

Mediclinic International plc  
(Incorporated in England and Wales)  
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("Mediclinic", the "Company", or the "Group")

22 January 2021

### Q3 Trading Update

Mediclinic International plc, the diversified international private healthcare services group, provides the following trading update for the third quarter period between October and December ("Q3") of the financial year ending 31 March 2021 ("FY21").

#### Summary

- **Effectively navigating the COVID-19 pandemic; commenced government-led COVID-19 vaccination programmes at Hirslanden and Mediclinic Middle East facilities**
- **Q3 Group revenue up 2.5%; supported by unseasonably high inpatient activity in December 2020 at Mediclinic Southern Africa and Mediclinic Middle East**

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

*"Through the third quarter of our financial year, a more severe second wave of COVID-19 cases has placed greater demand on our acute care capacity. We continue to effectively navigate the challenges this presents through the tireless efforts of our medical professionals and staff who deserve our sincere appreciation and thanks.*

*"Unlike early in the first wave, there have not been national restrictions on elective procedures and outpatient activity during Q3. Our ability during the period to continue with elective procedures, when and where we have capacity, as well as the unseasonable demand for our inpatient services in Southern Africa and the UAE during December 2020 supported our Q3 financial performance."*

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 adjusted<sup>1</sup>.

#### Continuing to navigate the COVID-19 pandemic

Mediclinic has been unwavering in its support of and collaboration with the relevant health authorities in tackling the COVID-19 pandemic ("**the pandemic**"). Having cared for over 30 000 COVID-19 patients, the Group is continually refining its treatment pathways to improve clinical outcomes and has significantly reduced the average length of stay for COVID-19 patients.

Across the world, major advances have been made in the development, manufacture and distribution of COVID-19 vaccines. Mediclinic is working with health authorities to support government-led vaccination roll-out plans and prioritisation schedules. Last week, Hirslanden opened two vaccination centres – the first by AndreasKlinik in partnership with the Kantonsspital Zug and the second in the canton of Thurgau. The government-led vaccination programme in the UAE is well underway and Mediclinic Middle East facilities are supporting the roll-out. Mediclinic Southern Africa is supporting the National Department of Health's vaccine

roll-out strategy and is part of the private sector initiative to assist the government where required. Governments are prioritising healthcare workers in the vaccination roll-outs. Mediclinic supports this approach and is facilitating the process, ensuring eligible colleagues receive a vaccine, thereby protecting their wellbeing and, as a result, the quality of care Mediclinic patients receive.

During Q3, the Group continued to adapt and address the operational challenges posed by the more severe second wave of the pandemic. In the absence of national restrictions suspending non-urgent elective procedures, capacity planning and the availability of services remained the responsibility of the divisions. As a result, in addition to the ongoing delivery of critical and urgent care, the Group's approach to providing elective procedures and outpatient treatments has remained fluid. Hospitals adapt their services to reflect the changing demands placed on individual and regional facilities and the availability of clinical personnel as the pandemic evolves. The Group expects the pressures and uncertainties to persist during the fourth quarter of the financial year. On 21 January 2021, the Dubai Health Authority implemented a four-week suspension of certain elective and non-urgent surgical procedures.

### **Financial performance**

Unseasonably high levels of inpatient activity at Mediclinic Southern Africa and Mediclinic Middle East in December 2020 supported the Group financial performance in Q3. This was partially offset by the lower patient volumes at Hirslanden due to the impact of COVID-19 and increasing lockdown measures.

The Group continues to observe similar trends to those experienced in the first half of the year in relation to personal protective equipment usage and consumable supply costs.

The ongoing operational and financial resilience of the Group was evidenced by cash and available facilities at the end of December 2020 of around £660m, flat compared with the end of September 2020. This includes an optional debt repayment at Hirslanden of CHF50m paid during Q3 resulting in a reduction in overall Group net debt. The Group's year-to-date ("YTD") cash conversion<sup>2</sup> improved during the period to 59% (1H21: 42%), driven by improvements at Hirslanden and Mediclinic Middle East. The Group's cash conversion target remains at 90–100%. In the UAE, the variable pace of payments from healthcare insurers continues, as historically experienced in the region, with a substantial payment recently received after the end of Q3. All covenant test waivers remain in force. For Mediclinic Middle East, the first of such waived covenant compliance tests is to be performed at the end of June 2021 and for Hirslanden and Mediclinic Southern Africa these will be performed at the end of September 2021.

### **Divisional summary**

In Switzerland, Hirslanden's hospitals continually engage with the Cantonal health authorities to address capacity requirements during the pandemic. The volume of COVID-19 admissions at Hirslanden hospitals has steadily increased throughout Q3, exceeding the volumes during the peak of the first wave. During the first half of January 2021, these volumes have steadily been reducing. However, the normal operating activities at Hirslanden have been noticeably interrupted with certain elective procedures being postponed until increased capacity becomes available.

Mediclinic Southern Africa continues to address the challenges presented by the more severe second wave of the pandemic which has impacted its ability to deliver non-urgent elective care. The second wave of COVID-19 infections is continuing and there are significant volumes of COVID-19 patients in the Western Cape, Kwa-Zulu-Natal, Mpumalanga, Limpopo and

Gauteng. COVID-19 admissions have recently stabilised in the Garden Route and is starting to show signs of stabilising in the Western Cape.

In the UAE, Mediclinic Welcare Hospital is the division's main COVID-19 facility. This enabled other facilities during the period to deliver ongoing care to predominantly non-COVID-19 patients. The division continues to provide services to address the significant demand for polymerase chain reaction ("PCR") testing in the UAE. The EBITDA margin, as expected, reflects the initial start-up costs associated with the imminent opening of the Mediclinic Airport Road Hospital expansion and Comprehensive Cancer Centre.

### 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 accelerating opportunities for expansion and advancement across the continuum of care. Mediclinic is also focused on several strategic projects, including virtual care solutions, in response to the pandemic and the evolving needs of its clients.

The uncertainty caused by the pandemic has reduced visibility on activity levels and therefore the Group remains cautious as to the full impact on near-term operating performance. As previously guided, the impact of national lockdowns and restrictions on non-urgent elective care results in the postponement of patient treatments. When capacity becomes available, the Group is well positioned to deliver the services and care required to address patient demand.

The Group's FY21 trading update is currently scheduled for mid-April 2021.

### Q3 financial performance and key performance indicators

*Note: All movements are approximate and for the Q3 FY21 period relative to the prior year period.*

	Q3 FY21
<b>Group (GBP)</b>	
Revenue movement	2.5%
EBITDA movement	(8.0)%
Reported EBITDA margin	17.0% (Q3 FY20: 19.0%)
<b>Hirslanden (CHF)</b>	
Revenue movement	(1.5)%
EBITDA margin	16.5% (Q3 FY20: 18.9%)
Movement in inpatient admissions	(2.5)%
GBP/CHF average FX rate (YTD)	1.19 (YTD Q3 FY20: 1.26)
<b>Mediclinic Southern Africa (ZAR)</b>	
Revenue movement	3.5%

EBITDA margin	21.0% (Q3 FY20: 19.4%)
Movement in paid patient days	(3.5)%
GBP/ZAR average FX rate (YTD)	21.54 (YTD Q3 FY20: 18.49)
<b>Mediclinic Middle East (AED)</b>	
Revenue movement	8.0%
EBITDA margin	13.5% (Q3 FY20: 18.3%)
Movement in inpatient admissions and day cases	1.0%
Movement in outpatient cases	(10.0)%
GBP/AED average FX rate (YTD)	4.71 (YTD Q3 FY20: 4.66)

<sup>1</sup> 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.

<sup>2</sup> Measures conversion of adjusted EBITDA into cash generated from operations.

### 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 UAE; 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 30 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 management contracts, Mediclinic Middle East operates one hospital in Abu Dhabi and will open a 200-bed hospital in the Kingdom of Saudi Arabia in mid-2022.

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 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:** 6<sup>th</sup> Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom

**Website:** [www.mediclinic.com](http://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)