



MOTHER & CHILD
GROUP OF COMPANIES

MD MEDICAL GROUP REPORTS OPERATIONAL RESULTS FOR Q4 AND FY 2018

24 January 2019, 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 results for the fourth quarter and 12 months of 2018.

Key operational highlights for Q4 2018:

- Total deliveries increased 10% year-on-year (y-o-y) to 1,838
- Total IVF cycles increased 1% y-o-y to 4,752
- Total in-patient treatments increased 22% y-o-y to 20,054
- Total out-patient treatments increased 8% y-o-y to 438,962

Mark Kurtser, CEO of MD Medical Group, said:

“In 2018, we continued to develop our business and have produced strong results. I would like specifically to highlight our performance in Q4 2018. Despite some demographic challenges in the country as a whole, we increased deliveries by 10% year-on-year during the quarter, which contributed to 7% growth for the full year. This growth was supported by the performance of our regional hospitals. In Q4 2018, we also increased in-patient and out-patient visits by 22% and 8% year-on-year, respectively, and grew the number of IVF cycles.”

“The continued diversification of our medical services was another important trend in both Q4 and FY 2018. As a result, we significantly improved the performance of our Other Medical Services line. In particular, in-patient treatments in this segment grew by 67% year-on-year over Q4 2018.”

“I would also like to highlight the results of the expansion of our network in the Russian regions. We opened a multi-disciplinary hospital in Samara, which saw high capacity utilization rates across all key segments and over its first 10 months of operations already passed breakeven, and we launched the construction of our St Petersburg and Lapino 2 hospitals. We also opened six new clinics, including in four new regions – Nizhny Novgorod, Volgograd, Tula, and Tatarstan – and modernised two existing clinics in Kostroma and Moscow.”

“All of this forms a solid basis for the future sustainable growth of the Company.”

Deliveries

- In Q4 2018, total deliveries increased 10% y-o-y to 1,838.
- In FY 2018, total deliveries grew 7% y-o-y to 7,277.
- Key growth drivers in Q4 2018 were regional hospitals:

- Deliveries at the Mother&Child Ufa clinical hospital grew 27% y-o-y.
- Deliveries at the Novosibirsk hospital grew 50% y-o-y.
- Ramp-up continues at the Mother&Child IDK hospital in Samara, which opened in March 2018. In Q4 2018, there were 127 deliveries at the hospital.

IVF

- In Q4 2018, total IVF cycles increased 1% y-o-y to 4,752.
- In FY 2018, total IVF cycles decreased 1% y-o-y to 16,636.
- In FY 2018, like-for-like (LFL) IVF cycles declined by 7% mainly due to some outflow of patients from existing clinics to the newly-opened hospital in Samara.
- Despite the decline in IVF volumes and an increase in the share of cycles carried out under the Mandatory Health Insurance (MHI) programme in FY 2018, the average check in this segment grew 8% y-o-y, mainly due to the expansion of the range of IVF services on a commercial basis.

In-patient treatments

- In Q4 2018, total in-patient treatments grew 22% y-o-y to 20,054 on the back of:
 - a 16% increase in paediatric in-patient treatments.
 - a 67% increase in in-patient days using other medical services driven by cardiology, oncology, traumatology, and surgery.
- In FY 2018, total in-patient treatments grew 18% y-o-y to 72,371. Key drivers included the continued ramp-up of the hospitals in Ufa and Novosibirsk, as well as the continued ramp-up in Samara.
- In FY 2018, LFL in-patient treatments increased 2% y-o-y to 62,319.

Out-patient treatments

- In Q4 2018, the total number of out-patient treatments increased 8% y-o-y to 438,962, driven by:
 - a 10% increase in OBGYN out-patient treatments.
 - a 12% increase in other medical services.
- The highest growth in Q4 2018 was recorded by regional hospitals.
- In FY 2018, the total number of out-patient treatments increased 6% y-o-y to 1,618,149.
- In FY 2018, LFL out-patient treatments slightly increased 0.4% y-o-y to 1,533,557.

Group's operational results							Like-for-like		
	Q4 2018	Q4 2017	y-o-y, %	FY 2018	FY 2017	y-o-y, %	FY 2018	FY 2017	y-o-y, %
OBSTETRICS AND GYNAECOLOGY									
Deliveries	1,838	1,665	10%	7,277	6,808	7%	6,866	6,808	1%
In-patient treatments (except deliveries)	5,922	6,462	-8%	24,536	25,375	-3%	21,744	25,375	-14%
Out-patient treatments	150,094	135 868	10%	557,775	526,267	6%	522,611	526,267	-1%
IVF									
IVF cycles	4,752	4,717	1%	16,636	16,806	-1%	15,581	16,806	-7%
PAEDIATRICS									
In-patient treatments (except deliveries)	5,796	4,994	16%	21,757	18,580	17%	18,860	18,580	2%
Out-patient treatments	116,950	116,818	0%	430,086	431,094	0%	413,973	431,094	-4%
OTHER MEDICAL SERVICES									
In-patient treatments	8,336	5,005	67%	26,078	17,389	50%	21,715	17,389	25%
Out-patient treatments	171,918	153 732	12%	630,288	570,064	11%	596,973	570,064	5%
TOTAL									
Total deliveries	1,838	1,665	10%	7,277	6,808	7%	6,866	6,808	1%
Total IVF	4,752	4,717	1%	16,636	16,806	-1%	15,581	16,806	-7%
Total in-patient treatments	20,054	16,461	22%	72,371	61,344	18%	62,319	61,344	2%
Total out-patient treatments	438,962	406,418	8%	1,618,149	1,527,425	6%	1,533,557	1,527,425	0%

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 40 modern healthcare facilities, including 5 hospitals and 35 out-patient clinics in Moscow and the Moscow Region, St. Petersburg, Ufa, Perm, Samara and the Samara Region, Irkutsk, Novosibirsk, Irkutsk, Yaroslavl, Ryazan, Kostroma, Novokuznetsk, Krasnoyarsk, Omsk, Barnaul, Vladimir, Tyumen, Voronezh, Nizhny Novgorod, Volgograd, Tula, and Kazan.

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.

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.