

# MD MEDICAL GROUP REPORTS SIGNIFICANT GROWTH ACROSS ALL OPERATIONAL INDICATORS FOR 9M 2017

**23 October 2017,** 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 third quarter and nine months of 2017.

## Key operational highlights for 9M 2017:

- Total deliveries increased 2% y-o-y to 5,143
- Total IVF cycles increased 21% y-o-y to 12,068
- Total in-patient treatments increased 14% y-o-y to 44,883
- Total out-patient treatments increased 9% y-o-y to 1,109,138

# Mark Kurtser, CEO of MD Medical Group, said:

"I am pleased to announce that in January-September 2017 we delivered continued growth of key operational indicators and further expanded our network of hospitals and clinics.

"For the first nine months of the year, we increased the number of IVF cycles by 21%, or by over 2,000 cycles, year-on-year. The number of deliveries grew 2% year-on-year despite a challenging demographic situation in Russia. In-patient and out-patient treatments grew 14% and 9% year-on-year, respectively.

"This growth was mainly driven by the continued ramp-up of our hospitals in Ufa, Novosibirsk, and Lapino, as well as the further development of other medical facilities across Russia.

"At the same time, we have remained focused on expanding our presence in strategically important regions. In line with our plans, we are entering the final stage of construction of our hospital in Samara, which we plan to open already in Q1 2018. We are completing the groundworks for our hospital in Tyumen. And we signed a lease agreement, and are currently carrying out geodetic connection and preparing a standard design for construction of our hospital in Kazan, which we plan to start in Q2 2018. We are also developing plans for the second stage of development at our Lapino hospital and for construction of a hospital in St Petersburg. Also, on 19 October, we opened our 34th medical facility – this time in Voronezh.

"In short, we have delivered very good results throughout the year, and continue to work hard to ensure we are able to post strong results for the full year."

#### **IVF**

- In 9M 2017, total IVF cycles rose 21% y-o-y to 12,068.
- In Q3 2017, total IVF cycles grew 16% y-o-y to 3,990.
- LFL<sup>1</sup> 11,698 IVF cycles were performed in 9M 2017, up 17% y-o-y.

#### **Deliveries**

- In 9M 2017, total deliveries grew 2% y-o-y to 5,143.
- In Q3 2017, total deliveries were flat y-o-y and amounted to 1,824.

#### **In-patient treatments**

- In 9M 2017, total in-patient treatments grew 14% y-o-y to 44,883, driven by:
  - o 5% increase in gynaecology in-patient treatments;
  - o 66% increase in in-patient days using other medical services, mainly due to significant growth in Surgery and Internal Medicine at hospitals in Lapino, Novosibirsk, and Ufa.
- In Q3 2017, total in-patient treatments grew 15% y-o-y to 14,567.
- LFL in-patient treatments increased 14% y-o-y in 9M 2017 to 44,883.

## **Out-patient treatments**

- In 9M 2017, the total number of out-patient treatments increased 9% y-o-y to 1,109,138, driven by:
  - o 8% increase in OBGYN out-patient treatments;
  - o 9% rise in paediatric out-patient visits;
  - o 10% increase in other medical services.
- In Q3 2017, the total number of out-patient treatments increased 9% y-o-y to 370,546.
- LFL out-patient treatments increased 8% y-o-y in 9M 2017 to 1,097,039.

<sup>&</sup>lt;sup>1</sup> LFL data does not include figures for the clinics in Tyumen, Vladimir, Kostroma, and Odintsovo (for July-August 2017), as well as for the Mother and Child Khodynskoe Pole clinic in Moscow (January-June 2017)

							LFL		
	9M 2017	9M 2016	у-о-у, %	Q3 2017	Q3 2016	y-o-y, %	9M 2017	9M 2016	y-o-y, %
			IVF						
	12,068	10,011	21%	3,990	3,443	16%	11,698	10,011	17%
Obstetrics and Gynaecology									
Deliveries	5,143	5,019	2%	1,824	1,815	0%	5,143	5,019	2%
In-patient treatments (except deliveries)	18,913	18,038	5%	6,164	6,068	2%	18,913	18,038	5%
Out-patient treatments	403,027	374,623	8%	137,014	127,694	<b>7</b> %	390,928	369,197	6%
Paediatrics									
In-patient treatments	13,586	13,708	-1%	4,211	4,313	-2%	13,586	13,708	-1%
Out-patient treatments	314,413	287,841	9%	106,095	95,181	11%	314,413	287,841	9%
		Other	medical serv	ices					
In-patient treatments	12,384	7,470	66%	4,192	2,243	87%	12,384	7,470	66%
Out-patient treatments	391,698	355,647	10%	127,437	115,624	10%	391,698	355,647	10%
			Total						
Total IVF	12,068	10,011	21%	3,990	3,443	16%	11,698	10,011	17%
Total deliveries	5,143	5,019	2%	1,824	1,815	0%	5,143	5,019	2%
Total in-patient treatments	44,883	39,216	14%	14,567	12,624	15%	44,883	39,216	14%
Total out-patient treatments	1,109,138	1,018,111	9%	370,546	338,499	9%	1,097,039	1,012,685	8%

#### This announcement contains inside information.

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# **About MD Medical Group**

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MD Medical Group operates in the highly attractive Russian private healthcare service market and has a leading position in high-quality women's health and paediatrics. The company manages 34 modern healthcare facilities, including 4 hospitals and 30 outpatient 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, and Voronezh.

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.