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Profits at Russia's MD Medical Group Double in H1

By The Moscow Times

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Russian private healthcare company MD Medical Group said on Monday its first-half net profit more than doubled, buoyed by an increased number of patients and a reduction in its debt.

MDMG, which specializes in women's healthcare, has been benefiting from rising demand for quality medical services from a growing middle class in Russia.

It is the only Russian company in the sector to have floated its shares, having raised more than $300 million in a London share sale in 2012 to expand its chain of clinics. Since then, it has made several acquisitions and ramped up its flagship hospital outside Moscow.

Its profit for the first half amounted to around 625 million rubles ($16.85 million), compared to 250 million rubles a year earlier, it said in a statement.

It also reported a 50 percent year-on-year increase in its earnings before interest, taxation, depreciation and amortization, or EBITDA to 969 million rubles with the EBITDA margin rising to 29 percent from 25 percent.

MDMG said its net finance costs fell by about 60 percent to 71 million rubles as it paid down some of its debt. It also recorded a net foreign exchange gain of 64 million rubles.

Revenue was up 29 percent to 3.3 billion rubles due to the ramp-up of the Lapino hospital outside Moscow and a boost from the clinics acquired in the first half of 2013.

MDMG already operates 17 medical centres, including two hospitals and 15 out-patient clinics in Moscow, St Petersburg, Perm, Ufa, Irkutsk, Samara, and Yaroslavl and is on track to open its third hospital, in Ufa, this year.