



MOTHER & CHILD
GROUP OF COMPANIES

MD MEDICAL GROUP REPORTS GROWTH IN REVENUE AND KEY OPERATIONAL RESULTS FOR Q1 2019

25 April 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 and unaudited financial results under International Financial Reporting Standards (“IFRS”) for the first quarter of 2019.

Key highlights for Q1 2019:

- Total **revenue** increased 11% year-on-year (y-o-y) to RUB 3,833 mln;
- Total **deliveries** increased 16% y-o-y to 1,811. **Revenue** from deliveries increased 7% y-o-y to RUB 538 mln;
- Total **IVF** cycles increased 17% y-o-y to 3,855. **Revenue** from IVF increased 15% y-o-y to RUB 826 mln;
- Total **in-patient treatments** increased 21% y-o-y to 20,477. **Revenue** from in-patient treatments increased 20% y-o-y to RUB 759 mln;
- Total **out-patient treatments** increased 10% y-o-y to 429,116. **Revenue** from out-patient treatments increased 9% y-o-y to RUB 1,240 mln.

Mark Kurtser, CEO of MD Medical Group, said:

“We have started 2019 with strong momentum and delivered solid growth across key operating metrics and revenue in Q1, while also continuing to expand our network of regional facilities.

“In Q1 2019, we grew revenue by 11% y-o-y to RUB 3,833 mln thanks to our strong operating results. The number of deliveries increased by 16% y-o-y, mainly due to rapid growth at our regional hospitals, which drove revenue from deliveries higher by 7% y-o-y. We also grew in-patient and out-patient treatments by 21% and 10%, respectively, and delivered a similar revenue growth rate for these lines. In Q1 2019, we increased the number of completed IVF cycles by 17% y-o-y, delivering 15% y-o-y growth in revenue from this service. IVF cycles under the Mandatory Healthcare Insurance (MHI) programme accounted for 51% of the total number of cycles.

“As well as continuing to ramp up our existing hospitals, we also further expanded our regional footprint. At the beginning of April, we opened our hospital in Tyumen – our sixth multi-disciplinary facility and one of the drivers of future growth. This spring we also entered the Primorsky Region with the opening of an out-patient clinic in Vladivostok. We have also continued renovation work at PMC, as well as the construction of the Lapino-2 and St Petersburg hospitals.

“Our plans to continue the active roll-out of our network, coupled with solid results in Q1 2019, give us full confidence in further growth in 2019”.

Key operational highlights for Q1 2019:

Deliveries

- In Q1 2019, total deliveries increased 16% y-o-y to 1,811. Key growth drivers were hospitals:
 - Deliveries at the Mother&Child Ufa clinical hospital grew 20% y-o-y;
 - Deliveries at the Novosibirsk clinical hospital grew 92% y-o-y;
 - The ramp-up of the Mother&Child IDK hospital in Samara continued following its opening in March 2018. In Q1 2019, there were 137 deliveries at the hospital;
 - Deliveries in Moscow and the Moscow Regions were nearly flat y-o-y.
- Total like-for-like (LFL) deliveries increased 10% y-o-y to 1,721;
- Revenue from deliveries grew 7% y-o-y to RUB 538 mln, or 14% of the Group's total revenue;
- The average check for deliveries amounted to RUB 388 thsd (up 2% y-o-y) in Moscow and the Moscow Region, and RUB 146 thsd in the regions (down 6% y-o-y).

IVF

- In Q1 2019, total IVF cycles increased 17% y-o-y to 3,855. Cycles completed under the MHI programme accounted for 51% of the total number of cycles (from 43% in Q1 2018);
- Total LFL IVF cycles increased by 8% y-o-y to 3,571. The Group's out-patient clinics performed positively on this metric;
- Revenue from IVF grew by 15% y-o-y to RUB 826 mln, or 22% of the Group's total revenue;
- MHI services accounted for 31% of revenue from IVF (from 25% in Q1 2018);
- The average check for commercial IVF cycles increased by 5% y-o-y to RUB 302 thsd, while the average check for IVF cycles under MHI increased by 3% y-o-y to RUB 129 thsd.

In-patient treatments

- In Q1 2019, total in-patient treatments grew by 21% y-o-y to 20,477 on the back of:
 - A 1% increase in OBGYN in-patient treatments (excluding deliveries);
 - A 12% increase in paediatric in-patient treatments;
 - A 53% increase in in-patient days using other medical services;Key growth drivers in the in-patient treatments segment were the hospitals in Lapino and Novosibirsk, as well as the continued ramp-up of the Samara hospital.
- Total LFL in-patient treatments grew by 7% y-o-y to 18,135;
- Revenue from in-patient treatments grew by 20% y-o-y to RUB 759 mln, or 20% of the Group's total revenue. The hospitals at Lapino and in the regions were key drivers behind this growth;
- The average check for in-patient treatments amounted to RUB 49.2 thsd (up 8% y-o-y) in Moscow and the Moscow Region, and RUB 27.4 thsd in other regions (down 10% y-o-y).

Out-patient treatments

- In Q1 2019, total out-patient treatments increased by 10% y-o-y to 429,116 on the back of:

- An 11% increase in OBGYN out-patient treatments;
- A 4% increase in paediatric out-patient treatments;
- A 13% increase in out-patient days using other medical services.
- Total LFL out-patient treatments grew by 3% y-o-y to 403,453;
- Revenue from out-patient treatments grew by 9% y-o-y to RUB 1,240 mln, or 32% of the Group's total revenue. The hospitals in Lapino and the regions were key drivers of this growth;
- The average check for out-patient treatments amounted to RUB 2.9 thsd (flat y-o-y).

Revenue and average check

In Q1 2019, total revenue grew 11% y-o-y (up RUB 370 mln y-o-y) to RUB 3,833 mln on the back of:

- A 7% increase in revenue from deliveries.
- A 15% increase in revenue from IVF.
- A 20% increase in revenue from in-patient treatments.
- A 9% increase in revenue from out-patient treatments.

Average check for key services in Q1 2019 amounted to:

- RUB 297 thsd for deliveries, down 8% y-o-y.
 - Moscow and the Moscow Region – RUB 388 thsd.
 - Other regions – RUB 146 thsd.
- RUB 214 thsd for IVF, down 1% y-o-y.
 - Commercial IVF cycles – RUB 302 thsd.
 - IVF cycles under MHI – RUB 129 thsd.
- RUB 37.1 thsd for in-patient treatments, down 1% y-o-y.
 - Moscow and the Moscow Region – RUB 49.2 thsd.
 - Other regions – RUB 27.4 thsd.
- RUB 2.9 thsd for out-patient treatments.

Net debt

As of 31 March 2019, net debt increased by RUB 113 mln, or 4%, compared to 31 December 2018, to RUB 3,063 mln on the back of raising funds for the construction of the Tyumen and Lapino-2 hospitals.

CAPEX

Total CAPEX in Q1 2019 decreased by 12% y-o-y to RUB 1,157 mln. Major investments included the construction of the Tyumen hospital, construction of Lapino-2 and renovation at PMC.

Operating results for Q1 2019

	Group's operating results			Like-for-like		
	Q1 2019	Q1 2018	y-o-y, %	Q1 2019	Q1 2018	y-o-y, %
OBSTETRICS AND GYNAECOLOGY						
Deliveries	1,811	1,563	+16%	1,721	1,563	+10%
In-patient treatments (except deliveries)	5,842	5,812	+1%	5,290	5,812	-9%
Out-patient treatments	143,527	129,860	+11%	132,830	129,860	+2%
IVF						
IVF cycles	3,855	3,307	+17%	3,571	3,307	+8%
PAEDIATRICS						
In-patient treatments	6,284	5,621	+12%	5,852	5,621	+4%
Out-patient treatments	112,015	107,885	+4%	107,344	107,885	-1%
OTHER MEDICAL SERVICES						
In-patient treatments	8,351	5,456	+53%	6,993	5,456	+28%
Out-patient treatments	173,574	153,526	+13%	163,279	153,526	+6%
TOTAL						
Total deliveries	1,811	1,563	+16%	1,721	1,563	+10%
Total IVF	3,855	3,307	+17%	3,571	3,307	+8%
Total in-patient treatments	20,477	16,889	+21%	18,135	16,889	+7%
Total out-patient treatments	429,116	391,271	+10%	403,453	391,271	+3%

Revenue for Q1 2019, RUB mln

	Consolidated data			Like-for-like		
	Q1 2019	Q1 2018	y-o-y, %	Q1 2019	Q1 2018	y-o-y, %
Deliveries	538	504	+7%	523	504	+4%
IVF	826	720	+15%	765	720	+6%
In-patient treatments	759	632	+20%	714	632	+13%
Out-patient treatments	1,240	1,137	+9%	1,194	1,137	+5%
Other revenue	470	470	0%	447	470	-5%
Total revenue	3,833	3,463	+11%	3,643	3,463	+5%

Average check for Q1 2019, RUB thsd

	Consolidated data			Like-for-like		
	Q1 2019	Q1 2018	y-o-y, %, %	Q1 2019	Q1 2018	y-o-y, %, %
Deliveries	297	323	-8%	304	323	-6%
Moscow and the Moscow Region	388	380	+2%	388	380	+2%
Other regions	146	155	-6%	142	155	-9%
IVF	214	218	-1%	215	219	-2%
Commercial cycles	302	288	+5%	299	288	+4%
MHI	129	126	+3%	131	126	+4%
In-patient treatments	37.1	37.4	-1%	39.4	38.6	+2%
Moscow and the Moscow Region	49.2	45.8	+8%	49.2	45.8	+8%
Other regions	27.4	30.3	-10%	29.4	30.3	-3%
Out-patient treatments	2.9	2.9	-1%	3.0	2.9	+2%

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 42 modern healthcare facilities, including 6 hospitals and 36 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, Kazan, and Vladivostok.

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.