

MD MEDICAL GROUP REPORTS 15% INCREASE IN EBITDA FOR H1 2025

29 August 2025. MD Medical Group IPJSC ("MD Medical", "Group" or the "Company"; MOEX: MDMG), a leading Russian private healthcare provider, announces audited consolidated financial results for 6M ended 30 June 2025 under IFRS.

Key financial highlights for H1 2025:

- **Total revenue** increased by **22.2%** y-o-y to **RUB 19,264 million**, backed up by higher revenue, primarily from out-patient and in-patient segments and women's health services, on the back of growing patient flow and average ticket.
- **EBITDA** went up by **15.1%** y-o-y to **RUB 5,823 million**. EBITDA margin was at **30.2%** compared to **32.1%** in H1 2024, mainly due to higher personnel costs, associated, among other things, with the launch of new clinics and ongoing pressure in the labour market.
- **Net profit** increased by **3.6%** to **RUB 5,064 million**. Net profit margin was at **26.3%** compared to **31.0%** in H1 2024 because of a decline in the net finance income, including lower interest income from depositing idle funds due to dividend payouts and the acquisition of the Expert medical centres in the reporting period.
- **Operating cash flow** increased by **15.8%** y-o-y to **RUB 6,047 million**.
- **Capex** totalled **RUB 1,355 million**, up **43.2%** due to H1 2025 investments in equipping hospitals and opening new clinics.
- As at 30 June 2025, the Group's **cash position** stood at **RUB 3,459 million** (vs **RUB 6,050 million** as at the end of 2024). In H1 2025, funds were utilised for 2024 dividend payouts and financing of the Expert medical centres acquisition. The Company has not raised any debt financing.

Key operational highlights for H1 2025¹:

- Total **out-patient treatments** went up by **32.9%** y-o-y to **1,572,661**
- Total **in-patient treatments** decreased by **3.9%** y-o-y to **72,600** with a **13.4%** uptick in **surgeries**
- Total **deliveries** increased by **10.3%** y-o-y to **5,958**
- Total **IVF punctures** went up by **8.2%** y-o-y to **10,502**.

MD Medical CEO Mark Kurtser said:

"We have been posting robust revenue growth, with a 22% increase in H1 2025, mostly due to our leading positions in women's healthcare and also driven by our clinics network expansion strategy.

At the same time, active development has been putting pressure on business margins. Over the last twelve months, we launched 13 new projects, including both new clinics and expansion of existing ones, gradually reaching on-target capacity utilisation rates. Against the backdrop of strong competition in the labour market, we managed to provide our new clinics with qualified medical staff to serve our patients. However, our margins are still among the highest in the commercial healthcare market, with EBITDA margin and net profit margin at 30% and 26%, respectively.

We are set to support sustainable and responsible growth going forward through opening new healthcare facilities, efficient use of the existing assets' space, and close attention to M&A opportunities. This approach helps us allocate our free cash flow both for development and for paying dividends to our shareholders. In the near future, we plan to propose H1 2025 profit distribution for review by the Board".

¹ For more details on operational highlights, see [our press release dated 31 July 2025](#)

Financial highlights

RUB mln	H12025	H12024	change
Revenue	19,264	15,760	22.2%
Hospitals in Moscow	9,088	7,827	16.1%
Hospitals in regions	5,148	4,188	22.9%
Out-patient clinics in Moscow and MR	1,853	1,482	25.0%
Out-patient clinics in regions	3,118	2,235	39.5%
Managing company and other	58	28	107.1%
Gross profit	7,649	6,299	21.4%
Gross profit margin, %	39.7%	40.0%	(0.3п.п.)
EBITDA	5,823	5,061	15.1%
EBITDA margin, %	30.2%	32.1%	(1.9п.п.)
EBIT	4,654	4,120	13.0%
EBIT margin, %	24.2%	26.1%	(2.0п.п.)
Net finance income	423	775	(45.4%)
Profit before tax	5,077	4,895	3.7%
Taxes	(13)	(9)	47.1%
Net profit	5,064	4,886	3.6%
Net profit margin, %	26.3%	31.0%	(4.7п.п.)

Revenue by types of services

RUB mln	H1 2025	H1 2024	change
Women and Children Health	10,710	8,950	19.7%
IVF	3,296	2,846	15.8%
OBGYN	3,194	2,572	24.2%
Deliveries	2,533	2,050	23.6%
Pediatrics	1,687	1,482	13.8%
Therapy, surgery and other in-patient services	2,737	1,673	63.6%
Diagnostic	2,665	2,411	10.5%
Oncology	1,548	1,363	13.5%
Laboratory examinations	939	828	13.4%
Other non-medical revenue ²	337	288	17.0%
Other medical revenue ³	328	247	32.8%

In H1 2025, MD Medical Group's total revenue increased by 22.2% y-o-y to RUB 19,264 million. Revenue growth is largely associated with higher demand for out-patient treatments in hospitals and clinics both in Moscow and in other regions, including performance of the newly acquired Expert medical centres, higher revenue from in-patient treatments across the Group's hospitals, and substantially higher delivery metrics.

Revenue of the Moscow hospitals grew by 16.1% y-o-y to RUB 9,088 million, on the back of higher out-patient revenue, primarily backed by active growth of volumes in the MD Group Michurinsky hospital, which expanded its multidisciplinary specialist team and started offering services in new areas, and also by traditional growth of revenue from delivery services due to higher number of childbirths and a higher average ticket as the demand for mid-range and premium contracts was increasing. Higher revenue from in-patient treatments was mainly due to an increase in the average ticket on the back of higher volumes of commercial services and a higher number of surgeries.

At regional hospitals, revenue grew by 22.9%, primarily supported by higher revenue from out-patient and in-patient treatments, including the results of the Expert hospitals.

² Including revenue from pharmacies, cafes and restaurants, and photographers etc.

³ Including storage of stem cells

Higher revenue from out-patient clinics in Moscow and other regions was supported by performance of new clinics, opened and acquired in 2024–2025, which made a positive impact on the number of visits in general and IVF procedures in particular, as well as that of the newly acquired Expert medical centres as regards the number of out-patient treatments.

Revenue from medical services not related to women's and children's health accounted for 44.4% of total revenue.

Key expenses

RUB mln	H1 2025	H1 2024	change
Personnel ⁴	8,452	6,590	28.3%
as % of Revenue	43.9%	41.8%	2.1п.п.
Material expenses	3,047	2,695	13.1%
as % of Revenue	15.8%	17.1%	(1.3п.п.)
Functional expenses ⁵	447	297	50.5%
as % of Revenue	2.3%	1.9%	0.4п.п.
Medical services expenses ⁶	261	193	35.2%
as % of Revenue	1.4%	1.2%	0.2п.п.

Impact of key expenses

In the reporting period, the Company's key expenses accounted for 63.4% of the Group's total revenue (compared to 62.0% in H1 2024).

In H1 2025, personnel costs increased by 28.3%, mainly due to opening of many new out-patient clinics in 2024–2025, as well as wage indexation across all hospitals and clinics in response to the labour market pressure.

Expenses on consumables declined by 1.3 p.p. y-o-y to 15.8% of revenue, primarily due to a drop in consumable-intensive services such as pulmonology and oncology under the MHI programme, as well as the growing impact of operational process automation.

The share of functional expenses increased by 0.4 p.p. y-o-y to 2.3% of revenue, driven by the growth in IT and marketing expenses amid significant expansion of the Group's business.

The share of medical services expenses grew by 0.2 p.p. due to significant expansion of the Group's business.

Gross profit

In H1 2025, gross profit increased by 21.4% y-o-y to RUB 7,649 million supported by a higher volume of treatment services and a growing average ticket. On the back of moderate growth of cost of sales, gross margin remained almost flat, at 39.7% versus 40.0%, and the higher share of personnel costs was partially compensated by lower expenses on consumables.

EBITDA

EBITDA increased by 15.1% y-o-y to RUB 5,823 million in H1 2025. EBITDA margin went down by 1.9 p.p. y-o-y to 30.2% due to the higher share of personnel costs and functional expenses in revenue.

⁴ Payroll and social contributions

⁵ Functional expenses include marketing, IT, client service costs, staff training and communication services

⁶ Medical services include laboratory testing services provided by external contractors and other medical services.

Finance income and expense

RUB mln	H1 2025	H1 2024	change
Finance income (bank interest received)	692	910	(24.0%)
Finance income	(275)	(134)	105.2%
Depreciation of the discount on the acquisition of subsidiaries	(70)	-	n/a
Unwinding of discount on other payables to tax authorities	(25)	(37)	(31.7%)
Interest on leases	(118)	(53)	122.6%
Other interest expenses	(24)	(18)	33.3
Other finance expenses	(38)	(26)	46.2%
Net foreign exchange transaction gain / (loss)	6	(0)	n/a
Net finance income	423	775	(45.4%)

Net income

In H1 2025, net finance income came in at RUB 423 million compared to RUB 775 million in the same period of 2024 due to lower interest income from depositing idle funds and higher finance expenses. The decline in interest income resulted from the utilisation of funds in the reporting period for 2024 dividend payouts and for financing the acquisition of the Expert medical centres. The increase in finance expenses was due to higher interest expenses associated with lease as the Expert's leased premises came in, as well as amortisation of the discount on the deferred payment for the Expert acquisition.

As a result, the Company's net profit increased by 3.6% y-o-y to RUB 5,064 million in H1 2025. Net profit margin went down by 4.7 p.p. y-o-y to 26.3%.

Key cash flow items

RUB mln	H1 2025	H1 2024	change
Operating cash flow before working capital changes	5,832	5,071	15.0%
Changes in working capital	224	159	40.9%
Taxes	(9)	(8)	11.3%
Cash from operating activities	6,047	5,222	15.8%
Cash used in investing activities	(6,566)	(13)	n/a
Cash used in financing activities	(2,072)	(493)	n/a
Effect of movements in exchange rates on cash held	-	(1)	n/a
Cash and cash equivalents (decrease) / increase	(2,591)	4,715	n/a

In H1 2025, operating cash flow before changes in working capital increased by 15.0% y-o-y to RUB 5,832 million as a result of EBITDA growth.

Net working capital

RUB mln	30 June 2025	31 December 2024	change
Inventories	1,194	1,198	(0.3%)
Accounts receivable	1,591	1,146	38.8%
Accounts payable	(3,013)	(2,376)	26.8%
Contract liabilities	(2,743)	(2,573)	6.6%
Net working capital	(2,971)	(2,604)	14.1%

The Company has historically maintained negative net working capital as a source of additional financing. In H1 2025, net working capital remained negative at RUB (2,971) million and amounted to 8.1%⁷ of revenue.

Consolidation of Expert's assets and liabilities resulted in higher receivables and payables.

Cash used in investing activities totalled RUB 6,567 million as funds were utilised to finance the acquisition of the Expert medical centres and the Capex programme. Total Capex increased by 43.2% y-o-y to

⁷ Calculated as net working capital divided by LTM Revenue

RUB 1,355 million in H1 2025. The share of Capex associated with hospitals, including the launch of ophthalmic surgery in the hospital in Michurinsky Avenue and the acquisition of two surgical robots for the Lapino and Avicenna hospitals, amounted to 79%, with the remaining Capex used for equipment purchase and maintenance at clinics.

In H1 2025, cash outflows related to financing activities were at RUB 2,072 million, mainly due to dividend payouts in the reporting period.

Cash and lease liabilities

RUB mln	30 June 2025	31 December 2024	change
Lease liabilities	3 070	1 400	119,3%
Short-term	272	196	38,8%
Long-term	2 798	1 204	132,4%
Cash and cash equivalents	3 459	6 050	(42,8%)

The Group carries no debt on its balance sheet. The Group's lease liabilities recognised as debt under IFRS 16 totalled RUB 3,070 million, having doubled since the end of 2024. The increase is due to additional leased premises associated with Expert.

In view of dividend payouts of RUB 1,715 million and the acquisition of the Expert medical centres in the reporting period, at the end of H1 2025 cash decreased by 42.8% to RUB 3,459 million compared to year-end 2024.

Notes:

1. This announcement contains inside information
2. Minor deviations in the calculation of totals, subtotals and/or percent changes are due to rounding
3. The Group's consolidated financial statements are available on the Group's website:
www.mcclinics.com/investors/financial-reports/

Analyst and investor conference call:

Date: 29 August 2025

Time: 12.00 PM MSK

Event Language: Russian

Speakers:

- Mark Kurtser, CEO
- Iya Lukianova, CFO
- Olesya Lapina , IR Director

Registration for the call is available following the link:

https://us02web.zoom.us/webinar/register/WN_Fqh4ASJQaCK0q0Rnc-ngA#/registration

A replay of the call will be available on the Company's website shortly after the end of the live event.

For further information please contact:

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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 86 state-of-the-art healthcare facilities, including 14 multidisciplinary hospitals and 72 out-patient clinics in 35 regions of the Russian Federation. In 2024, MD Medical Group's revenue amounted to RUB 33.1 bln while EBITDA stood at RUB 10.7 bln. The Company's ordinary shares are traded on Moscow Exchange (MOEX: MDMG).