

Mediclinic International plc
(Incorporated in England and Wales)
Company Number: 08338604
LSE Share Code: MDC
JSE Share Code: MEI
NSX Share Code: MEP
ISIN: GB00B8HX8Z88
LEI: 2138002S5BSBIZTD5I60
(“**Mediclinic**”, the “**Company**”, or the “**Group**”)

15 October 2020

2021 Half-Year Trading Update

Mediclinic International plc, the diversified international private healthcare services group, provides the following trading update ahead of the publication of the Group’s results for the six months ended 30 September 2020 (“**1H21**”), currently scheduled for 12 November 2020.

Summary

- **Robust first-half operating performance despite, as previously reported, significant impact in April from COVID-19-related measures**
- **Good rebound in trading from May onwards**
- **Continued strong financial position and liquidity**
- **Cautious on full impact of COVID-19 pandemic and its economic aftermath on second-half Group operating performance**
- **Group remains focused on strategy execution, operational delivery and provision of critical healthcare services**

Commenting today, Dr Ronnie van der Merwe, Group Chief Executive Officer, said:

“Mediclinic is expertly navigating one of the most challenging periods for healthcare globally. I commend the dedication and commitment of our medical professionals and staff during this extremely challenging period. Our skilled frontline teams have and continue to provide uninterrupted critical care to the communities we serve and deserve all our gratitude.”

The Group delivered a robust first-half operating performance maintaining operational agility and financial strength while continuing to execute on our strategy. We have seen a good rebound in trading since May 2020, particularly in Switzerland and the United Arab Emirates, as the initial peak of the pandemic passed. However, we remain suitably cautious in the midst of uncertainty as to the severity, duration and full impact of the continuing COVID-19 pandemic, as well as its economic aftermath.”

The information on which this update is based represents the Group’s latest financial estimates and has not been reviewed and reported on by Mediclinic’s external auditors. All financial figures, unless explicitly stated, are adjusted¹. The Group has adopted the IFRS 16² accounting standard from 1 April 2019.

Group Overview

Mediclinic, as an international healthcare services provider, has been unwavering in providing its support to and collaborating with the relevant health authorities in tackling the COVID-19 pandemic (“**the pandemic**”). The Group delivered a robust first-half operating performance, underpinned by demand for its healthcare services and supplemented by an expanded offering aimed at meeting patients’ needs and changing behaviours. The Group invested in a number of initiatives to help its employees, supporting doctors and patients deal more effectively with

the crisis. In line with the Group's digital transformation strategy, all divisions advanced the use of telemedicine technologies to support patients' remote access to care.

As previously disclosed, revenue and profitability were significantly impacted in April 2020 by the sudden onset of COVID-19-related lockdown measures and the suspension of non-urgent elective surgical procedures, with the latter aimed at safeguarding hospital capacity and resources. From May 2020 onwards, restrictions across Mediclinic's markets eased, enabling the safe reintroduction of the Group's diverse service offering. Given the underlying demand, this resulted in a strong rebound in operating performance in Switzerland and the United Arab Emirates ("UAE") as the initial peak of the pandemic passed, tempered by a slower recovery in Southern Africa with the initial peak of the pandemic passing more recently.

The Group has continued to demonstrate operational and financial resilience. At the end of September 2020, cash and available facilities remained strong at around £450m on a comparable basis to £518m on 31 March 2020. All covenant test waivers remain in force up to and including 31 March 2021 at Mediclinic Middle East and 30 June 2021 at Hirslanden and Mediclinic Southern Africa.

Divisional Summary

In Switzerland and the UAE, the easing of restrictions on non-urgent elective surgical procedures coincided with the initial peak of the pandemic passing and resulted in a strong rebound in patient activity.

From June 2020 onwards, Mediclinic Middle East, and, to a lesser extent, Hirslanden benefited from counter-seasonal holiday trends resulting from travel restrictions imposed and procedures delayed as a consequence of the lockdown period. In addition to this, Mediclinic Middle East benefited from rapidly deploying supplementary services aimed at meeting patients' needs and changing behaviour, including pharmacy home delivery, alternative interim facilities to admit low-acuity or asymptomatic cases and two new laboratories to provide additional COVID-19 testing capacity.

Mediclinic Southern Africa has cared for a significant number of COVID-19 patients since the start of the pandemic, fulfilling a vital role in South Africa and Namibia's responses to the crisis. The division's operating performance was significantly impacted during 1H21 due to the volume of COVID-19 admissions and the delayed initial peak of the pandemic compared with the Group's experience in Switzerland and the UAE.

Mediclinic Southern Africa revenue fell to around 60% of prior year levels in April 2020 when lockdown measures and operating restrictions were enforced while COVID-19 cases remained low. COVID-19 hospital admissions rapidly increased from the end of May as the virus spread across the region. This curtailed the division's ability to return to offering its full range of services despite the easing of lockdown measures and restrictions. With the initial peak of the pandemic passing in early August 2020, surgical case volumes improved, driven by a return in demand for elective procedures. This improving trend stabilised towards the end of September with Paid Patient Days ("PPDs") recovering to around 90% of prior year levels. As a result, Mediclinic Southern Africa revenue was down around 6% in September 2020 compared with the prior year period.

Outlook

The pandemic has highlighted the global demand for quality healthcare services and the integral role played by private providers in supporting national governments and healthcare authorities. Ageing populations, a growing disease burden and digitalisation of healthcare are

creating further opportunities for expansion and advancement across the continuum of care with Mediclinic accelerating several strategic projects in response to the pandemic.

While Mediclinic delivered a robust first-half operating performance, with several identified features contributing to revenue performance and patient activity in Switzerland and the UAE, the Group remains cautious in the midst of uncertainty as to the full impact of the continuing pandemic and its economic aftermath on second-half Group operating performance. Further detail on the 1H21 performance, current trading and outlook will be provided with the half-year results.

Financial performance and key performance indicators

Note: All 1H21 movements are approximate and relative to the prior year period.

	1H20	1H21
Group (GBP'm)		
Revenue (constant currency)	1 515	(5.0)%
Revenue (reported)	1 515	(7.0)%
EBITDA (constant currency)	252	(33.0)%
EBITDA (reported)	252	(33.0)%
Reported EBITDA margin	16.6%	12.0%
Earnings per share (pence)	9.9p	Marginally positive
Hirlanden (CHF'm)		
Revenue	871	(2.0)%
EBITDA margin	16.2%	13.5%
Movement in inpatient admissions	5.0%	(1.0)%
GBP/CHF average FX rate	1.25	1.19
Mediclinic Southern Africa (ZAR'm)		
Revenue	8 578	(19.0)%
EBITDA margin	20.8%	8.0%
Movement in PPDs	2.7%	(25.0)%
GBP/ZAR average FX rate	18.28	22.04
Mediclinic Middle East (AED'm)		
Revenue	1 616	8.5%
EBITDA margin	12.6%	12.5%
Movement in inpatient admissions and day cases	9.2%	(3.5)%
Movement in outpatient cases	5.5%	(14.5)%
GBP/AED average FX rate	4.62	4.65

Spire Healthcare Group

Mediclinic holds a 29.9% investment in Spire Healthcare Group plc ("**Spire**") which is equity accounted. Spire reported its half-year financial results for the period ended 30 June 2020 on 17 September 2020.

	Spire		Mediclinic (income from associates)	
	6 months ended 30 June 2019	6 months ended 30 June 2020	1H20	1H21
Reported profit/(loss)	£7.1m	£(33.1)m ³	£2.1m	£(9.9)m

¹ The Group uses adjusted income statement reporting as non-IFRS measures in evaluating performance and as a method to provide shareholders with clear and consistent reporting. The Group's non-IFRS measures are intended to remove from reported earnings volatility associated with defined one-off incomes and charges which were previously referred to as underlying.

² IFRS 16 accounting standard: addressing the definition of a lease, recognising and measuring leases and establishing principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors.

³ Spire's reported loss was £233.1m which included an impairment charge of £200.0m. For adjusted earnings, any impairment losses or reversal of impairment losses previous recognised will be added back in accordance with Mediclinic's adjusted non-IFRS financial measures.

Cautionary Statement

This announcement contains certain forward-looking statements relating to the business of the Company and its subsidiaries, including with respect to the progress, timing and completion of the Group's development; the Group's ability to treat, attract and retain patients and clients; its ability to engage consultants and general practitioners and to operate its business and increase referrals; the integration of prior acquisitions; the Group's estimates for future performance and its estimates regarding anticipated operating results; future revenue; capital requirements; shareholder structure; and financing. In addition, even if the Group's actual results or development are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of the Group's results or developments in the future. In some cases, forward-looking statements can be identified by words such as "could", "should", "may", "expects", "aims", "targets", "anticipates", "believes", "intends", "estimates", or similar. These forward-looking statements are based largely on the Group's current expectations as of the date of this announcement and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the Group's expectations could be affected by, among other things, uncertainties involved in the integration of acquisitions or new developments; changes in legislation or the regulatory regime governing healthcare in Switzerland, South Africa, Namibia and the United Arab Emirates; poor performance by healthcare practitioners who practise at its facilities; unexpected regulatory actions or suspensions; competition in general; the impact of global economic changes; and the Group's ability to obtain or maintain accreditation or approval for its facilities or service lines. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this announcement will in fact be realised and no representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in this announcement.

The Group is providing the information in this announcement as of this date, and disclaims any intention to, and make no undertaking to, publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Mediclinic International plc

Mediclinic is a diversified international private healthcare services group, established in South Africa in 1983, with divisions in Switzerland, Southern Africa (South Africa and Namibia) and the UAE.

The Group's core purpose is to enhance the quality of life.

Its vision is to be the partner of choice that people trust for all their healthcare needs.

Mediclinic is focused on providing specialist-orientated, multi-disciplinary services across the continuum of care in such a way that the Group will be regarded as the most respected and trusted provider of healthcare services by patients, medical practitioners, funders and regulators of healthcare in each of its markets.

At 1 September 2020, Mediclinic comprised 76 hospitals, eight sub-acute and specialised hospitals, 17 day case clinics and 18 outpatient clinics. Hirslanden operated 17 hospitals and four day case clinics in Switzerland with more than 1 800 inpatient beds; Mediclinic Southern Africa operations included 52 hospitals (three of which in Namibia), eight sub-acute and specialised hospitals and 11 day case clinics (four of which operated by Intercare) across South Africa, and more than 8 700 inpatient beds; and Mediclinic Middle East operated seven hospitals, two day case clinics and 18 outpatient clinics with more than 900 inpatient beds in the UAE. In addition, under a management contract, Mediclinic Middle East will open a 200-bed hospital in the Kingdom of Saudi Arabia in mid-2022 with the Al Murjan Group.

The divisions' contributions to Group revenue for the financial year ended 31 March 2020 were 47% by Hirslanden, 29% by Mediclinic Southern Africa and 24% by Mediclinic Middle East.

The Company's primary listing is on the London Stock Exchange ("LSE") in the United Kingdom, with secondary listings on the JSE Ltd in South Africa and the Namibian Stock Exchange in Namibia.

Mediclinic also holds a 29.9% interest in Spire Healthcare Group plc, a leading private healthcare group based in the United Kingdom and listed on the LSE.

For further information, please contact:

Investor Relations, Mediclinic International plc

James Arnold, Head of Investor Relations
ir@mediclinic.com
+44 (0)20 3786 8181

Media queries

FTI Consulting
Ben Atwell/Ciara Martin – UK
+44 (0)20 3727 1000
Sherryn Schooling – South Africa
+27 (0)21 487 9000

Registered address: 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom

Website: www.mediclinic.com

Corporate broker: Morgan Stanley & Co International plc and UBS Investment Bank

JSE sponsor (South Africa): Rand Merchant Bank (A division of FirstRand Bank Ltd)

NSX sponsor (Namibia): Simonis Storm Securities (Pty)