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GROUP OF COMPANIES

MD MEDICAL GROUP REPORTS GROWTH OF ALL KEY OPERATIONAL RESULTS IN H1 2019

31 July 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 for the first half of 2019.

Key highlights for H1 2019:

- Total **revenue** increased 10% year-on-year (y-o-y) to RUB 7,825 mln;
- Total **deliveries** increased 6% y-o-y to 3,679. **Revenue** from deliveries increased 5% y-o-y to RUB 1,129 mln;
- Total **IVF** cycles increased 8% y-o-y to 8,505. **Revenue** from IVF increased 12% y-o-y to RUB 1,789 mln;
- Total **in-patient treatments** increased 18% y-o-y to 39,623. **Revenue** from in-patient treatments increased 19% y-o-y to RUB 1,494 mln;
- Total **out-patient treatments** increased 9% y-o-y to 856,436. **Revenue** from out-patient treatments increased 8% y-o-y to RUB 2,481 mln.

Mark Kurtser, CEO of MD Medical Group, said:

“In H1 2019, MDMG continued to grow and expand its business by delivering growth across key operating indicators and revenue.

“In the first six months of the year, we grew revenue by 10% y-o-y to RUB 7,825 mln thanks to our solid operating results and continued ramp-up of our facilities. I would like to highlight in particular the 18% growth in in-patient days, which drove revenue from in-patient treatments higher by 19% y-o-y. Other Medical Services line grew at the fastest pace – by 38% y-o-y – thanks to strong results in cardiology, surgery, traumatology and general medicine. The overall number of deliveries increased by 6% y-o-y, and by 91% y-o-y at the Samara hospital and 41% y-o-y at the Novosibirsk hospital. In H1 2019, we increased the number of completed IVF cycles by 8% y-o-y, delivering 12% y-o-y growth in the respective revenue line, in part thanks to offering additional IVF services. IVF cycles under the Mandatory Healthcare Insurance (MHI) programme continued to grow and accounted for 53% of the total number of cycles. We also increased out-patient treatments by 9% in H1 2019.

“In the first half of the year, we continued expanding our network by opening a clinical hospital in Tyumen and a new clinic in Vladivostok. We also continued renovation work at PMC, as well as the construction of Lapino-2, where interior construction work is already underway.

“Our solid results for H1 2019, combined with the significant potential of our projects, give us every confidence in the further successful development of the Group.”

Key operational highlights for H1 2019:

Deliveries

- In H1 2019, total deliveries increased 6% y-o-y to 3,679. Key growth drivers were regional hospitals:
 - Deliveries at the Mother&Child Samara hospital grew 91% y-o-y. In H1 2019, there were 281 deliveries at the hospital;
 - Deliveries at the Novosibirsk clinical hospital grew 41% y-o-y;
 - Deliveries at the Mother&Child Ufa clinical hospital grew 4% y-o-y.
- Total like-for-like (LFL) deliveries increased 2% y-o-y;
- Revenue from deliveries grew 5% y-o-y to RUB 1,129 mln, or 14% of the Group's total revenue;
- The average check for deliveries amounted to RUB 398 thsd (up 6% y-o-y) in Moscow and the Moscow Region, and RUB 147 thsd in the regions (up 1% y-o-y).

IVF

- In H1 2019, total IVF cycles increased 8% y-o-y to 8,505. Cycles completed under the MHI programme accounted for 53% of the total number of cycles;
- Total LFL IVF cycles increased by 2% y-o-y to 8,007. Key growth drivers were Group's out-patient clinics;
- Revenue from IVF grew 12% y-o-y to RUB 1,789 mln, or 23% of the Group's total revenue;
- MHI services accounted for 34% of revenue from IVF, up 5 p.p. y-o-y;
- The average check for commercial IVF cycles increased by 4% y-o-y to RUB 297 thsd, while the average check for IVF cycles under MHI increased by 10% y-o-y to RUB 134 thsd.

In-patient treatments

- In H1 2019, total in-patient treatments grew by 18% y-o-y to 39,623 on the back of:
 - A 1% increase in OBGYN in-patient treatments (excluding deliveries);
 - A 13% increase in paediatric in-patient treatments;
 - A 38% increase in in-patient days using other medical services;Key growth drivers in the in-patient treatments segment were PMC and the hospital in Novosibirsk, as well as the continued ramp-up of the Samara hospital.
- Total LFL in-patient treatments grew by 10% y-o-y to 37,061;
- Revenue from in-patient treatments grew by 19% y-o-y to RUB 1,494 mln, or 19% 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 49.1 thsd (up 5% y-o-y) in Moscow and the Moscow Region, and RUB 28.6 thsd in other regions (down 1% y-o-y).

Out-patient treatments

- In H1 2019, total out-patient treatments increased by 9% y-o-y to 856,436 on the back of:
 - An 8% increase in OBGYN out-patient treatments;

- A 7% increase in paediatric out-patient treatments;
- An 11% increase in out-patient days using other medical services.
- Total LFL out-patient treatments grew by 5% y-o-y to 820,294;
- Revenue from out-patient treatments grew by 8% y-o-y to RUB 2,481 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 H1 2019, total revenue grew 10% y-o-y (up RUB 695 mln y-o-y) to RUB 7,825 mln on the back of:

- A 5% increase in revenue from deliveries.
- A 12% increase in revenue from IVF.
- A 19% increase in revenue from in-patient treatments.
- An 8% increase in revenue from out-patient treatments.

The average check for key services in H1 2019 amounted to:

- RUB 307 thsd for deliveries, flat y-o-y.
 - Moscow and the Moscow Region – RUB 398 thsd.
 - Other regions – RUB 147 thsd.
- RUB 210 thsd for IVF, up 3% y-o-y.
- RUB 37.7 thsd for in-patient treatments, up 1% y-o-y.
- RUB 2.9 thsd for out-patient treatments, flat y-o-y.

Net debt

As of 30 June 2019, net debt increased by RUB 1,156 mln, or by 39%, compared to 31 December 2018, to RUB 4,106 mln on the back of raising funds for the construction of the Tyumen hospital, construction of Lapino-2 and renovation at PMC. The increase in net debt was also due to the payout of dividends for FY 2018 and a RUB 357 mln impact related to adoption of IFRS 16 Leases.

CAPEX

Total CAPEX in H1 2019 increased by 32% y-o-y to RUB 2,212 mln. Major investments included the construction of the Tyumen hospital, construction of Lapino-2 and renovation at PMC.

Changes in the network of clinics

To optimise costs and consolidate patients at multi-disciplinary hospitals, the Group has ceased operations at two out-patient clinics in Ufa and Samara. As a result, at the end of H1 2019, the Group comprised 40 medical institutions.

Operating results for Q2 and H1 2019

	GROUP'S OPERATING RESULTS						LIKE-FOR-LIKE		
	H1 2019	H1 2018	y-o-y, %	Q2 2019	Q2 2018	y-o-y, %	H1 2019	H1 2018	y-o-y, %
OBSTETRICS AND GYNAECOLOGY									
Deliveries	3,679	3,482	+6%	1,868	1,919	-3%	3,568	3,482	+2%
In-patient treatments (except deliveries)	11,476	11,364	+1%	5,634	5,987	-6%	10,788	11,364	-5%
Out-patient treatments	287,517	265,894	+8%	144,563	136,600	+6%	269,184	263,076	+2%
IVF									
IVF cycles	8,505	7,841	+8%	4,650	4,534	+3%	8,007	7,841	+2%
PAEDIATRICS									
In-patient treatments	11,666	10,338	+13%	5,382	4,762	+13%	11,231	10,338	+9%
Out-patient treatments	223,015	209,381	+7%	111,000	101,496	+9%	217,740	209,381	+4%
OTHER MEDICAL SERVICES									
In-patient treatments	16,481	11,973	+38%	8,130	6,259	+30%	15,042	11,973	+26%
Out-patient treatments	345,904	310,808	+11%	171,754	156,668	+10%	333,370	310,808	+7%
TOTAL									
Total deliveries	3,679	3,482	+6%	1,868	1,919	-3%	3,568	3,482	+2%
Total IVF	8,505	7,841	+8%	4,650	4,534	+3%	8,007	7,841	+2%
Total in-patient treatments	39,623	33,675	+18%	19,146	17,008	+13%	37,061	33,675	+10%
Total out-patient treatments	856,436	786,083	+9%	427,317	394,764	+8%	820,294	783,265	+5%

Revenue for H1 2019, RUB mln*

	Consolidated data			Like-for-like		
	H1 2019	H1 2018	y-o-y, %	H1 2019	H1 2018	y-o-y, %
Deliveries	1,129	1,071	+5%	1,111	1,071	+4%
IVF	1,789	1,592	+12%	1,682	1,592	+6%
In-patient treatments	1,494	1,254	+19%	1,443	1,254	+15%
Out-patient treatments	2,481	2,288	+8%	2,401	2,281	+5%
Other revenue	932	925	+1%	923	925	-1%
Total revenue	7,825	7,130	+10%	7,560	7,123	+6%

Average check for H1 2019, RUB thsd*

	Consolidated data			Like-for-like		
	H1 2019	H1 2018	y-o-y, %	H1 2019	H1 2018	y-o-y, %
Deliveries	307	307	0%	311	307	+1%
Moscow and the Moscow Region	398	377	+6%	398	377	+6%
Other regions	147	145	+1%	146	145	+1%
IVF	210	203	+3%	210	203	+3%
Commercial cycles	297	285	+4%	295	282	+5%
MHI	134	122	+10%	135	122	+11%
In-patient treatments	37.7	37.2	+1%	38.9	37.2	+5%
Moscow and the Moscow Region	49.1	46.7	+5%	49.1	46.1	+7%
Other regions	28.6	28.9	-1%	29.8	28.6	+4%
Out-patient treatments	2.9	2.9	0%	2.9	2.9	0%

*Minor discrepancies in the calculation of percentage values and totals in this and other tables of the press release are due to rounding. Data is based on management accounts.

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 6 hospitals and 34 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.