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Russia's MD Medical Group Says Net Profit Up 73% in 2014

By The Moscow Times

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Russia's MD Medical Group said that its 2014 net profit jumped 73 percent.

Russian private healthcare company MD Medical Group said Monday that its 2014 net profit jumped 73 percent, helped by growth at its Lapino hospital outside Moscow and an acquisition.

The company, which specializes in women's healthcare, has been increasing the number of clinics and its range of healthcare services, meeting a growing demand from Russia's middle class.

It said it was confident demand would remain strong in a challenging market environment as Russia's economy heads towards recession and consumer confidence touches record lows.

"The overall market environment in Russia has been and continues to be a challenging one," Chief Executive Elena Mladova said in a statement.

"But specifically in the context of our business, as we have seen in the past and are seeing today, effective demand for the types of high-quality healthcare that we provide has always remained strong," she added.

The company reported full-year net profit of 1.32 billion rubles ($22.35 million), up from 764 million in 2013, as revenue grew 27 percent to 7.2 billion rubles.

It said revenue growth was driven by 50 percent growth of deliveries in its Lapino hospital last year and the acquisition of large regional clinics chain Avicenna.

It also launched a new hospital in Ufa in the fourth quarter which it expects to be one of the key drivers this year.

Its earnings before interest, taxation, depreciation and amortization (EBITDA) increased 31 percent to 2.1 billion rubles, with the EBITDA margin rising to 29 percent from 28 percent a year earlier.

The company also said its board had recommended paying 4.01 rubles per share in 2014 dividends or a total of 300 million rubles, representing a payout ratio of 25 percent.

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