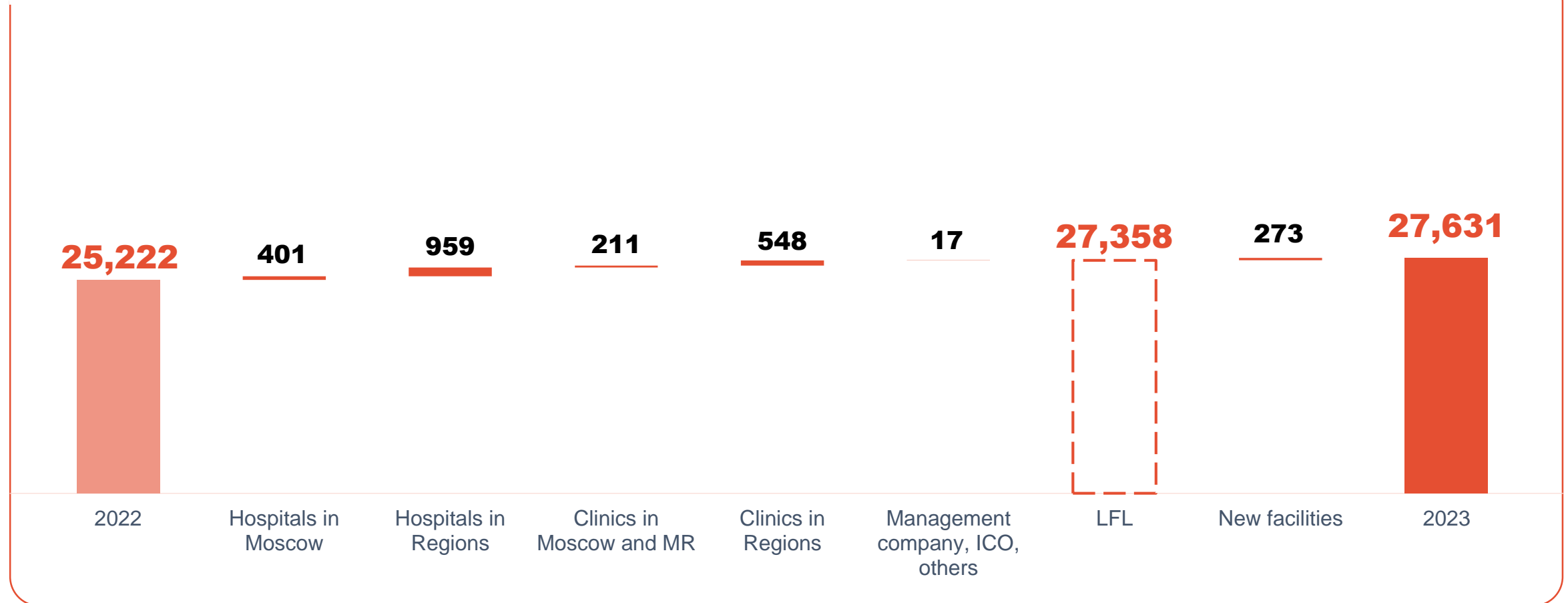


The largest network of medical institutions in the country for IVF procedures using EmbryoScope



Revenue decomposition

Bridge analysis¹, RUB mn

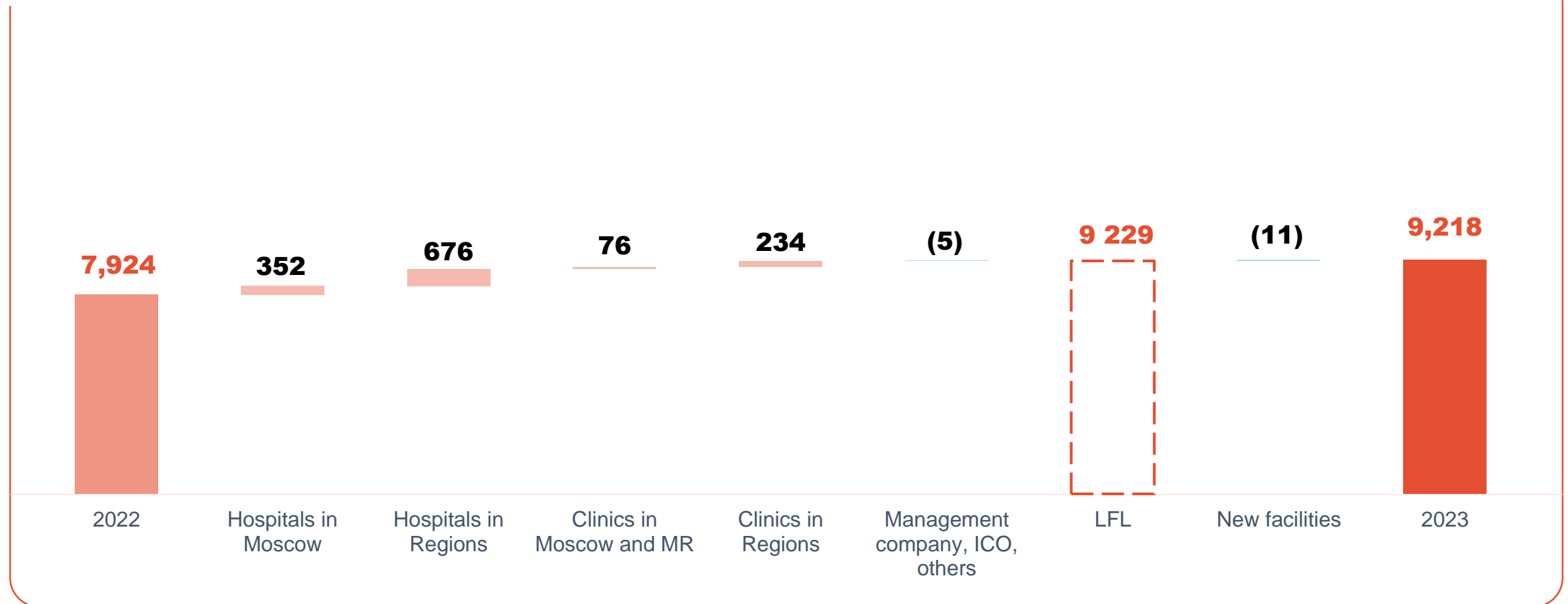


¹Changes in Revenue by assets / segments are presented taking into account intra-group transactions.



EBITDA decomposition

Bridge analysis¹, RUB mn



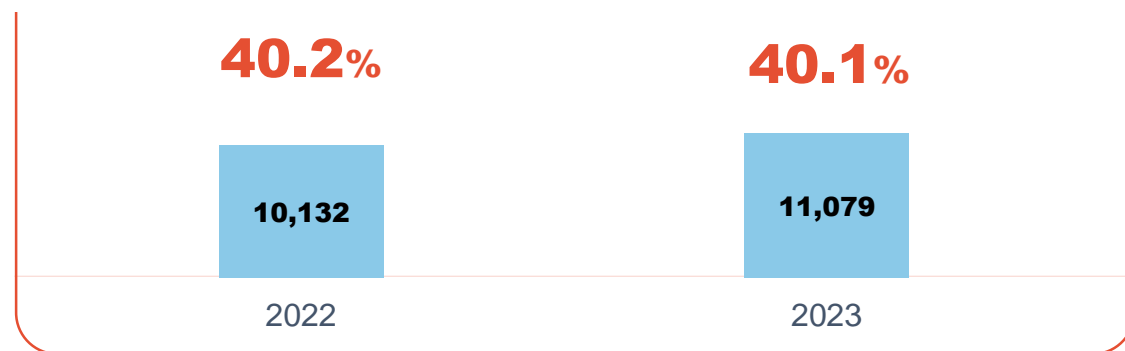
¹Changes in EBITDA by assets / segments are presented taking into account intra-group transactions.



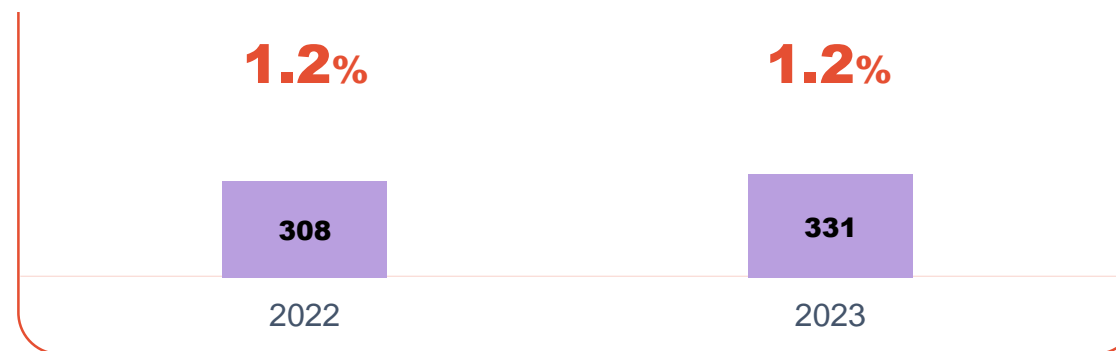
Key expenses, RUB mn

X% as of total Revenue

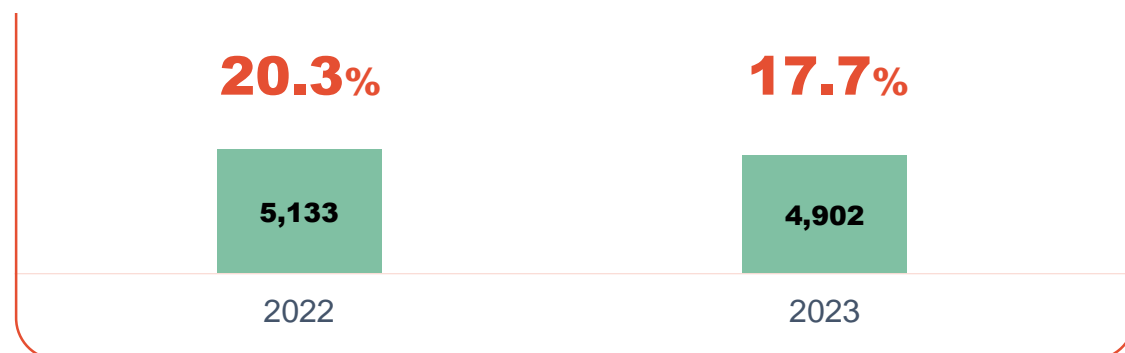
Payroll and Social contributions



Medical services expenses



Material expenses



Functional expenses¹



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



Balance sheet¹, RUB mn

Assets	2022	2023
Total non-current assets	26,576	29,347
Fixed assets	24,528	26,920
Intangible assets	1,960	2,179
Other non-current assets	88	247
Total current assets	6,587	11,989
Cash and cash equivalents	4,463	9,894
Inventories	1,212	1,086
Trade, other receivables and deferred expenses	912	1,010
Total assets	33,162	41,337

Equity and liabilities	2022	2023
Total long-term liabilities	1,687	1,709
Long-term debt	489	736
Contract liabilities	469	381
Trade and other payables	729	592
Total current liabilities	4,512	5,074
Short-term debt	106	141
Contract liabilities	1,583	1,953
Current trade and other payables	2,822	2,980
Total Equity	26,963	34,554
Total Equity and liabilities	33,162	41,337

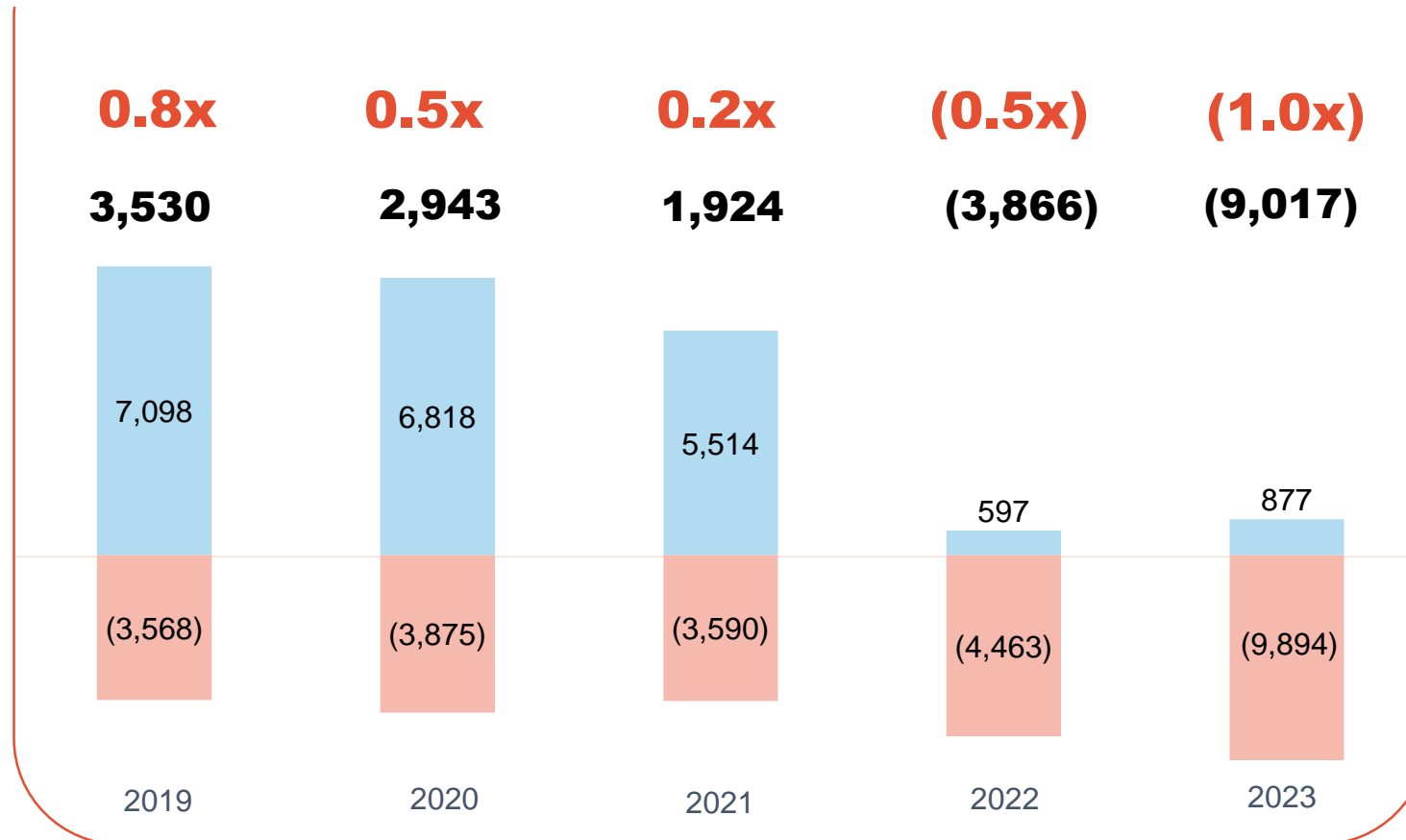
¹Minor variations in calculation of totals and subtotals are due to rounding of decimals.



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



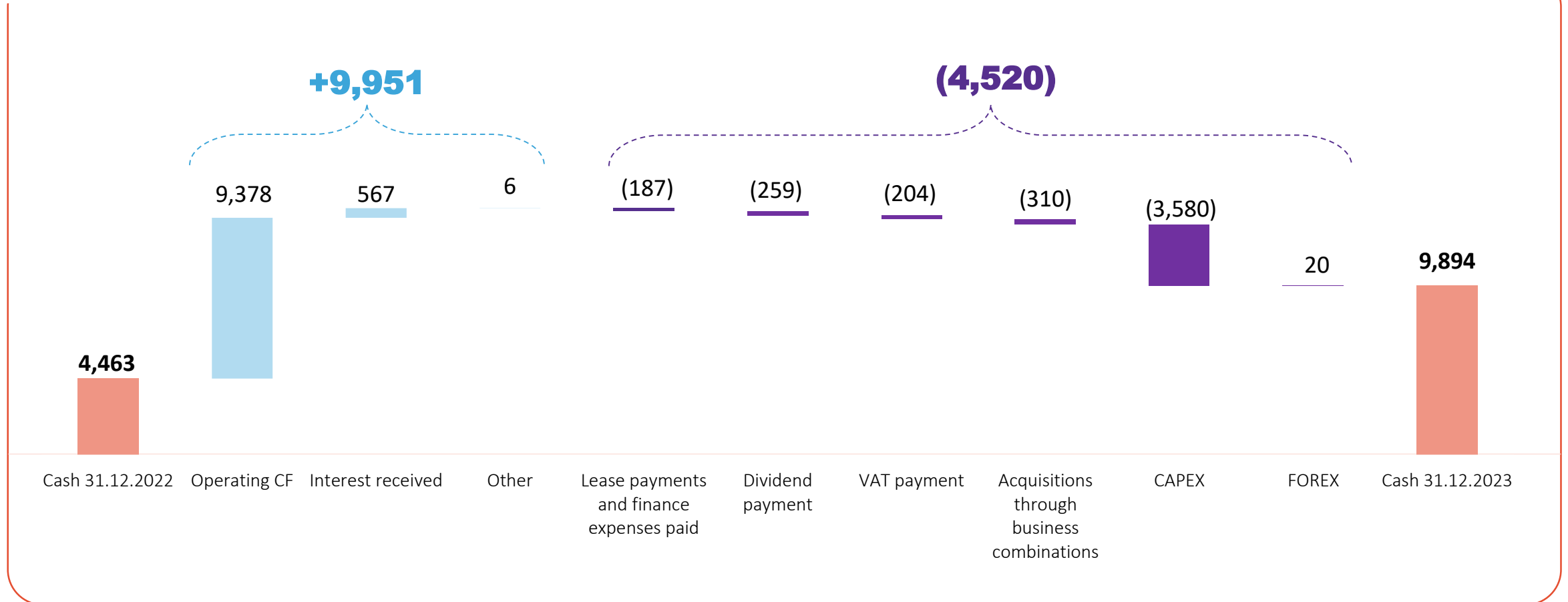
Strong financial position:

- ✓ Possibility to participate in business expansion with own funds
- ✓ Access to banking financing when needed
- ✓ Support for attractive level of dividend payments



Free cash flow

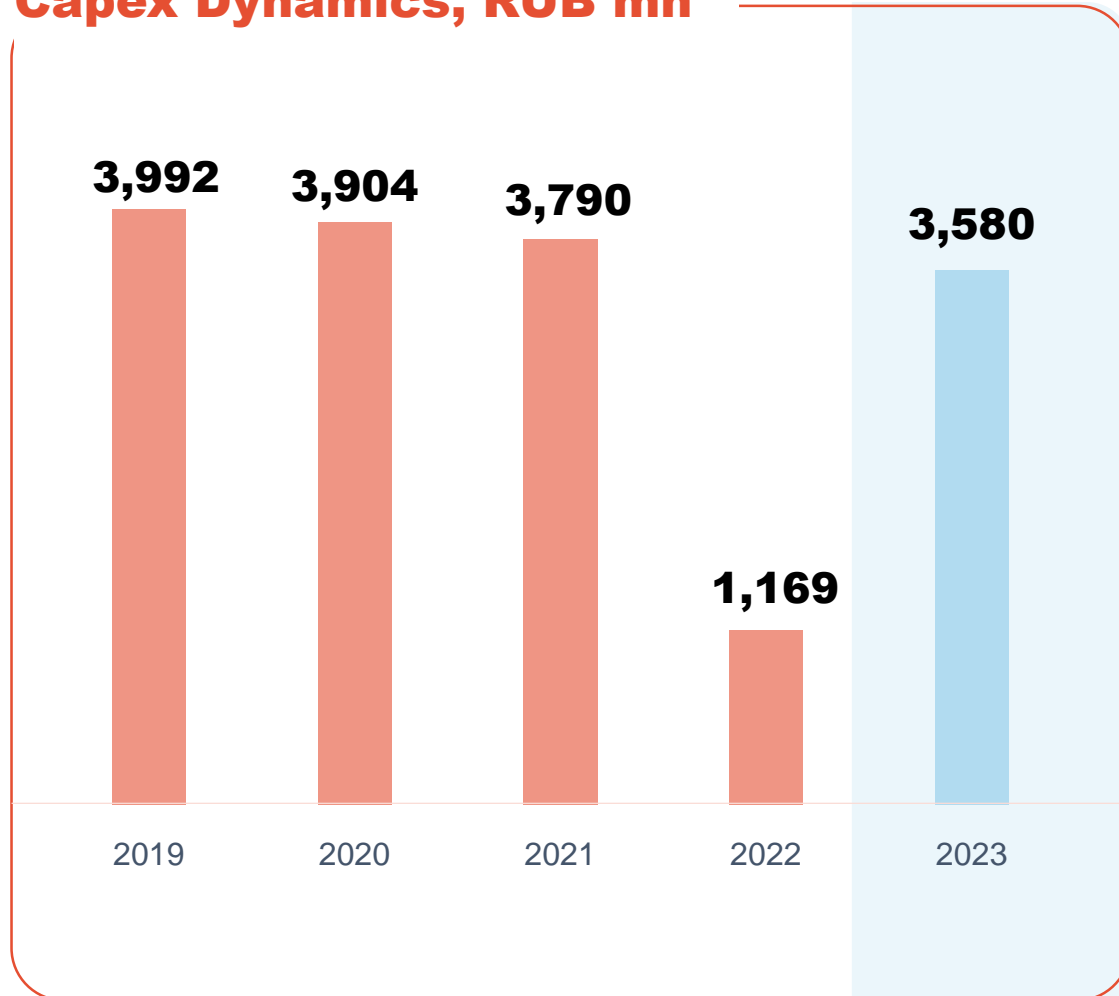
Bridge analysis, RUB mn





Capex highlights

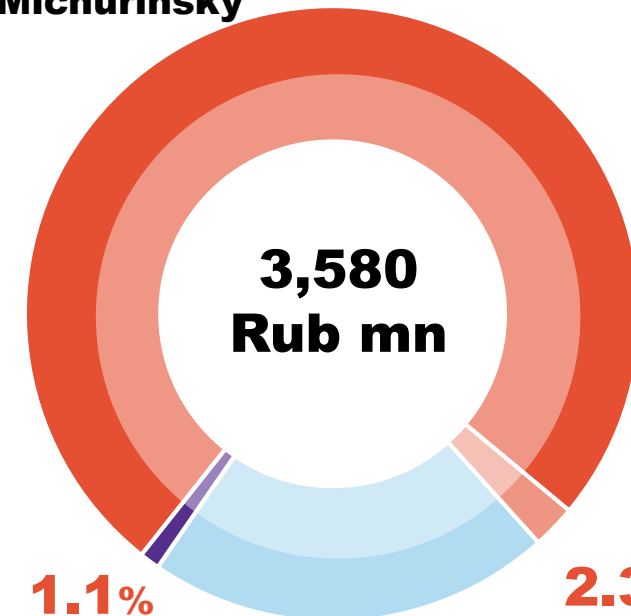
Capex Dynamics, RUB mn



2023 Capex Structure

75.4%

MD Group Michurinsky
2,698 Rub mn



1.1%

City
38 Rub mn

21.3%
Repair and small projects
762 Rub mn

2.3%

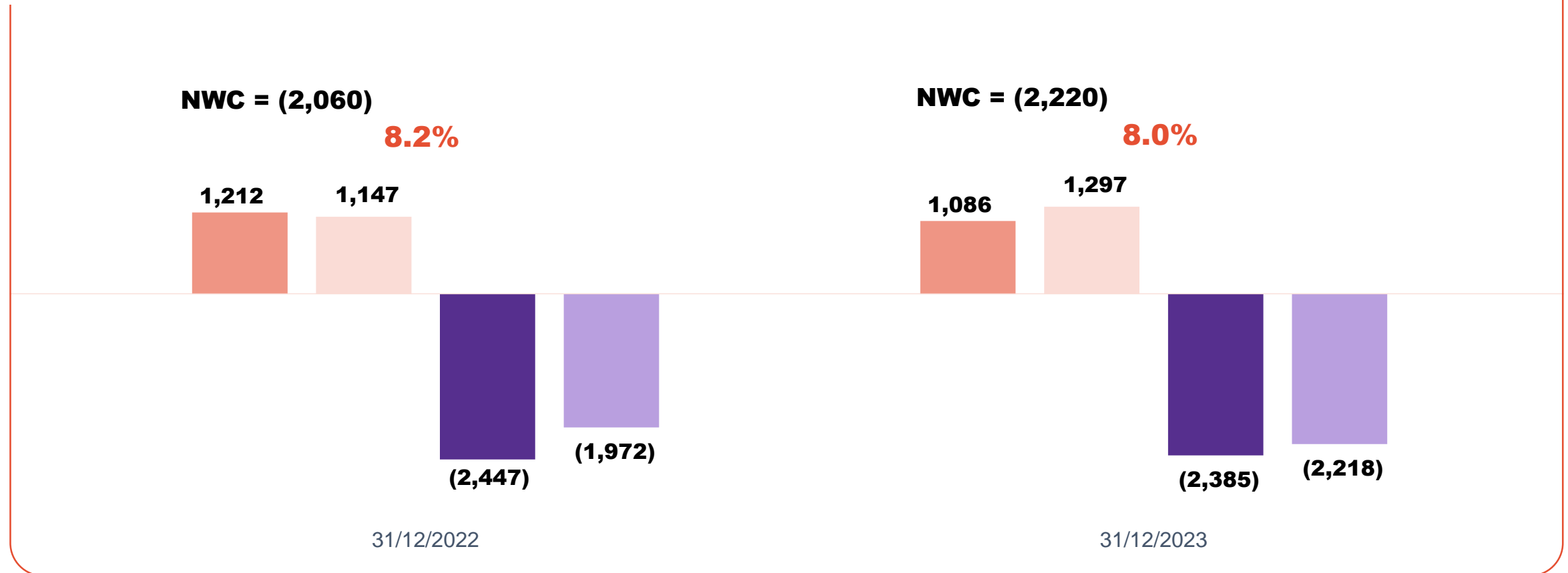
Zilart
82 Rub mn



Net working capital Highlights

Bridge Analysis, RUB mn

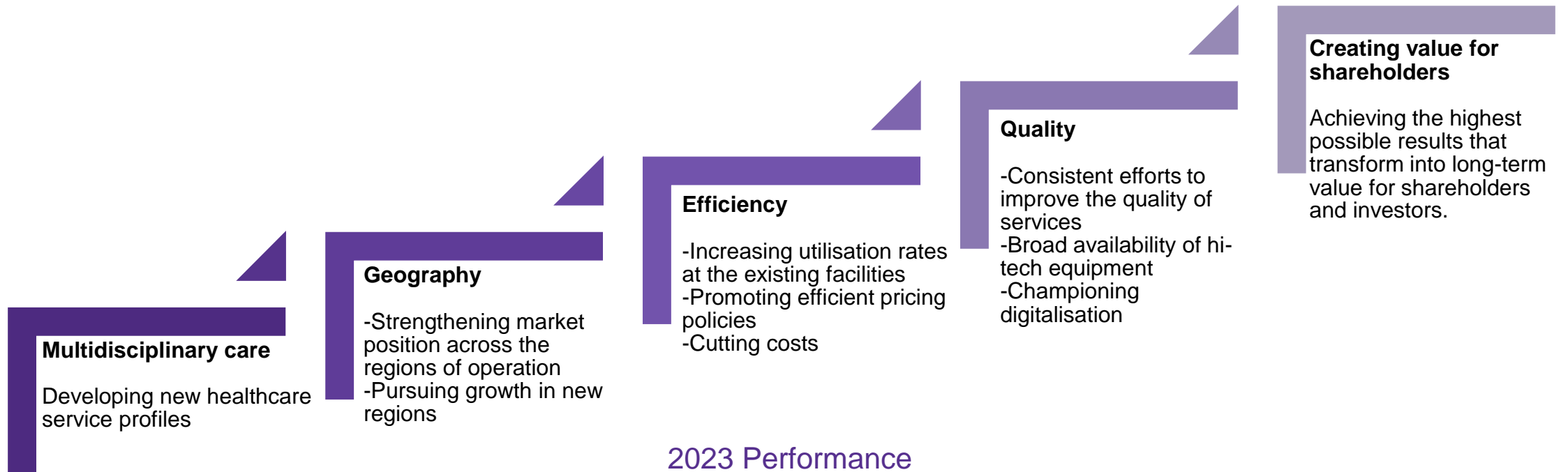
■ Inventories
 ■ Accounts receivables
 ■ Accounts payable
 ■ Contract liabilities
 XX% NWC / Revenue



Strategy Overview



MD Medical Group – Effective Growth Strategy



2023 Performance

Opening of the Neurosurgery Center in Lapino
The share of revenue from medical services not related to women's and children's health amounted to 43% in 2023.

Opening of a clinic in Mytishchi
Opening of the MD Group Zilart multidisciplinary clinic
Acquisition and opening of a hospital on Michurinsky Avenue in Moscow
Acquisition of 4 clinics in Khanty-Mansi – Yugra

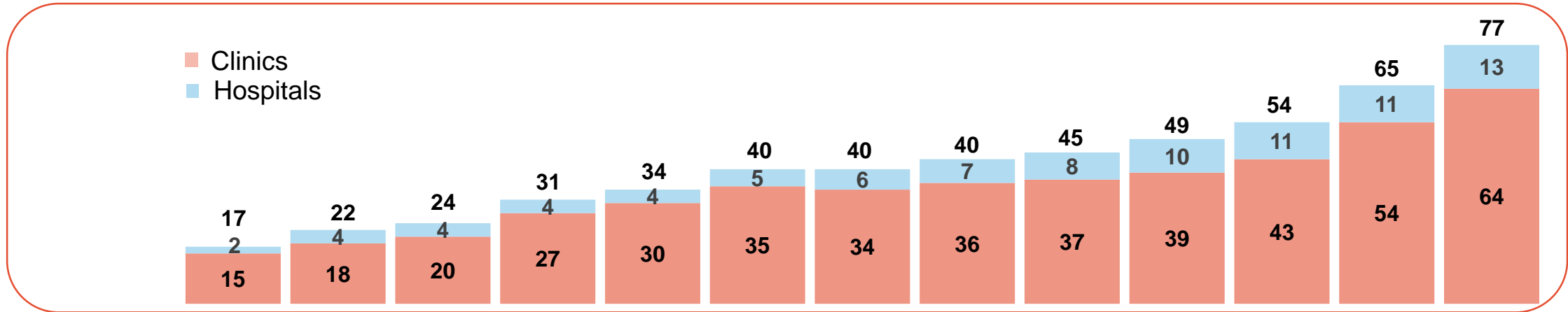
Increased capacity utilization in terms of the number of deliveries, IVF cycles and visits
EBITDA margin increased from 31% to 33%.

Opening of the home obstetrics center in Lapino
Telemedicine services development
Distance monitoring
BI business analytical system

Beginning of the redomiciliation to Russia process
Approval of the new dividend policy
Company's capitalization growth in 2023 was 83%



Facilities Network Development










	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024Π	2025Π
New hospitals		✓			✓	✓	✓	✓	✓	✓	✓		✓
New clinics	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
M&A	✓	✓	✓	✓							✓		

¹Estimation of new medical facilities in 2024-2025



New projects overview – hospitals

	PLANNING AND DESIGN STAGE	
		
	Lapino-3	Domodedovo
 Region	Moscow and Moscow region	Moscow and Moscow region
 Profile	Nuclear medicine centre	Multifunctional hospital
 Key metrics	4,700m² PET CT, radio therapy, theranostics	15,600 m²
 CAPEX, RUB mn	2,800	6,000
 Expected launch	2025-2026	2025-2026



New projects overview – clinics

PLANNING AND DESIGN - REGIONS



Profile

Lipetsk

Multidisciplinary

Chelyabinsk

Multidisciplinary

Khabarovsk

Multidisciplinary

Kaliningrad

IVF

Surgut

IVF



Size

450m²420m²559m²455m²550m²

CAPEX, RUB mn

80

84

86

110

110



Expected launch

Q3 2024

Q3 2024

Q3 2024

Q4 2024

Q3 2024



Profile

Moscow City
Business City

Multidisciplinary

Solntsevo

Women's Health

Domodedovo

Women's Health

Odintsovo
Expansion

Women's Health



Size

1,480m²175m²175m²1,094m²

CAPEX, RUB mn

386

35

35

207



Expected launch

Q3 2024

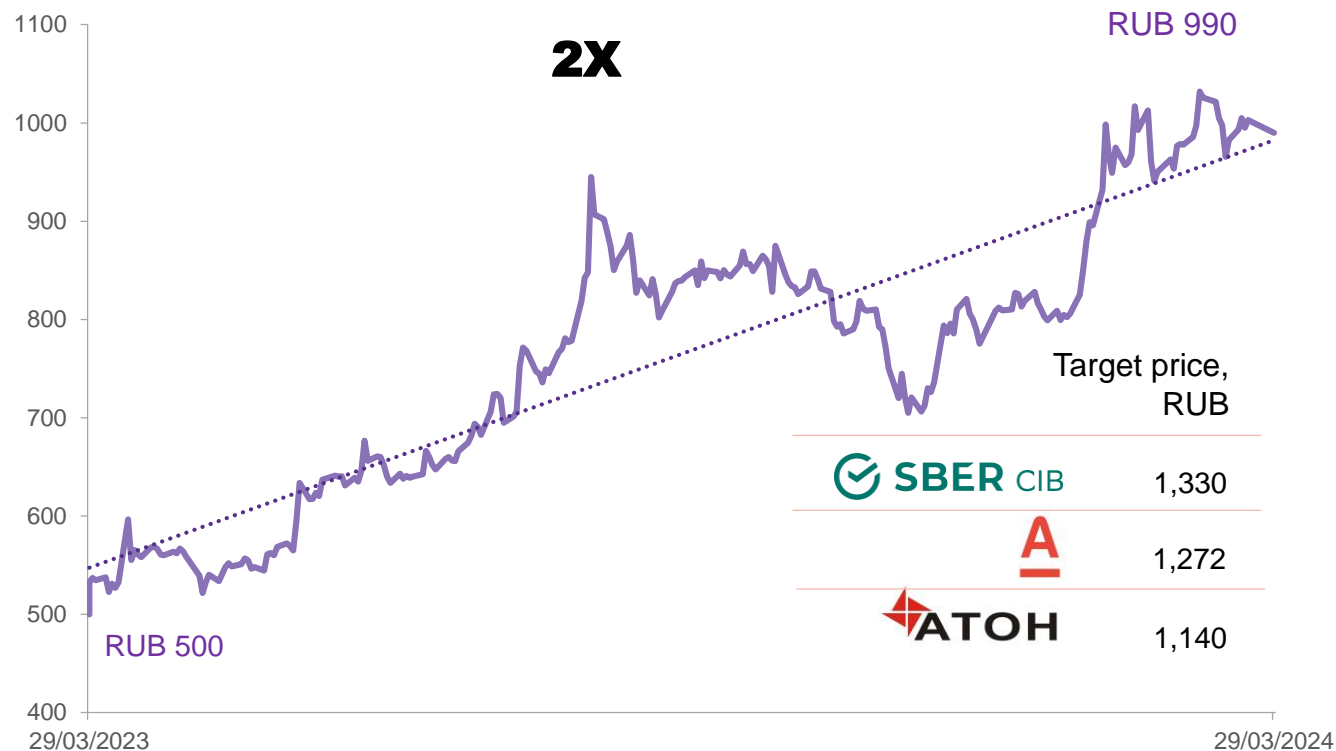
Q3 2024

Q3 2024

Q4 2024



Shareholder value growth as a result of the Company's solid performance



Key highlights

Maximum transparency and efficiency in communication with shareholders, investors and analysts

Disclosure of quarterly and annual results

Disclosure of results schedule for the year ahead

Interaction with investors and analysts in 2023-2024:

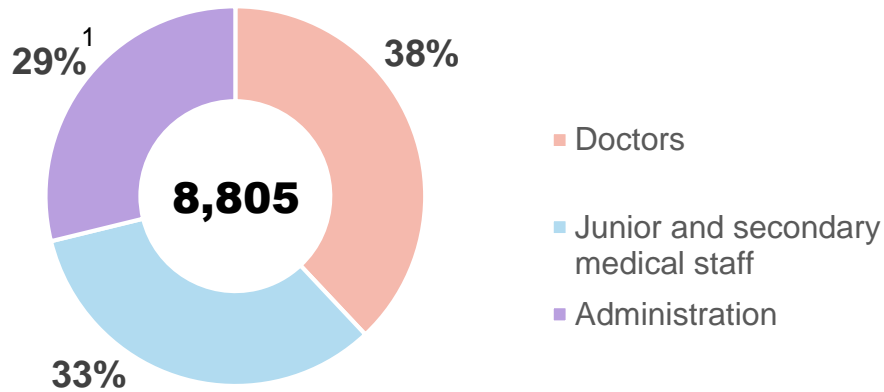
- ✓ Analyst's Day in Lapino
- ✓ SberCIB Webinar
- ✓ Finam Webinar
- ✓ Smartlab Webinar
- ✓ Broadcasts with financial clubs
- ✓ Expanding analytical coverage

Appendices

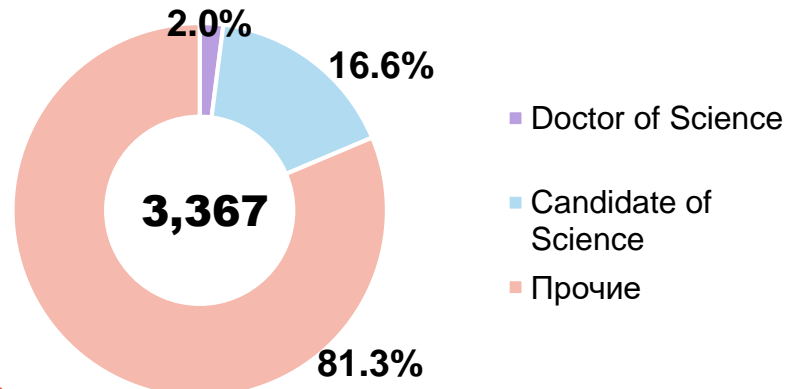


Highly professional medical staff

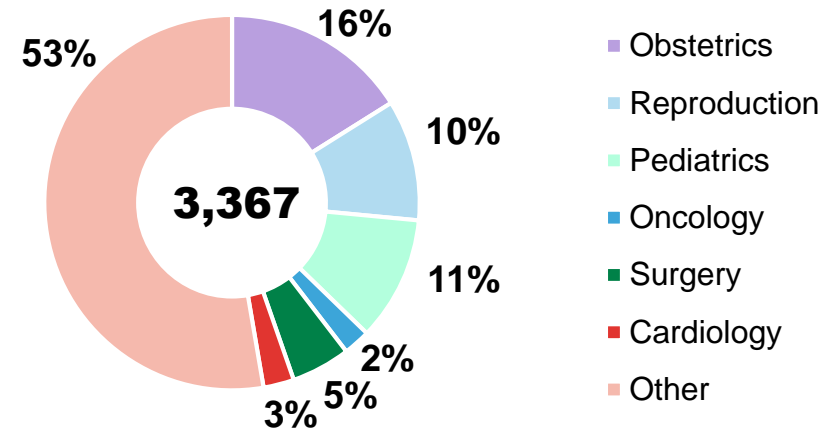
Personnel by category



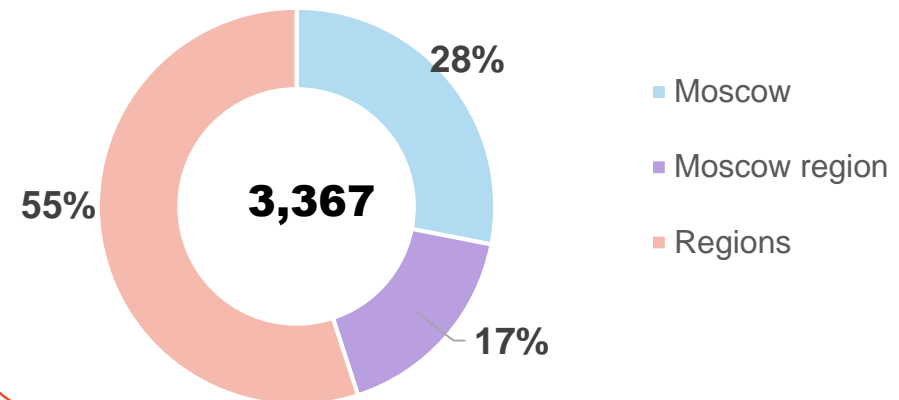
Academic degrees



Doctors by specialization



Doctors by regions



¹Administration includes 24 professors for education




Management, highly motivated for the Company's growth



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



Alexander Kotov

First Deputy CEO

Joined the Group in 2022 as First Deputy CEO


 **> 40 years**
in public authorities



Iya Lukianova

Chief Financial Officer

Joined the Group in 2015 as Chief Accountant


 **>20 years**
in finance



Pavel Rudnikov

Chief Operating Officer

Joined the Group as Head of Financial Control and Treasury in 2018


 **>10 years**
in finance



Yulia Kutakova

Medical Director for Organizational and Scientific & educational work

PhD in medical science


 **> 10 years**
in medicine



Boris Konoplev

General Director of Lapino Medical Cluster

Practicing obstetrician-gynecologist


 **> 20 years**
in medicine



Natalia Yakunina

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

PhD in medical science

 **> 30 years**
in medicine



Natalia Butkevich

Medical Director, Head of clinical hospitals

PhD in medical science

 **> 40 years**
in medicine



Contacts

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