2018 CAPITAL MARKETS DAY
28 JUNE 2018

ZURICH, SWITZERLAND
WELCOME

DR RONNIE VAN DER MERWE
CEO MEDICLINIC INTERNATIONAL
This presentation contains certain forward-looking statements relating to the financial condition, the regulatory environment in which we operate, results of operations and businesses of Mediclinic and the Group, including certain plans and objectives of the Group.

All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning the potential exposure of Mediclinic to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions, including as to future potential cost savings, synergies, earnings, cash flow, production and prospects. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “seek”, “should”, “target”, “will” and similar terms and phrases.
# 2018 CAPITAL MARKETS DAY

## AGENDA

<table>
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<tr>
<th></th>
<th>Introduction and Group Overview</th>
<th>Dr Ronnie van der Merwe</th>
</tr>
</thead>
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<tr>
<td>2</td>
<td>Finance Review</td>
<td>Jurgens Myburgh</td>
</tr>
<tr>
<td>3</td>
<td>Hirslanden - Switzerland</td>
<td>Dr Ole Wiesinger</td>
</tr>
<tr>
<td>4</td>
<td>Mediclinic Southern Africa</td>
<td>Koert Pretorius</td>
</tr>
<tr>
<td>5</td>
<td>Mediclinic Middle East</td>
<td>David Hadley</td>
</tr>
<tr>
<td>6</td>
<td>Final Q&amp;A</td>
<td></td>
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</tbody>
</table>
OUR VISION AND PURPOSE

VALUES
- Client orientation
- Patient safety
- Mutual trust & respect
- Teamwork
- Performance driven

VISION
To be preferred locally and respected internationally

PURPOSE
Enhance the quality of life of our patients by providing comprehensive, high-quality healthcare services

To be preferred locally and respected internationally

2018 CAPITAL MARKETS DAY
2018 CAPITAL MARKETS DAY
AREAS OF FOCUS

1. Our diversified international presence and unified focus
2. Strong healthcare market potential
3. Our unique approach to creating value putting patients at the core of our business
4. Our focus on international growth opportunities
5. Our management skills and expertise
6. Financial discipline across the Group
Mediclinic founded by Rembrandt in South Africa

Mediclinic listed on the JSE

Growth phase in Southern Africa through organic and inorganic expansion – acquired 37 hospitals

Acquired Hirslanden Group in Switzerland – 13 hospitals

Acquired 29.9% interest in Spire Healthcare Group plc – 39 hospitals

Combination with Al Noor Group – 3 hospitals and 21 clinics

Opening Mediclinic’s largest greenfield development – Mediclinic Parkview Hospital

Mediclinic Parkview Hospital

2018
**DIVERSIFIED INTERNATIONAL PRESENCE AND UNIFIED FOCUS**

**KEY FIGURES – AS AT 31 MARCH 2018**

<table>
<thead>
<tr>
<th></th>
<th>SWITZERLAND</th>
<th>SOUTHERN AFRICA</th>
<th>MIDDLE EAST</th>
<th>SPIRE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEDS</strong></td>
<td>1,805</td>
<td>8,131</td>
<td>748</td>
<td>1,800</td>
</tr>
<tr>
<td><strong>THEATRES</strong></td>
<td>104</td>
<td>278</td>
<td>29</td>
<td>134</td>
</tr>
<tr>
<td><strong>HOSPITALS</strong></td>
<td>17</td>
<td>54</td>
<td>6</td>
<td>39</td>
</tr>
<tr>
<td><strong>OUTPATIENT CLINICS</strong></td>
<td>4</td>
<td>18*</td>
<td>24</td>
<td>12</td>
</tr>
<tr>
<td><strong>MARKET POSITION</strong></td>
<td>#1</td>
<td>#3</td>
<td>#1</td>
<td>#2</td>
</tr>
</tbody>
</table>

**KEY FINANCIALS – FOR THE 12 MONTHS TO 31 MARCH 2018**

- **Contribution to Group Revenue (£'m)**
  - **TOTAL** £2,870m
  - Switzerland: 643 (22%)
  - Southern Africa: 877 (31%)
  - Middle East: 1,349 (47%)
  - SPIRE: 16 (1%)

- **Contribution to Group Adjusted EBITDA (£'m)**
  - **TOTAL** £515m
  - Switzerland: 82 (16%)
  - Southern Africa: 189 (37%)
  - Middle East: 247 (48%)
  - SPIRE: 189 (37%)
Diversified International Presence and Unified Focus

Providing a Diversified Service Offering

- Acute In-patient Care: 70%
- Out-patient Care: 23%
- Day-case Care: 7%

Group Revenue Contribution FY18

- Internal Medicine: 24%
- General Surgery: 23%
- Cardiology/Cardiothoracic Surgery: 9%
- Obstetrics & Gynaecology: 8%
- Other: 10%
- Orthopaedics: 16%
- Laboratory: 7%
- Radiology: 3%
- Oncology: 5%
- Pediatrics: 3%
1 DIVERSIFIED INTERNATIONAL PRESENCE AND UNIFIED FOCUS

- Sophisticated world-class hospitals
- Highly specialised medicine and centres of competence
- Cancer care and radiology
- Mixed and innovative doctor model
- DRG environment

- Full spectrum of services in community, tertiary and quaternary facilities
- Extensive emergency medicine activities
- Centralised back-office
- Independent doctor model
- Fee-for-service environment transforming to alternative models

- Mixed business of hospitals and out-patient activities
- Experienced in out-patient consultation clinics, radiology and laboratory
- Comprehensive EHR
- Opportunity to develop an integrated healthcare system
- Employed doctor model with innovative approach
- Evolving to DRG environment

Notes:  DRG - Diagnosis-Related Group
         EHR - Electronic Health Record
DIVERSIFIED INTERNATIONAL PRESENCE AND UNIFIED FOCUS

Heat map indicating the services provided across the continuum of care:

- SWITZERLAND
- SOUTHERN AFRICA
- MIDDLE EAST

Not provided | Core service
---|---
DIVERSIFIED INTERNATIONAL PRESENCE AND UNIFIED FOCUS

**TRACK RECORD**
- Operate in developing and developed countries and markets
- Combination of two mature regions and a growth region
- Familiar with regulatory perspectives and highly competitive environments

**GROUP APPROACH**
- Strong empowered executive teams across all divisions
- Several functions coordinated centrally including:
  - Capital allocation
  - Procurement
  - Clinical services
  - Analytics
  - ICT
  - HR
  - Risk management

**POSITIONING**
- Unique set of international skills, experience and knowledge
- Long-standing reputation as a trusted, market-leading, healthcare service provider focused on:
  - Patient safety
  - Excellent clinical performance
- Well positioned to deliver long-term growth and returns for shareholders
**Diversified International Healthcare Service Provider**

**Financial Benefits**
- Revenue diversification
- Procurement synergies
- ICT licensing arrangements
- Shared resources in providing services
- Shared resources in system efficiencies
- Group financing

**Business Improvement**
- Performance improvement through internal comparisons
- Standards improvement through centres of expertise
- Transfer of successful practices across geographies
- Group-wide collaboration on global healthcare trends
STRONG HEALTHCARE MARKET POTENTIAL

Increase in demand

- Population growth
- Ageing populations
- Increased life expectancy
- Growing burden of diseases
- Growing middle class
- Increased availability of medical information
- Consumerism
- New technology offering better treatment options and outcomes

Constraints in supply

- Budgetary constraints making it difficult for governments to meet the increase in demand
- Cost escalation in complex environments very difficult to manage by governments
OUR UNIQUE APPROACH TO CREATING VALUE

B  Quality of care
   - Clinical performance
   - Measure & Improve
   - Governance

D  Sector Dynamics
   - Migration of care
   - New technology
   - Analytics

C  Provision of Care
   - System provider
   - Coordinated care
   - Operational efficiencies
   - Training & research

E  Stakeholders
   - Staff
   - Doctors
   - Payers
   - Regulators

PATIENTS FIRST
OUR UNIQUE APPROACH TO CREATING VALUE

PATIENTS FIRST

- Continually investing across the Group to improve patient experience
- Press Ganey surveys at all divisions and internationally benchmarked
- Multidisciplinary focus

OVERALL MEAN SCORE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCI</td>
<td>84.4</td>
<td>81.9</td>
</tr>
<tr>
<td>Hirslanden*</td>
<td>87.7</td>
<td>83.3</td>
</tr>
<tr>
<td>MCME**</td>
<td>82.4</td>
<td>82.1</td>
</tr>
<tr>
<td>MCSA</td>
<td>81.9</td>
<td></td>
</tr>
</tbody>
</table>

RECOMMEND THE HOSPITAL (%)

- Definitely YES
- Probably YES
- Probably NO
- Definitely NO

*Mirslanden’s implementation of the Patient Experience Index took place during the 2018 financial year therefore there are no 2017 comparable results.

**The MCME score is based on Dubai facilities as the Abu Dhabi facilities only implemented and entrenched the survey during the 2018 financial year.
OUR UNIQUE APPROACH TO CREATING VALUE

PATIENTS FIRST

At the core is maximising the value for patients = achieving the best outcomes at the lowest cost

\[ V = \frac{Q}{C} \]

Create a supporting information technology platform

Robust measurement of outcomes and cost per episode of care

Structure provision around the needs of the patient

Create integrated care delivery systems

Move towards global fees and value-based reimbursement

Source:

V = Value
Q = Quality
C = Cost
OUR UNIQUE APPROACH TO CREATING VALUE

B. ENHANCING OUR QUALITY OF CARE

Developed a Clinical Management Model

Striving for superior clinical performance

Focus on measuring and improving

Strong clinical governance system

INPATIENT MORTALITY RATE
Inpatient Mortalities / Admissions (%)

<table>
<thead>
<tr>
<th>Rate</th>
<th>Rate</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0%</td>
<td>0.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>1.5%</td>
<td>2.0%</td>
<td></td>
</tr>
</tbody>
</table>

Period:
- 2016
- 2017
- 2018

MCSA
Hirslanden
MCME
OUR UNIQUE APPROACH TO CREATING VALUE

ENHANCING OUR QUALITY OF CARE

CLINICAL INDICATOR HEAT MAP

<table>
<thead>
<tr>
<th>Clinical Quality Indicator</th>
<th>Benchmark</th>
<th>MSA</th>
<th>UNIDENTIFIED INDIVIDUAL HOSPITALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted Nursing Sensitive Indicators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medication Errors per 1,000 PD</td>
<td>1.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Falls (with/out injuries) per 1,000 PD</td>
<td>1.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Falls (with injuries) per 1,000 PD</td>
<td>0.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hosp. Acute Sepsis per 1,000 PD</td>
<td>2.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hosp. Acute Pressure Ulcers per 1,000 PD</td>
<td>0.24</td>
<td></td>
<td></td>
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</table>

INFECTION PREVENTION & CONTROL

<table>
<thead>
<tr>
<th>Overall Infection Control Indicators</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare Ac. Infection Rate per 1,000 PD</td>
<td>76.19%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Targeted Infections (Overall Indicators)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAP Rate per 1,000 Ventilator Days</td>
<td>4.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAUTI Rate per 1,000 Urinary Catheter Days</td>
<td>2.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surgical Site Infections per 1,000 Oper. Cases</td>
<td>2.02</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CLINICAL EFFECTIVENESS INDICATORS

<table>
<thead>
<tr>
<th>Overall Mortality Indicators</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgical Mortality Rate (%)</td>
<td>0.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neonatal Mortality Rate per 1000 Live Births</td>
<td>0.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neonatal Mortality Rate per 1000 Live Births, &lt;30 days</td>
<td>18.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Centre Mortality Rate (%)</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INFECTION PREVENTION & CONTROL

<table>
<thead>
<tr>
<th>Adult Critical Care Mortality Indicators</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ShAPM 3 M mortality index</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neonatal Critical Care Mortality Indicators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very Low Birth Weight</td>
<td>22.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neonatal Mortality Rate (%)</td>
<td>41.89%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neonatal Mortality Rate (%)</td>
<td>4.62%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neonatal Mortality Rate (%)</td>
<td>18.61%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Excerpt from Mediclinic Southern Africa Report – 12 months results end 31 March 2018.
OUR UNIQUE APPROACH TO CREATING VALUE

ADAPTING OUR PROVISION OF CARE

- Facility to system provider
- Coordinated care
- Operational efficiencies
- Training and research

Mohammed Bin Rashid University of Medicine and Health Sciences

2018 CAPITAL MARKETS DAY
### OUR UNIQUE APPROACH TO CREATING VALUE

#### ADAPTING OUR PROVISION OF CARE

#### EFFICIENCY INDEX

<table>
<thead>
<tr>
<th></th>
<th>UAE</th>
<th>SWITZERLAND</th>
<th>UK</th>
<th>USA</th>
<th>SA</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life expectancy</td>
<td>77.37</td>
<td>82.85</td>
<td>81.60</td>
<td>78.94</td>
<td>62.77</td>
<td>72.04</td>
</tr>
<tr>
<td>Relative cost %</td>
<td>3.64</td>
<td>11.66</td>
<td>9.12</td>
<td>17.14</td>
<td>8.93</td>
<td>9.95</td>
</tr>
<tr>
<td>Absolute cost</td>
<td>$1,611</td>
<td>$9,674</td>
<td>$3,935</td>
<td>$9,403</td>
<td>$649</td>
<td>$1,061</td>
</tr>
<tr>
<td>Ranking</td>
<td>9</td>
<td>14</td>
<td>21</td>
<td>50</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Sources:*
1. World Bank life expectancy for SA (2016)
2. World Bank life expectancy for World (2016)
3. Bloomberg most efficient health care (2014)

#### INTEGRATED CARE – LENGTH OF STAY

<table>
<thead>
<tr>
<th></th>
<th>HIRSLANDEN PRE DRGs</th>
<th>HIRSLANDEN DRGs</th>
<th>MCSA</th>
<th>CARE EXPERT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hip Replacement</td>
<td>9.5</td>
<td>7.1</td>
<td>5.6</td>
<td>4.0</td>
</tr>
<tr>
<td>Knee Replacement</td>
<td>10.3</td>
<td>8.0</td>
<td>4.4</td>
<td>4.2</td>
</tr>
</tbody>
</table>
OUR UNIQUE APPROACH TO CREATING VALUE

ADDRESSING SECTOR DYNAMICS

Migration of care and the provision of new services

- Treatments continuously migrate to different settings due to new technology
- New surgical interventions that were previously not possible are being introduced
- Opportunities to serve an unmet need and provide complementary services

Embracing technology across the continuum of care

- Embrace the opportunities to offer new and advanced treatment options
- Careful health technology assessments to ensure sustainable value is created
- Capitalise on the intersection between medical technology and ICT to improve patient care
- Developing advanced patient facing technology:
  - EHR
  - Enhanced website portals
  - Patient Apps

Creating sophisticated data analytics expertise

- Healthcare is an extremely rich data environment
- Clinical outcomes notoriously difficult to measure and benchmark
- Strong analytical capability is a business imperative
- Enhances engagement with payers
- Mediclinic has deep analytical skills and experience

MEDICLINIC baby
MEDICLINIC Prime

Slide 22
### BENEFITS OF EMBRACING TECHNOLOGICAL ADVANCES:

<table>
<thead>
<tr>
<th></th>
<th>TRADITIONAL</th>
<th>TAVI*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of stay</td>
<td>16.0</td>
<td>7.7</td>
</tr>
<tr>
<td>Average age</td>
<td>67</td>
<td>82</td>
</tr>
<tr>
<td>Mortality rate (unadjusted)</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Cost</td>
<td>1x</td>
<td>1.1x</td>
</tr>
</tbody>
</table>

* Transcatheter Aortic Valve Implantation

<table>
<thead>
<tr>
<th></th>
<th>TRADITIONAL</th>
<th>DA VINCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theatre time (mins)</td>
<td>164</td>
<td>231</td>
</tr>
<tr>
<td>Length of stay</td>
<td>6.7</td>
<td>2.4</td>
</tr>
<tr>
<td>Cost</td>
<td>1x</td>
<td>1.7x</td>
</tr>
</tbody>
</table>
OUR UNIQUE APPROACH TO CREATING VALUE

ENGAGING WITH OUR STAKEHOLDERS

- EMPLOYEES: Strong engagement
- REGULATORS: Position and influence
- DOCTORS: Alignment and co-operation
- PAYERS: Enhanced solutions

PATIENTS FIRST

Slide 24
OUR UNIQUE APPROACH TO CREATING VALUE

ENGAGING WITH OUR STAKEHOLDERS

EMPLOYEE ENGAGEMENT INDEX

<table>
<thead>
<tr>
<th>Year</th>
<th>Gallup Overall</th>
<th>Gallup Healthcare</th>
<th>Hirslanden</th>
<th>Middle East</th>
<th>Southern Africa</th>
<th>MCI Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>11% Engaged, 41% Not Engaged, 48% Actively Disengaged</td>
<td>11% Engaged, 38% Not Engaged, 48% Actively Disengaged</td>
<td>10% Engaged, 56% Not Engaged, 40% Actively Disengaged</td>
<td>12% Engaged, 58% Not Engaged, 30% Actively Disengaged</td>
<td>18% Engaged, 51% Not Engaged, 31% Actively Disengaged</td>
<td>14% Engaged, 54% Not Engaged, 32% Actively Disengaged</td>
</tr>
<tr>
<td>2016</td>
<td>11% Engaged, 41% Not Engaged, 44% Actively Disengaged</td>
<td>11% Engaged, 38% Not Engaged, 44% Actively Disengaged</td>
<td>9% Engaged, 53% Not Engaged, 39% Actively Disengaged</td>
<td>9% Engaged, 52% Not Engaged, 40% Actively Disengaged</td>
<td>16% Engaged, 51% Not Engaged, 33% Actively Disengaged</td>
<td>13% Engaged, 51% Not Engaged, 36% Actively Disengaged</td>
</tr>
<tr>
<td>2017</td>
<td>11% Engaged, 44% Not Engaged, 48% Actively Disengaged</td>
<td>11% Engaged, 38% Not Engaged, 48% Actively Disengaged</td>
<td>9% Engaged, 51% Not Engaged, 39% Actively Disengaged</td>
<td>13% Engaged, 48% Not Engaged, 39% Actively Disengaged</td>
<td>14% Engaged, 47% Not Engaged, 39% Actively Disengaged</td>
<td>12% Engaged, 48% Not Engaged, 40% Actively Disengaged</td>
</tr>
</tbody>
</table>

ARTHROPLASTY PROCEDURES ENGAGEMENT WITH DR X

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Prosthesis Cost</th>
<th>Theatre Time</th>
<th>Length of Stay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2015</td>
<td>1.2</td>
<td>1.1</td>
<td>0.8</td>
</tr>
<tr>
<td>Q2 2015</td>
<td>1.1</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Q3 2015</td>
<td>0.9</td>
<td>0.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Q4 2015</td>
<td>0.8</td>
<td>0.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Q1 2016</td>
<td>0.7</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>0.6</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>0.5</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>0.4</td>
<td>0.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>0.3</td>
<td>0.2</td>
<td>0.0</td>
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<tr>
<td>Q2 2017</td>
<td>0.2</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
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2018 CAPITAL MARKETS DAY
INTERNATIONAL GROWTH OPPORTUNITIES

Organic growth – existing markets
- Expand capacity of existing facilities
- Develop new facilities
- Introduce new services

Inorganic growth – existing markets
- Acquire new facilities
- Acquire complementary businesses

Inorganic growth – new markets
- Acquire businesses with opportunities to add value and expand
MANAGEMENT SKILLS AND EXPERTISE

SPEAKING TODAY

Dr Ronnie van der Merwe
CEO Mediclinic International

Jurgens Myburgh
CFO Mediclinic International

Dr Ole Wiesinger
CEO Hirslanden

Koert Pretorius
CEO Mediclinic Southern Africa

David Hadley
CEO Mediclinic Middle East

Gert Hattingh
Chief Corporate Services Officer

Magnus Oetiker
Chief Human Resources Officer

Dirk le Roux
Chief Information Officer

Dr René Toua
Chief Clinical Officer
Our investment case… has the objective of delivering…

- Profitable growth
  - Mature Swiss and Southern Africa businesses
  - Growing Middle East revenue and margin expansion
- Strong cash flow generation
- Capital discipline
  - Ongoing investment in the business
  - Judicious expansion
  - Shareholder returns

Creating long-term shareholder value
THANK YOU

DR RONNIE VAN DER MERWE
CEO MEDICLINIC INTERNATIONAL
GROUP
FINANCIAL STRATEGY

PROFITABLE GROWTH

Revenue  EBIT

Strong cash flow conversion

DRIVE LONG-TERM SHAREHOLDER VALUE

ROIC

DISCIPLINED CAPITAL ALLOCATION

Maintenance capex  Expansion capex

Dividends  Selective acquisitions

RESPONSIBLE LEVERAGE

ROIC

DRIVE LONG-TERM SHAREHOLDER VALUE

DISCIPLINED CAPITAL ALLOCATION

RESPONSIBLE LEVERAGE

2018 CAPITAL MARKETS DAY
REVENUE
A DRIVER OF GROWTH

Rising and ageing populations
Extended life expectancy
Advances in technology
Consumerism
Medical inflation
Mix changes

REVENUE GROWTH

COMPONENTS OF REVENUE GROWTH

Hirslanden

Southern Africa

FY16
FY17
FY18

£m

Hirslanden
Southern Africa
Middle East
Corporate

1.123
1,321
1,349

649
780
877

612
648
643

2,384
2,749
2,870

6.2%
8.7%

3.8%
1.5%

1.6%

*FY16 Middle East pro forma revenue
### Structured Cost Management

#### Cost structure

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
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#### Efficiency

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#### Balance

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#### Adjusted EBITDA

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<td>3</td>
<td>6</td>
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#### Adjusted Earnings

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</table>
GROUP PROCUREMENT BENEFITS

- Capital equipment
  - Volume agreements
  - Pooling

- Surgical items
  - Global scale

- Consumable products
  - Direct imports

- Target additional savings of approximately GBP20m per annum over the medium term
STRONG CASH FLOW SUPPORTING FUTURE GROWTH

CASH FLOW GROWTH

- FY16: £320
  - Net cash flow from operating activities: £114
  - Maintenance capex: £72
  - Expansion capex: £114
  - Maintenance capex % revenue: 3.4%
- FY17: £377
  - Net cash flow from operating activities: £131
  - Maintenance capex: £101
  - Expansion capex: £131
  - Maintenance capex % revenue: 3.7%
- FY18: £345
  - Net cash flow from operating activities: £142
  - Maintenance capex: £112
  - Expansion capex: £142
  - Maintenance capex % revenue: 3.9%
- FY23 (projected): £254
  - Maintenance capex % revenue: (not specified)

FY16 - FY18: Net cash flow from operating activities and maintenance capex shown as bars with respective percentages. Expansion capex shown as dashed bars.
Key RCM initiatives:
- Process mapping
- Billing accuracy
- Decentralisation with corporate monitoring
- Quality assurance
- Payment denial analysis and review
- Management reporting
- IT Enhancements
Investment opportunities must meet:

1. **STRATEGIC BENEFIT REQUIREMENTS**
   - Core business
   - Continuum of care
   - Strategic positioning
   - Disruptors

2. **FINANCIAL CRITERIA VALUATION PRINCIPLES**
   - Growth
   - IRR ahead of hurdle rates
   - Improved aggregate performance

Hurdle rates calculated using:
- Bottom up cost of capital per region
- Capital Asset Pricing Model
- Long-term historic data inputs
- Margin of safety
CASE STUDY
LINDE ACQUISITION - SWITZERLAND

KEY FINANCIAL METRICS
• Consideration: CHF107m
• FY18 Revenue: CHF52m (9 months)
• FY18 EBITDA: CHF8m (9 months)

KEY OPERATING METRICS
• 115 beds
• 90 affiliated doctors
• c.500 staff
• c.4,700 inpatients treated in FY18 (9 months)

RATIONALE
• Opportunities for margin uplift
• Revenue growth in recently added capacity
• Berne cluster
CASE STUDY
DAY HOSPITALS - SOUTHERN AFRICA

• 2 existing day surgery units:
  - Limpopo
  - Durbanville

EBITDA MARGIN

- Average from 2 existing clinics
- MCSA FY18

IRR

- Average of recent motivations
- MCSA Hurdle Rate

• 6 new day surgery units opening FY19-20
• Providing additional:
  - 139 beds
  - 15 theatres
FRAMEWORK FOR EXPANSION
HOW WE THINK ABOUT NEW MARKETS

**Geography**
- Political stability
- Economic Growth
- Addressable market
- Ease of doing business

**Industry**
- Regulatory framework
- Diversified payor profile and mix
- Supply of medical personnel
- Competitive environment

**Asset**
- Core Business
- Scale
- Opportunity to improve performance
- Reasonable price/good value
**GROUP ROBUST BORROWING STRUCTURE**

**NET DEBT TO ADJUSTED EBITDA**

- FY16: 3.6x
- FY17: 3.3x
- FY18: 3.3x

**Responsible approach to leverage**
- Cost of Financing
- Ability to Refinance

**Operational and financial benefits from freehold property portfolio**

**Financed at a divisional level**

**Regularly assessed for refinance opportunities**

---

**FY18 DEBT STRUCTURE**

**Southern Africa**
- £’m
  - Senior term: 283
  - Preference shares: 200
  - Subsidiaries: 8
  - Total Debt: 491

**Hirslanden**
- Total Debt: 1,309
  - Secured long term bank loans: 1,111
  - Swiss bonds: 176
  - Other secured bank loans: 22

**Middle East**
- Total Debt: 137
  - Bank loans: 137

**Total Group Debt**: 1,937
**Cash and Cash Equivalents**: 261
**Group Net Debt**: 1,676
MEDIUM-TERM TARGETS
CREATING GREATER BALANCE

BUSINESS DRIVERS

SWITZERLAND

SOUTHERN AFRICA

MIDDLE EAST

Healthcare Dividend - ageing population, growing disease, new technologies…

Focus on insurance mix
Improve asset utilisation
Invest in related businesses
Improve productivity
c.18% margin

Modest volume growth
Focus on value
Expand day surgery
Investing across the continuum of care
c.21% margin

Improved quality of revenue
Significant expansion
Higher acuity and inpatient activity
Increased utilisation
c.20% margin

GROUP ADJUSTED EBITDA

FY18
£515m

48%
37%
-1%
16%

Corporate

FY23

1. Based on FY23 Group forecast and constant currency

2018 CAPITAL MARKETS DAY
FINANCIAL STRATEGY
SUMMARY

DRIVERS

- Revenue growth
- Cash flow generation

PRIORITIES

- Responsible leverage
- Maintenance capex
- Dividends
- Expansion capex
- Selective acquisitions
## AGENDA

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HIRSLANDEN
AREAS OF FOCUS

1. Leading private healthcare provider in Switzerland with some of the best hospitals in the world
2. Mature stable healthcare market with a wealthy ageing population
3. Addressing the affordability of healthcare in Switzerland
4. Adapting to the evolving regulatory and market environment
5. Increase patient value and focus on Hirslanden 2020 strategy
6. Grow the business across the continuum of care
HIRSLANDEN
STRONG GEOGRAPHIC FOOTPRINT

HOSPITALS
17

AFFILIATED DOCTORS
1,680

EMPLOYEES
9,635

THEATRES
104

BEDS
1,805

Source: Company information
(1): Radiology institute
(2): Radiotherapy

Slide 48
HIRSLANDEN LEADING MARKET POSITION

**Beds**
Total: 37,540
- Hirslanden: 20% of private hospitals, 5% of total market
- Other private hospitals: 75%

**Inpatients**
Total: 1,405,224
- Hirslanden: 33% of private hospitals, 7% of total market
- Other private hospitals: 15%
- Public hospitals: 7%

**Staff (HC, employed doctors included)**
Total: 196,000
- Hirslanden: 29% of private hospitals, 5% of total market
- Other private hospitals: 84%
- Public hospitals: 5%

**Patient days**
Total: 11,685,858
- Hirslanden: 15% of private hospitals, 4% of total market
- Other private hospitals: 74%

**Operating theatres**
Total: 988
- Hirslanden: 17% of private hospitals, 10% of total market
- Other private hospitals: 73%

**Births**
Total: 86,559
- Hirslanden: 14% of private hospitals, 7% of total market
- Other private hospitals: 79%

---

**Source:** Verbund Privatkliniken Schweiz: Bericht Privatkliniken Schweiz 2017; Key Figures 2015

Slide 49
Maximised value for patients

- Integrated healthcare provider
- World-class facilities, European benchmark
- Optimize and differentiate patient journey according to insurance classes
- Continuously measure and publish patient experience survey results on website
- High-level patient experience
- Low-level infection rates
- Below expectation reoperation rate
- Highly specialised medicine accreditations
- ISO 9001:2015 certificates for all hospitals
- EFQM assessment
**HIRSLANDEN**

**EXCEEDING THE IQM BENCHMARK**

**IQM** is founded on three principles:
1. Measure quality on the basis of routine data
2. Publish results to promote transparency
3. Improve quality with a peer review procedure

**Measurement includes:**
- 184 performance indicators for results, data sets and processes
- 48 clinical pictures and treatment forms

**IQM** is an initiative on Quality Medicine. The initiative comprises performance indicators for results, data sets and processes as well as clinical pictures and treatment forms. Over 380 hospitals participate in the initiative in Germany and Switzerland, with Hirslanden being a member since 2012.
HIRSLANDEN – AN INTEGRATED HEALTHCARE SYSTEM PROVIDER

MEDICAL SERVICE UNITS
Basic services for patients and specialists

Objective: Superior patient safety and insurance oriented service.

Task: Service provider for patients and specialists.

MEDICAL STAFF FUNCTIONS
Coordinative and administrative role in the medical system

Objective: Achievement of superior quality standards.

Task: Setting of quality standards, controlling of standards, definition and coordination of patient pathways.

ADMINISTRATIVE STAFF FUNCTIONS
Coordinative and administrative role (SSC & CoE)

Objective: Efficient processes, services and know-how.

Task: Leadership and coordination of administrative processes.

MEDICAL SPECIALIST UNITS
Specialists, services for patients and referring doctors

Objective: Superior medical outcome, insurance class oriented medical service.

Task: Services provider for patients and referring doctors.

CENTRAL PERFORMANCE MANAGEMENT
Assurance of hospital productivity

Objective: Planning and controlling of productivity, insurance class oriented capacity and resource allocation.

Task: Controlling of demand and resources, case management.

2018 CAPITAL MARKETS DAY
HIRSLANDEN
KLINIK HIRSLANDEN - ZURICH

- A world-class facility

- Full range of University hospital level services

- Cutting edge technology

- Specialities include:
  - Heart surgery
  - Orthopaedics
  - Gynaecology
  - Cardiology
  - Urology

- Highly Specialised Medicine (HSM) mandates for:
  - Stroke treatment
  - Neurosurgery
  - Visceral surgery

- Over 18,000 inpatients per annum

- Over 10,000 patients treated in emergency unit per annum
HIRSLANDEN
KLINIK HIRSLANDEN - ZURICH

World-class medical care

• Certified training institution
• Certified stroke centre
• Comprehensive cancer centre certified according to DKG
• “CyberKnife” and “Senhance” operating robotic system
• Swiss premiere of new clipping method on tricuspid valve in 2018
• Premiere of heart valve surgery with Da Vinci surgery robot in 2016
• World premiere of hybrid imaging system in 2014
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</tbody>
</table>
MARKET OVERVIEW
FUNDAMENTALS AND DRIVERS

• Wealthy, ageing population
• Mature, saturated market with easy access to healthcare provision
• High patient satisfaction\(^{(1)}\) and expectations
• Growing utilisation of healthcare services
• Health expenditure expected to grow 3.1% per year to 2022\(^{(2)}\)
• Estimated healthcare spend 2016: 12.2% of GDP – second place in WHO global rankings
• Private hospital sector vital part of Swiss healthcare system

Sources: Swiss Federal Statistical Office, WHO, BMI
Notes
1. Euro Health Insurance Index
2. BMI Research; FY17-22 CAGR in local currency terms

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MARKET OVERVIEW
PAYER ENVIRONMENT AND FUNDING

Basic insurance
- Mandatory basic health insurance
- Inpatient: SwissDRG
- Outpatient: TARMED

Supplementary insurance
- Voluntary insurance
- More exclusive health care products
- Unrestricted choices of physicians
- Inpatient: DRG+

Social Insurance
- Mandatory OASI and Disability Insurance, supplementary benefits and income compensation allowance
- Financed through wage deductions

Source: Federal Office for Statistics - Switzerland

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</table>
**Evolving Swiss Regulatory Environment**

- **Migration of Care**
  - Shift of basic medical treatments from inpatient to outpatient tariffs
  - Cantonal catalogue of procedures implemented - national regulation by 2019

- **Tariff Situation**
  - Two adjustments of Tarmed by Federal Council (2014/2018)
  - c.CHF25m annualised EBITDA impact on Hirslanden – previously announced
  - Revision of tariff system pending

- **Hospital List Requirements**
  - Supplementary insurances (VVG)
  - From top-down to bottom-up

- **Doctor’s Moratorium**
  - Gradual increase in proportion of basic insured patients
  - Regulation of admission of doctors
  - Certificate of need for each speciality

- **Patient Mix**
  - Directives concerning certificate of need
  - Minimal case numbers per hospital and doctor

---

2018 Capital Markets Day
### REGULATORY ENVIRONMENT

#### OUTPATIENT SURGERY LISTS (EXCERPT)

- Shift of basic medical treatments from inpatient to outpatient tariffs
- Cantonal catalogue of procedures implemented - national regulation by 2019

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<td>Cataract operation</td>
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REGULATORY ENVIRONMENT
MIGRATION OF CARE TIMELINE

- **2012**: Consideration Federal Council
- **2013**: Consideration Federal Council
- **2015**: Discussion Department of Healthcare Zurich
- **2016**: 1 July 2017: Canton of Lucerne
- **2017**: 1 January 2019: Federal regulation
  - 1 January 2018: Canton of Zurich, Canton of Zug, Canton of Aargau, Canton of Wallis
  - 1 May 2018: Canton of Schaffhausen
REGULATORY ENVIRONMENT

PATIENT MIX

- Continuing evolution in mix of patients from supplementary insured to basic insured
  - Acquisitions with lower VVG share
- Stable absolute privately insured patient volumes
- Ongoing actions to partially mitigate the trend
  - New doctors with attractive VVG share
  - Continued capex to ensure state of the art infrastructure and technology
  - Strong focus on medical quality and patient experience, e.g. patient programmes:

![Patient Trends Chart]

<table>
<thead>
<tr>
<th>Year</th>
<th>Privately Insured Patients</th>
<th>Basic Insured Patients</th>
<th>Regulatory Change: KVG 2012</th>
<th>Migration of Care Implementation Commenced</th>
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<tbody>
<tr>
<td>2010</td>
<td>20,000</td>
<td>22,000</td>
<td>3</td>
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<tr>
<td>2011</td>
<td>22,000</td>
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<td>2013</td>
<td>26,000</td>
<td>28,000</td>
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<tr>
<td>2014</td>
<td>28,000</td>
<td>30,000</td>
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0% 10% 20% 30% 40% 50% 60%

20,000 22,000 24,000 26,000 28,000 30,000


Privately insured patients in numbers | Basic insured patients in percentage | Linear (Privately insured patients in numbers)
**STEADY GROWTH**
**IN EVOLVING ENVIRONMENT**

- **Introduction of new KVG (health insurance act)**
- **Partial KVG revision decided**
- **Partial KVG revision implemented**
- **Revision of hospital financing decided**
- **Revision of hospital financing implemented**
- **First TARMED revision**
- **Second TARMED revision**

*Graph showing historical data with key events and financial metrics.*
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**STRATEGIC APPROACH**

**HIRSLANDEN 2020**

- **HIT2020**
  Focus on patient care by decreasing the burden of administration for hospitals.
  
  Improve productivity through higher efficiency

- **GROW2020**
  Easy access to integrated care regions for patients.
  
  Generate sustainable growth through business areas from adjacent fields

- **WE2020**
  Patients experience uniform culture of medical excellence and high quality of service in all Hirslanden hospitals.
  
  Strengthening of group identity through selective leadership development («from I to We»).

---

**ONGOING**

- Cost savings programme
- Material productivity
- Infrastructure productivity
- Group purchasing organization
- Staff productivity
- Acquisitions
- New fields of business
- Doctor recruitment
- Cooperation
- Value communication
- Leadership Development Programme+
IMPROVE PRODUCTIVITY THROUGH HIGHER EFFICIENCY

- Group wide efficiency project
- Standardised processes in standardised IT system
- Standardised organizational structures
- Potential for further standardisation
- More efficient performance management (increased utilisation of capacities)
- Facilitate integration of further hospitals/sites
STRATEGIC APPROACH
HIT2020

IMPROVE PRODUCTIVITY THROUGH HIGHER EFFICIENCY

Business & Management Framework
Planning
Steering
Controlling

Financial Integration (SAP)
Value flow analysis (revenue, costs)

Registration and entry management
Diagnose, treatment
Capacity mgmt
Service recording
Coding
Invoicing
Payment
Satisfied patients

Master data (Patients, insurance companies, suppliers, clients, doctors, material, employees, financial structure, etc)

Procurement / logistics
HR (recruiting, onboarding, payroll, training, offboarding, etc)
FI/CO (debtors, creditors, accounting, controlling/reporting)
Further support processes (RE, MK, CC, etc.)

2018 CAPITAL MARKETS DAY
STRATEGIC APPROACH
GROW2020

Business areas from adjacent fields
Expand continuum of care:
• Day care surgery
• Clinics

New fields of business
Extend continuum of care:
• Outpatient businesses:
  - Radiology
  - Ophthalmology
  - Dentistry
  - Other core/next to core businesses
• Psychiatry
STATEGIC APPROACH
GROW2020

CURRENT STATUS OF DAY SURGERY AT HIRSLANDEN

IN HOSPITAL, ADAPTED SETTING

TYP B: Within central operating theatre, adapted processes as much as possible. Possibility for broadened Typ B = OSU Plus

TYP C: Separated outpatient area, not in central operating theatre

OUTSIDE HOSPITAL

TYP D: Outside, but close to hospital. (Profit center group hospital)

TYP E: Outside hospital, independent organization (not necessarily run by the hospital)

OUTSOURCING

TYP F: Outsourcing to another institution (not Hirslanden)

Orange
Defined Target State

Green
Options Worked Out, Detailed Concept in Development

Red
In Evaluation
**STRATEGIC APPROACH**

**GROW2020**

**ORGANISATION OF DAY SURGERY**

### Immediate Measures
- Define responsibility for each hospital
- Initiation of immediate measures with regard to processes, organisation, administration, communication

### Target State
- Every hospital starts a project
- Depending on the target state, hospitals plan their infrastructure project

### Potential infrastructure project
- Definition of strategic orientation for each hospital (or region) and implementation to the target state
OUTPATIENT SOLUTIONS: OSU “BELLARIA”

Features

• Type D: Outside hospital building but on hospital perimeter

• Specialties:
  - Orthopedics
  - Ophthalmology,
  - Gynecology
  - Urology
  - ENT

• 2 operating theatres and 8 treatment booths
• Capacity: 5,000 procedures p.a.
• Capex to set up: CHF3m

Added Value

• Specialised outpatient infrastructure, high patient turnover
• Streamlined organisation, flexible staff
• Efficient patient flows
STRATEGIC APPROACH
GROW2020

ACQUISITIONS: “KLINIK LINDE”

Features
• c.CHF70m revenue p.a.
• c.500 employees and 90 affiliated doctors
• 115 beds and c.6,000 inpatients per year
• Strong specialities: General surgery, Traumatology and Gynaecology

Initiatives
• Certification of breast center with Salem-Spital
• Extension of geriatric Traumatology
• Double-accreditations for Visceral surgery at Klinik Beau-Site and Bern
• Intensifying cooperation with ICU of Klinik Beau-Site

Added value
• Significantly strengthens Hirslanden position in Bern area
• 70% basic insured patients, in line with other hospitals in canton of Bern
• Good doctors and reputation; fits under Hirslanden brand
• Grow inpatient volumes: +3%
• Bed occupancy: +3.5%
• 15 doctors newly accredited
STRATEGIC APPROACH
GROW2020

COOPERATIONS: “INSEL GRUPPE”

Features

• Institutional cooperation between University Hospital Bern (Insel Gruppe) and Hirslanden
• Collaboration in heart surgery between Inselspital, Klinik Aarau and Klinik Beau-Site

Added value

• Affiliation to largest provider in heart surgery
• Joint quality assurance
• Facilitated knowledge transfer
• Standardised treatment
• Overarching training
STRATEGIC APPROACH
GROW2020

INVESTMENTS

• Diligent maintenance of existing infrastructure
• Reduction in Capex of 20% FY17/18
• Stable Capex in FY18/19 with similar levels currently anticipated in future years
• Disciplined investment in new infrastructure and adapting to the migration of care
• Peer pressure from public hospitals
STRENGTHEN GROUP IDENTITY

- Group wide cultural transformation process: “From I to We”
- Leadership development programme - empowerment of leadership to cope with future challenges
- Shared core values across the Group
- Abilities to deal with change on a logical and psychological level
STRATEGIC APPROACH
CONTINUATION OF STRATEGY

Strategy 2012
Focus on deliberate strategy development and KVG 2012 changes

Strategy 2020
Focus on building an integrated hospital group and further growth

Strategy 2030
Focus on future positioning and adaption in changing environment (e.g. regulatory, technology)
# HIRSLANDEN

## AGENDA

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<td>Leading Swiss Private Healthcare Group</td>
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<td>Market Overview</td>
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<td>3</td>
<td>Evolving Regulatory Environment</td>
</tr>
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<td>4</td>
<td>Adapting For Future Growth Opportunities</td>
</tr>
<tr>
<td>5</td>
<td>Concluding Remarks</td>
</tr>
</tbody>
</table>
HIRSLANDEN

CONCLUDING REMARKS

1. Leading private healthcare provider in Switzerland with some of the best hospitals in the world
2. Successful track record of adapting to a continuously evolving regulatory environment
3. Clear plan to grow, increase efficiency and patient value through delivery of Hirslanden 2020 strategy
THANK YOU

DR OLE WIESINGER
CEO HIRSLANDEN
# MEDICLINIC SOUTHERN AFRICA AGENDA

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</tr>
</tbody>
</table>
MEDICLINIC SOUTHERN AFRICA
AREAS OF FOCUS

1. Extensive geographic footprint
2. Attractive healthcare market
3. Ageing population and growing disease burden
4. Clear strategic priorities to maintain a leading market position
5. Maximise patient value and focus on patients first strategy
6. Grow the business across the continuum of care
MEDICLINIC SOUTHERN AFRICA
EXTENSIVE GEOGRAPHIC FOOTPRINT

MEDICLINIC SOUTHERN AFRICA OPERATIONAL OVERVIEW

- **HOSPITALS**: 52
- **DAY CLINICS**: 2
- **ADMITTING DOCTORS**: 2,861
- **EMPLOYEES**: 16,185
- **BEDS**: 8,131
- **THEATRES**: 278

SOUTHERN AFRICA AFFILIATES

- **084 124**
- **MHR**
- **Intericare**
- **Medical Innovations**

2018 CAPITAL MARKETS DAY
MARKET OVERVIEW
ATTRACTIVE HEALTHCARE MARKET

- The outlook for South Africa’s healthcare market remains attractive:
  - Private healthcare sector has maintained a positive, gradual, long-term growth trajectory
  - Private healthcare spending is expected to increase by 6.3% per annum to 2022\(^{(1)}\)

- Weak historic economic performance is gradually showing signs of improvement:
  - 2018 Annual GDP growth rate forecast of 1.9% (increasing to 2.2% in 2019)\(^{(2)}\)

- Private healthcare funding is primarily provided by medical insurance (medical schemes)

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Notes
1. BMI Research; 2017-2022 CAGR in local currency terms
2. OECD Economic Outlook 103 database – May 2018
MARKET OVERVIEW
HEALTHCARE FINANCING STRUCTURE

SOURCE OF HEALTHCARE FINANCING (2017)

- Public healthcare is funded out of general taxes
- Budget for 2018 is ZAR205.4bn (excluding donor and non-governmental funding)\(^{(1)}\)
- Social insurance consisting of Road Accident Fund (RAF) and Workmen’s Compensation for Injuries on Duty (COID)

- The number of insurers have been declining due to ongoing consolidation
- Discovery Health and GEMS have been the biggest beneficiaries of consolidation
- Regulated by the Medical Schemes Act
- Needs to maintain solvency levels > 25% of annual premiums
- c.16% of population - 8.87 million beneficiaries

- Individuals who do not belong to medical schemes yet access private healthcare on a self-pay basis

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**Sources:**
- National Treasury South Africa, Council for Medical Schemes

**Note:**
1. South African National Treasury Budget 2018/2019

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**Total healthcare spend:** ZAR414bn

**Private healthcare spend:** 44% (9% out of pocket)

**Public healthcare spend:** 49%

**Self-pay/Out-of-pocket:** 7%
PRIVATE MEDICAL INSURANCE CONSOLIDATED MARKET

- Approximately 8.87 million beneficiaries were insured by the funding market in South Africa (as of Sept-17)
- Medical insurers consolidated from 133 to 82 schemes between 2004 and 2016
- Medical insurers mandate administrators to contract with providers:
  - 92% of Mediclinic Southern Africa’s revenue is funded by medical insurance (2017 calendar year)

**ADMINISTRATOR MARKET SHARE BY BENEFICIARIES (2016)**

<table>
<thead>
<tr>
<th></th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discovery Health</td>
<td>37%</td>
</tr>
<tr>
<td>GEMS</td>
<td>20%</td>
</tr>
<tr>
<td>Medscheme</td>
<td>19%</td>
</tr>
<tr>
<td>Other</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Council for Medical Schemes Annual Reports, Company information
PRIVATE MEDICAL INSURANCE
STABLE MARKET

- Stable insurance market with robust reserve ratios

**MEDICAL INSURANCE MEMBERSHIP**

- Annual growth

**ACCUMULATED INSURANCE RESERVES AND SOLVENCY RATIO**

- Regulatory solvency ratio

Source: Council for Medical Schemes Annual Reports

Slide 88
PRIVATE MEDICAL INSURANCE
MEMBERSHIP DEMOGRAPHICS

• A voluntary private insurance framework with:
  - Open enrolment
  - Community rating
  - Ageing membership profile

• Claims from older members are comparatively higher

Source: Council for Medical Schemes Annual Reports
PRIVATE MEDICAL INSURANCE
DISEASE BURDEN

- Private medical insurance market is characterised by increasing utilisation due to:
  - Increasing prevalence of chronic diseases
  - Increasing complexity of cases

- South Africa has a burden of disease more than twice that of the USA, with a far higher prevalence of HIV/AIDS

- Mediclinic offers the full spectrum of hospital services that require highly trained clinical staff to deal with complexities associated with the disease burden

**INCREASING PREVALENCE CHRONIC DISEASES**

<table>
<thead>
<tr>
<th>Disease</th>
<th>Average Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV/AIDS</td>
<td>18.7%</td>
</tr>
<tr>
<td>Diabetes Mellitus 2</td>
<td>6.2%</td>
</tr>
<tr>
<td>Cardiomyopathy</td>
<td>5.2%</td>
</tr>
<tr>
<td>Hyperlipidaemia</td>
<td>3.7%</td>
</tr>
<tr>
<td>Hypertension</td>
<td>2.0%</td>
</tr>
<tr>
<td>Dysrhythmias</td>
<td>1.8%</td>
</tr>
<tr>
<td>Epilepsy</td>
<td>1.5%</td>
</tr>
<tr>
<td>Hyperthyroidism</td>
<td>1.4%</td>
</tr>
<tr>
<td>Coronary Artery Disease</td>
<td>1.0%</td>
</tr>
<tr>
<td>Asthma</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

**BURDEN OF DISEASE**

- **South Africa**
  - Other: 16%
  - Injuries: 58%
  - Noncommunicable diseases: 2%
  - HIV/AIDS: 34%

- **USA**
  - Other: 18%
  - Injuries: 8%
  - Noncommunicable diseases: 58%
  - HIV/AIDS: 4%

*Source: Council for Medical Schemes Annual Reports Average annual growth rate of chronic diseases, cases per 1000 beneficiaries, 2011-2016*

*Source: WHO - Age Standardised Death Rate per 100,000 by cause (2016). (Indexed, SA = 100) – National statistics*
PRIVATE HEALTHCARE PROVIDERS
MATURE STABLE MARKET

- 3 key participants in South African private hospital market
- Together they account for c.66% of the private hospital market by number of beds

<table>
<thead>
<tr>
<th># OF BEDS</th>
<th># OF FACILITIES</th>
<th>REVENUES (ZAR M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,416(2)</td>
<td>66</td>
<td>R19,114(3)</td>
</tr>
<tr>
<td>9,049(2)</td>
<td>65</td>
<td>R15,890 (3)</td>
</tr>
<tr>
<td>8,131(2)</td>
<td>54</td>
<td>R15,106</td>
</tr>
</tbody>
</table>

Notes
1. The National Hospital Network (NHN) is an association of 208 independent private hospitals, day clinics and other facilities
2. As at 31 March 2018, beds include all Southern African states including: Namibia, Lesotho, Botswana and South Africa
3. As at 30 September 2017

Source: Company information; Econex calculations 2017, South Africa only, includes all bed categories
**MEDICLINIC OVERVIEW**

**MULTI-DISCIPLINARY OFFERING**

<table>
<thead>
<tr>
<th>REGION</th>
<th>NUMBER OF HOSPITALS (DAY SURGERY CLINICS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WESTERN CAPE</td>
<td>17 (1)</td>
</tr>
<tr>
<td>NORTHERN CAPE</td>
<td>2</td>
</tr>
<tr>
<td>GAUTENG</td>
<td>12</td>
</tr>
<tr>
<td>KWAZULU-NATAL</td>
<td>4</td>
</tr>
<tr>
<td>LIMPOPO</td>
<td>4 (1)</td>
</tr>
<tr>
<td>MPUMALANGA</td>
<td>5</td>
</tr>
<tr>
<td>NORTH WEST</td>
<td>2</td>
</tr>
<tr>
<td>FREE STATE</td>
<td>3</td>
</tr>
<tr>
<td>NAMIBIA</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL HOSPITALS</strong></td>
<td><strong>52 (2)</strong></td>
</tr>
</tbody>
</table>

**SPECTRUM OF SERVICES (2017 REVENUE)**

- Internal Medicine: 22%
- Orthopaedics: 20%
- Cardiac & Vascular: 15%
- Obstetrics & Gynaecology: 11%
- Neurology: 6%
- Urogenital: 5%
- ENT & Ophthalmology: 1%
- Other: 0.5%
- Oral & Maxillofacial: 1%
- General Surgery: 17%
# MEDICLINIC SOUTHERN AFRICA

## AGENDA

<table>
<thead>
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</table>
National Health Insurance (NHI) is a single payer healthcare financing system to achieve universal healthcare coverage in South Africa.

NHI will offer all South Africans and legal residents access to a defined package of comprehensive health services.

Accredited and contracted public and private providers will deliver services.

Various aspects are yet to be defined, including the benefits package, costing, funding and the future role of medical schemes.

NHI Bill was published on 21 June 2018:

- Three month period is provided for comment.
- MCSA is studying the detail and will develop a response in consultation with its external experts and legal advisors.
- The NHI Bill will be studied in conjunction with provisional findings of the Health Market Inquiry (HMI).
REGULATORY DEVELOPMENTS

MEDICAL SCHEMES AMENDMENT BILL

• The Medical Schemes Amendment Bill was published on 21 June 2018

• The bill proposes structural and governance related changes to the medical schemes environment, including:
  - removal of co-payments, brokers, waiting periods;
  - changes to the Prescribed Minimum Benefits (PMBs);
  - introduction of income-tiered premium structures.

• Three month period is provided for comment

• MCSA is studying the detail and will develop a response in consultation with its external experts and legal advisors
REGULATORY DEVELOPMENTS
HEALTHCARE MARKET INQUIRY

• Investigation by Competition Commission to determine if there are features that prevent, distort or restrict competition and propose remedies

• Since November 2013 many seminars and publications dealing with procedural issues, timetables and related matters

• December 2017 the Healthcare Market Inquiry (HMI) published 8 provisional research papers based on medical insurer data

• Current timetable advises provisional report due 5 July 2018, followed by a commentary period and final report on 31 August 2018

• Recommendations may include:
  - Quality and Outcome measurement reporting requirements,
  - Alternative pricing determination,
  - Licensing process.

• Mediclinic has participated in every step and made multiple written and oral submissions
## MEDICLINIC SOUTHERN AFRICA
### AGENDA

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### STRATEGIC PRIORITIES

#### CURRENT MARKET ENVIRONMENT

<table>
<thead>
<tr>
<th>Macro-Economic Environment</th>
<th>Competitive Environment</th>
<th>Customer Market Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Marginal improvement forecast in GDP growth</td>
<td>• Mature private hospital market</td>
<td>• Mediclinic is the number 1 healthcare brand in South Africa&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>• Growth in formal employment would increase medical scheme membership</td>
<td>• Continued increase in competition</td>
<td>• Balance of market power between hospitals and medical insurers</td>
</tr>
<tr>
<td></td>
<td>• Outmigration of care and day clinic competition</td>
<td>• Increased use of provider networks and substitution with alternative care settings</td>
</tr>
<tr>
<td></td>
<td>• Scarcity of healthcare professionals</td>
<td>• Focus on quality measures, patient satisfaction, access and affordability of care</td>
</tr>
</tbody>
</table>

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**STRATEGIC PRIORITIES**

1. Patients First@Mediclinic - maximise value for patients
2. Grow the business across the continuum of care

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<sup>(1)</sup> Source: Brand Finance
STRATEGIC PRIORITIES
MAINTAIN LEADING MARKET POSITION

MAXIMISE VALUE FOR PATIENTS

PATIENTS FIRST@MEDICLINIC

SAFE, QUALITY CLINICAL CARE
IMPROVE
PATIENT EXPERIENCE
OPERATIONAL EFFICIENCY

Transform to a Coordinated Healthcare Provider
Appointing Hospital Clinical Managers:
- 11 currently
- Additional 4 to be appointed in FY19

33 hospitals hold Council for Health Service Accreditation of Southern Africa (COHSASA) accreditation

Improving patient safety through various initiatives

Sharing of clinical information with medical insurers and admitting doctors

Investigating feasibility of Clinical Information System

Focus on attracting and retaining doctors
STRATEGIC PRIORITY #1
MAXIMISE VALUE FOR PATIENTS

IMPROVE PATIENT EXPERIENCE

• Measurement through Press Ganey - the only company in Africa to use this system
• First healthcare services group to publish patient experience survey results on website
• Mediclinic well represented within Discovery Health Top 20 Hospitals – 8 out of 20
• Continued investment in facility maintenance and staff training

MEDICLINIC BLOEMFONTEIN SURVEY RESULTS

LEAD INDICATORS
REPORTING PERIOD: 01 APRIL 2017 - 31 MARCH 2018

OVERALL HOSPITAL SCORE 82 /100

4686 Total Patient Responses

LIKELY TO RECOMMEND HOSPITAL

| Definitely no | 1.8% |
| Probably no   | 4.0% |
| Probably yes  | 24.1% |
| Definitely yes| 70.1% |

RATE THE HOSPITAL 8.4 /10

1898 Total Patient Responses
STRATEGIC PRIORITY #1
MAXIMISE VALUE FOR PATIENTS

IMPROVE OPERATIONAL EFFICIENCY

- Workforce management initiatives:
  - Integrated Staffing Model (ISM)
  - Time and attendance (KRONOS)

- Managing clinical cost efficiencies:
  - Analytical capabilities and systems to manage components of healthcare utilisation

- Centralise, standardise and simplify:
  - Implemented central enablement and support functions
  - Supports all regional structures and hospitals
  - Analyse business performance and trends
STRATEGIC PRIORITY #1
MAXIMISE VALUE FOR PATIENTS

TRANSFORM TO A COORDINATED HEALTHCARE PROVIDER

• Collaborate with independent doctors to improve fragmented healthcare delivery model

• Improve doctor clinical leadership through:
  - Exchange of clinical performance information
  - Establishment of Clinical Performance Committees

• Investment in enabling ICT infrastructure:
  - Establishing interoperability across all stakeholders - HIE.ZA (health information exchange) and online admission booking
  - Implementing appropriate integrated Electronic Records Management system:
    - Vendor Neutral Archive and digital patient folder viewing portal
STRATEGIC PRIORITY #1
MAXIMISE VALUE FOR PATIENTS

- Aim to be the service provider of choice
- Selective participation in network tenders
- Multi-year agreements to ensure greater predictability and enable value based contracting
- Collaborate with medical insurers to address efficiency outliers and share clinical outcomes
- Initiated integrated products:
  - Care Expert hip and knee arthroplasty

PATIENTS FIRST@MEDICLINIC

IMPROVE
SAFE, QUALITY CLINICAL CARE
PATIENT EXPERIENCE
OPERATIONAL EFFICIENCY

Transform to a Coordinated Healthcare Provider
STRATEGIC PRIORITY #2
GROW ACROSS THE CONTINUUM OF CARE

STRATEGIC PRIORITY #2

Acute Hospital

Patient Facing Technology:
AI Supported Care
Tele Medicine
Mobile Health
Web

Related Business:
Emergency Services
Primary Care
Sub-Acute Hospitals
Home care
Specialist Hospitals
Employer Clinics
Mental Health

Day Clinics

2018 CAPITAL MARKETS DAY
STRATEGIC PRIORITY #2
GROW ACROSS THE CONTINUUM OF CARE

- Selective expansion opportunities across existing acute care hospital business
- Adding 192 beds in FY20 and FY21 through organic expansion
- Continuously evaluating opportunities for new licenses where demand is identified
- Mediclinic Stellenbosch and Mediclinic Winelands Orthopaedic Hospital:
  - Establishing an Institute of Orthopaedics and Rumatology around a core of up to 15 leading specialists
  - Additional 32 licensed beds
  - Day clinic to support co-located strategy
- Selective acquisitions - Klerksdorp:
  - Existing 256 bed acute care facility within stable market and established doctor support
  - Additional c.50 mental health beds
STRATEGIC PRIORITY #2
GROW ACROSS THE CONTINUUM OF CARE

- Insurers and technology channeling day cases to out of hospital settings
- Day cases are planned, non-emergency surgical procedures discharged on the same day
- Mediclinic’s unique day surgery strategy premised on establishing co-located day clinics with hospitals
- Convenience of proximity of facility to doctor’s existing practice and acute care services
- Freeing up capacity for more acute cases in existing acute care hospitals
- Recent investment in Intercare group
- Day clinics are able to be more focused, efficient and cost-effective for the patient:
  - Lower operating cost due to operating hours and shared services
  - Approximately 65% development cost of an acute care bed
STRATEGIC PRIORITY #2
GROW ACROSS THE CONTINUUM OF CARE

- Focused on the development of approved day clinic projects:

<table>
<thead>
<tr>
<th>DAY CLINIC</th>
<th>Expected Completion</th>
<th>Beds</th>
<th>Theatres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mediclinic Newcastle Day Clinic</td>
<td>1H19</td>
<td>30</td>
<td>3</td>
</tr>
<tr>
<td>Mediclinic Nelspruit Day Clinic</td>
<td>1H20</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Mediclinic Stellenbosch Day Clinic</td>
<td>2H20</td>
<td>30</td>
<td>3</td>
</tr>
<tr>
<td>Mediclinic Bloemfontein Day Clinic</td>
<td>2H20</td>
<td>22</td>
<td>2</td>
</tr>
<tr>
<td>Mediclinic Pietermaritzburg Day Clinic</td>
<td>2H20</td>
<td>21</td>
<td>3</td>
</tr>
<tr>
<td>Mediclinic Cape Gate Day Clinic</td>
<td>2H20</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>4 Intercare Day Clinics</td>
<td></td>
<td>92</td>
<td>12</td>
</tr>
<tr>
<td>3 Intercare Sub Acute Hospitals</td>
<td></td>
<td>128</td>
<td>-</td>
</tr>
</tbody>
</table>

Intercare Day Clinics await CC approval.
STRATEGIC PRIORITY #2
GROW ACROSS THE CONTINUUM OF CARE

- Selective and well planned investment in maintenance and expansion of acute care business
- 78 projects scheduled over 5 years:
  - 23 projects under construction
  - 20 projects approved and awaiting construction
- Investment in co-located day clinics in FY19-21 to adapt to outmigration trend
- Catching up on backlog in upgrades
- Targeting on average c.4.5% of revenue for maintenance
- Investment in related services to facilitate growth across the continuum of care
STRATEGIC PRIORITY #2
GROW ACROSS THE CONTINUUM OF CARE

• Evaluating related business opportunities:

Primary healthcare and sub-acute business
• Vertical integration to coordinate and manage care delivery through the continuum of care
• Extension of service delivery offering pre and post hospital service

Mental health business
• Utilising existing capacity – Newcastle, George, and Legae
• Investigating further expansion opportunities – including Klerksdorp

Dialyses business
• Investigating investment options through both organic and inorganic opportunities
<table>
<thead>
<tr>
<th></th>
<th>Agenda Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A Leading Private Healthcare Services Group</td>
</tr>
<tr>
<td>2</td>
<td>Regulatory Developments</td>
</tr>
<tr>
<td>3</td>
<td>Strategic Priorities</td>
</tr>
<tr>
<td>4</td>
<td>Concluding Remarks</td>
</tr>
</tbody>
</table>
MEDICLINIC SOUTHERN AFRICA
CONCLUDING REMARKS

- Extensive geographic footprint
- Attractive healthcare market
- Ageing population and growing disease burden
- Clear strategic priorities to maintain a leading market position
- Maximise patient value and focus on patients first strategy
- Grow the business across the continuum of care
THANK YOU
KOERT PRETORIUS
CEO MEDICLINIC SOUTHERN AFRICA
MEDICLINIC MIDDLE EAST
David Hadley - CEO
# MEDICLINIC MIDDLE EAST

## AGENDA

<table>
<thead>
<tr>
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<th>Leading UAE Private Healthcare Group</th>
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<tr>
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<td>Market Overview</td>
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Leading private healthcare services provider in the UAE

Attractive long-term market fundamentals in the UAE driven by a diversifying economy and a growing population

Delivery of superior international standards in patient experience and clinical excellence

Expansion opportunities and sustainable long-term growth

Future plans across the continuum of care
MEDICLINIC MIDDLE EAST
JOURNEY SO FAR

2007
Entered Dubai through acquisition of controlling interest in Emirates Healthcare Holdings (EHL) 1 hospital and 2 clinics

2008
Opening of Mediclinic City Hospital

* Includes Mediclinic Parkview Hospital and 2 MAF clinics

2011
Takeover of Emaar Healthcare Group (now Mediclinic Dubai Mall, Arabian Ranches & Meadows)

2012
Acquisition of all remaining interests in EHL Rebranded EHL to Mediclinic - 2 hospitals and 8 clinics

2016
Acquisition of Al Noor Hospitals Group to expand footprint into Abu Dhabi and Al Ain Developed a combined strategy and realigned Al Noor business to Mediclinic standards Opening of Mediclinic City Hospital’s North Wing and Comprehensive Cancer Centre

2017
Rebranding of Al Noor Hospitals Group to Mediclinic Opening of Mediclinic Al Jowhara Hospital

2018
Implementation of Electronic Health Record begins Opening of Mediclinic Parkview Hospital - October 7 hospitals and 24 clinics*

* Includes Mediclinic Parkview Hospital and 2 MAF clinics
MEDICLINIC MIDDLE EAST
EXTENSIVE OPERATIONAL FOOTPRINT

**HOSPITALS**
6

**BEDS**
748

**CLINICS**
24*

**EMPLOYEES**
5,801

* Includes 2 MAF clinics acquired in May 2018
INTRODUCTION
LEADING UAE PRIVATE HEALTHCARE PROVIDER

• Providing high quality tertiary services
• Best positioned to thrive in a sustainable, regulated environment
• Respected by all stakeholders
• Integrated healthcare provider
• Focused on clinical quality
• Employer of choice
• Opportunities for market consolidation
• Technology driven

Source:
DOH – Abu Dhabi Health Statistics 2016 – volumes
DHA – Dubai Annual Health Statistical Report 2016 - volumes
INTRODUCTION

SUMMARY OF FY18 PERFORMANCE

MEDICLINIC MIDDLE EAST FY18*

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>EBITDA</th>
<th>EBITDA margin</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AED3,134m</td>
<td>AED397m</td>
<td>12.7%</td>
<td>AED210m</td>
</tr>
<tr>
<td>4% L4L ex. units</td>
<td>1%</td>
<td>9%</td>
<td>100bps</td>
<td>30%</td>
</tr>
<tr>
<td>sold</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Adjusted measures presented

- Inflection point reached with strong second half revenue growth in Abu Dhabi and continued delivery in Dubai
- Second half revenue increased:
  - 6% comparatively
  - 12% sequentially
- Abu Dhabi quality of revenue improving due to business and operational alignment initiatives:
  - Supporting doctors to ramp up activity
  - Delivering on insurance mix strategy
  - Re-branding
  - Improved regulatory engagement
**MEDICLINIC MIDDLE EAST**

**AGENDA**

1. A Leading UAE Private Healthcare Group
2. Market Overview
3. Clinical Excellence
4. Expansion Opportunities
5. Concluding Remarks
MARKET OVERVIEW
POSITIVE ECONOMIC ENVIRONMENT

- Average annual rate of population change continues to exceed that of Europe and the world\(^1\)
- Slowly aging population – averaging 33.5 in 2018 from 26.7 in 1990\(^2\)
- Improved and stabilised oil price environment supports investment in region
- UAE seen as a stable, central hub for business in the MENA region
- Government revenues enhanced by introduction of VAT in Jan 2018 (c.AED12bn)
- Diversification of economy away from oil and into other sectors supported by government initiatives

### POPULATION CHANGE

**UAE continues to outperform developed markets**

**Average Annual Rate of Population Change**
United Nations (Department of Economic & Social Affairs Data)\(^{1}\)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>2.0%</td>
<td>1.4%</td>
<td>1.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>World</td>
<td>1.2%</td>
<td>1.1%</td>
<td>1.0%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Europe</td>
<td>0.1%</td>
<td>0.1%</td>
<td>(0.0%)</td>
<td>(0.1%)</td>
</tr>
</tbody>
</table>

**Notes:**
Source: United Nations (Department of Economic & Social Affairs Data) - World Population Prospects: The 2017 Revision
\(^1\) Population growth estimates assume the ‘medium fertility variant’ case

\(^1\) United Nations - The World Population Prospects: 2017 Revision
MARKET OVERVIEW

ATTRACTION HEALTHCARE ENVIRONMENT

- Overall healthcare spending as a % of GDP still comparatively low in the UAE
- Rise in demand for healthcare fuelled by growing population, wealth and life expectancy
- Government commitment to the healthcare sector is a key driver of growth within the UAE’s healthcare market:
  - Particularly supportive of private healthcare sector
  - Improving the country’s healthcare service is high on the national agenda
  - Key priority is to address the prevalence of chronic diseases such as obesity and diabetes

TOTAL HEALTHCARE SPEND % GDP


Notes
1. Obesity defined as a body mass index (BMI) of 30 kg/m² or more. Obese population measured as the percentage of population aged 18 years or older
2. Diabetes prevalence refers to the percentage of people aged 20-79 years who have type 1 or type 2 diabetes

OBESITY PREVALENCE (1)

Source: Euromonitor International (2017)

DIABETES PREVALENCE (2)

Source: Euromonitor International (2017)
REGULATORY INITIATIVES
MATURING REGULATORY ENVIRONMENT

Increasing government focus on clinical quality and utilisation:
- Aligns with Mediclinic's sustainable long-term business practices

---

DUABI

- EJADA quality measurement
- Planned introduction of Pay for Quality
- Planned minimum case volumes for highly specialised areas
- Increased focus on doctor utilisation patterns
- Electronic claim processing via government portal (Dubai Health Post Office)
- Innovation and wellness programmes high on the agenda

ABU DHABI

- Tasneef audits to limit upcoding
- JAWDA quality measurement - 2014
- Planned introduction of Pay for Quality
- Planned minimum case volumes for highly specialised areas
- Suspension of doctors with high utilisation levels compared to peers
- Electronic claim processing via government portal (Shafafiya)
- Innovation and wellness programmes high on the agenda
Mandatory health insurance - 2016
Introduction of DRGs - 2019
Annual tariff increase cap since 2014 - no price increase in 2018
Fragmented insurance market:
- c.50 providers
- Largest provider - 12% market share
70% of healthcare delivered by private sector
Uniform pricing

Mandatory health insurance - 2006
DRGs introduced - 2010
Limited price increase in 2018
Dominant insurance provider:
- Daman - 70% of the market
30% of healthcare delivered by private sector:
- Government targeting 70%
Tiered pricing model:
- Lower pricing for basic plan holders – c.40% of population
- Nationals covered by Thiqah plan – c.20% population
- Enhanced market – c.40% of population
# MEDICLINIC MIDDLE EAST

## AGENDA

<p>| | |</p>
<table>
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</table>
Superior International Standards and Practices

- Comprehensive benchmarking against international clinical indicators and outcomes databases:
  - Vermont Oxford Network neonatal databases in NICUs
  - SAPS 3 mortality index in adult ICUs
- Collaboration within the Group to share expertise:
  - Hirslanden and Mediclinic City Hospital North Wing Comprehensive Cancer Centre
- Internationally-benchmarked patient experience using Press Ganey
- Investment in advanced technology and highly specialised medical services:
  - PET CT, SPECT-CT, 3T MRI, 256-slice CT and TrueBeam linear accelerator

**MEDICLINIC MIDDLE EAST CLINICAL KPI’s**

- Mortality
- Mortality Excluding Early Deaths
- Death or Morbidity
- Any Late Infection
- Necrotizing Enterocolitis
- CLD¹, Infants < 33 Weeks
- Pneumothorax
- Severe IVH²
- Cystic PVL³
- Severe ROP⁴

Note ¹ Chronic lung disease ² Intraventricular haemorrhage ³ Periventricular leukomalacia ⁴ Retinopathy of Prematurity

2018 CAPITAL MARKETS DAY
In line with the UAE strategy for Artificial Intelligence (AI), Mediclinic City Hospital adopted a revolutionary handheld robotic system for partial and total knee replacements. This surgery is the first of its kind to be performed in the Middle East. Artificial intelligence through the robotic-assisted knee replacement surgery has resulted in reduced risk of injury to adjacent tissues, reduction in errors as well as decreased the patient recovery duration.

Project: Robotic-assisted Knee Replacement Surgery
MEDICLINIC MIDDLE EAST
COMMITTED TO CLINICAL EXCELLENCE

• Solid clinical leadership structure and framework led by the Chief Clinical Officer
• Focus on the establishment and expansion of coordinated care initiatives
• International accreditations:
  - Joint Commission International (JCI):
    - All the hospitals are JCI accredited (Mediclinic Al Jowhara due in 2019)
  - College of American Pathologists (CAP):
    - Mediclinic City hospital centralised laboratory
  - ISO accreditation for all the laboratories in:
    - Abu Dhabi
    - Al Ain
    - Western region
• Affiliation with Mohamed Bin Rashid University of Medicine and Health Sciences (MBRUHS)
  - Academic collaboration to provide clinical training for medical students
  - First organ transplant (kidney) performed in Dubai in collaboration with MBRUHS in 2016
MEDICLINIC MIDDLE EAST
COMMIDED TO CLINICAL EXCELLENCE

- Delivering tertiary level specialist services supported by joint clinical and operational strategy including:
  - Oncology
  - Cardiology and cardiothoracic surgery
  - Neurosciences
  - Stroke medicine
  - Neonatology
  - Paediatric sub-specialities
  - Radiology
Clinical performance measured through key clinical indicators:

**PATIENT SAFETY**
- Medication errors
- Hospital acquired skin lesions
- Falls

**INFECTION PREVENTION & CONTROL**
- Hospital acquired infections
- Surgical site infections
- Ventilator associated pneumonia

**CLINICAL EFFECTIVENESS**
- Mortality
- Readmissions
- Unscheduled return to operating theatre

---

**DEVICE-ASSOCIATED INFECTIONS**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catheter-associated urinary tract infections</td>
<td>0.3</td>
<td>0.44</td>
<td>0.37</td>
</tr>
<tr>
<td>Central line-associated bloodstream infections</td>
<td>2.4</td>
<td>1.47</td>
<td>1.27</td>
</tr>
<tr>
<td>Ventilator-associated pneumonia</td>
<td>7.6</td>
<td>2.26</td>
<td>0.54</td>
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</table>

**IMPATIENT MORTALITY**

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<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td></td>
<td>0.26</td>
<td>0.24</td>
<td>0.23</td>
</tr>
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</table>
Identifying opportunities to introduce latest technologies and techniques to the region
- Establishment of specialised units

Successful collaboration with Hirslanden oncology specialists developing City Hospital’s North Wing

Significant investment in Comprehensive Cancer Centre (CCC) - total project cost AED 219m:
- Opened in Q3 2016
- Operational results ahead of business plan
- Steady increase in patient volumes across all therapeutic lines

Full scope of cancer services:
- Nuclear medicine department:
  - Diagnostic and therapeutic
  - PET-CT, SPECT-CT, automated injector/FDG
- Medical oncology
  - Chemotherapy, immunotherapy and endocrine therapy
- Surgical oncology
- Radiotherapy
  - True beam linear accelerator and CT Simulator
- Brachytherapy

Defined quality criteria and treatment protocols
Multidisciplinary teams and site specific tumour boards, audits, etc.
MEDICLINIC MIDDLE EAST
IMPROVING THE PATIENT EXPERIENCE THROUGH TECHNOLOGY

ELECTRONIC HEALTH RECORD PROJECT

• Single medical record for all patients
• Improved accuracy and efficiency of records and transactions related to patient visits and medical history including:
  - Allergies
  - Prescriptions
  - X-rays
  - Diagnostic results
• Reduced waiting time and improved quality of patient care
• Project launched in September 2017
  - 200 members of staff involved
  - 18 month implementation phase projected
  - Mediclinic Ibn Battuta first clinic to go live – Aug 2018
  - Mediclinic Parkview first hospital to go live – Oct 2018
• Significant investment – c.$70m over c.6 years
  - Intersystems – selected software partner
• Synchronised across Mediclinic Middle East’s entire UAE network of hospitals and clinics
• Ability to integrate with government technology initiatives
MEDICLINIC MIDDLE EAST
INCREASED BRAND RECOGNITION ACROSS UAE

• Comprehensive brand campaign following Al Noor combination in 2016:
  - Rebranding of all units
  - Print, cinema and radio advertising
  - Event sponsorship and social media campaigns
• Educated new patients about focus on quality clinical care and sustainable business practices
• Internal communication strategy to build staff affiliation with Mediclinic brand
• UAE Superbrand status awarded to Mediclinic in 2018
MEDICLINIC MIDDLE EAST
EMPLOYER OF CHOICE

- Leverage strong international brand to attract exceptional talent
- Experienced in-country HR team has normalised vacancies across the business:
  - Tackled recruitment challenge post the Al Noor combination
  - Successfully recruited 95% of Mediclinic Parkview Hospital staff
- Aligned salaries and benefits across the division to ensure fairness and equality post combination
- Significant investment in staff wellness initiatives and health insurance
- Implemented new doctor remuneration model:
  - Linked to professional fees, quality and outcomes - not volumes and downstream activities
- Doctor engagement initiatives undertaken which have improved doctor satisfaction
- Employed Gallup to externally measure staff engagement:
  - Dubai - consistent staff engagement levels
  - Abu Dhabi and Al Ain – first survey identified very positive engagement
### MEDICLINIC MIDDLE EAST AGENDA

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MEDICLINIC MIDDLE EAST
SUSTAINABLE LONG-TERM GROWTH

GROWTH DRIVERS

1. Supporting doctors to ramp up activity
2. Improving quality of revenue through insurance mix strategy
3. Selective expansion and bed growth
   - Continued strong performance from Dubai business
   - Acquisition of 2 MAF Clinics – May 2018
   - New Western Region Hospital – c.40 bed capacity
3. Selective expansion and bed growth
   - Mediclinic Al Noor Hospital renovation of ground and mezzanine (complete end of 2018) followed by expansion and upgrades
   - New Mediclinic Parkview Hospital opens October 2018 - 182 beds commissioned over c.3yrs
   - Mediclinic Airport Road Hospital expansion and Cancer Centre - 100 beds commissioned over c.3yrs
4. Increasing acuity
5. Increasing occupancy
6. Increased inpatient to outpatient activity ratio
7. Margin expansion
   - FY18: 13%
   - FY23: 20%
   - FY18: 700bps
   - FY23: 43%
   - FY18: 748
   - FY23: c.1,100

2018 CAPITAL MARKETS DAY
EXPANSION OPPORTUNITIES
MEDICLINIC PARKVIEW HOSPITAL

• Key addition to portfolio - increasing bed capacity by c.25%
  - Mediclinic’s largest ever greenfield development project
• 6 months ahead of plan - opening October 2018
• AED680m investment:
  - Property and land ownership
  - 182 beds (100 on opening)
  - 15 ICU beds (8 on opening)
  - 5 theatres
  - 8 floors
  - 700 staff (450 on opening)
  - 150 doctors (80 on opening)
• Strategically located in one of Dubai’s fastest-growing areas
• Experienced senior team in place:
  - 95% of staff recruitment complete
• Clinical and operating strategy aligned with wider MCME strategy
• Emphasis on OB/GYN and paediatrics based on service demand in the area
• Level 3 NICU
• First hospital in the group to go live with new Electronic Health Record
EXPANSION OPPORTUNITIES
ACQUISITION OF MAF CLINICS

- Majid Al Futtaim (MAF) a leading retail pioneer in MENA region
- Acquisition of clinics in City Centre Deira and Me’aisem
- AED33m investment
- Strategic geographical locations
- Potential to grow clinics’ patient volumes and revenues
- Opportunity to refer higher acuity inpatient cases into MCME hospitals
- Integrating into MCME’s existing governance framework and brand
EXPANSION OPPORTUNITIES
AIRPORT ROAD HOSPITAL

• Projected opening in FY21
• AED138m investment in Abu Dhabi flagship hospital:
  - 100 bed expansion
  - Comprehensive Cancer Centre
  - Leasehold property
• ICU, HDU & Medical ward
• Theatres
• Emergency Department
• Outpatient Department
• Delivery suites
• Patient bedrooms
• NICU
• Chemotherapy
• Addition of new services & facilities:
  - Comprehensive Cancer Centre:
    - radiotherapy and nuclear medicine
  - IVF
  - Paediatric HDU
EXPANSION OPPORTUNITIES
AL NOOR HOSPITAL

• Upgrade and expansion project of key Abu Dhabi hospital
• Entire upgrade project estimated at c. AED100m over next 5 years
• Initial phase (renovation of ground and mezzanine floors) due for completion December 2018
• Repositioning of entrance on main street to improve patient flow
• Relocation of Emergency Unit from first to ground floor
• Overcoming development challenges associated with infrastructure
MEDICLINIC MIDDLE EAST
CAPEX INTENSITY TO REDUCE

- Investment phase driven by expansion projects and EHR
- Reduction in CAPEX expected from FY20
SELECTIVE ORGANIC EXPANSION:
- Adding over 40% bed capacity

GROWTH OPPORTUNITIES FROM FURTHER MARKET CONSOLIDATION

EXPAND ACROSS THE CONTINUUM OF CARE

TECHNOLOGICAL INNOVATIONS:
- EHR
- Patient portal
- Equipment, techniques and service delivery

OPPORTUNITIES FROM ALIGNMENT WITH GOVERNMENT INITIATIVES:
- Medical tourism

OPPORTUNITIES ACROSS WIDER GCC AND MENA REGIONS
## MEDICLINIC MIDDLE EAST AGENDA

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Expansion opportunities and sustainable long-term growth

Future plans across the continuum of care
THANK YOU

DAVID HADLEY
CEO MEDICLINIC MIDDLE EAST
FINAL Q&A
CONCLUDING REMARKS

DR RONNIE VAN DER MERWE
CEO MEDICLINIC INTERNATIONAL
Our diversified international presence and unified focus

Strong healthcare market potential

Our unique approach to creating value putting patients at the core of our business

Our focus on international growth opportunities

Our management skills and expertise

Financial discipline across the Group
OUR APPROACH TO VALUE CREATION

Our investment case...

- Profitable growth
  - Mature Swiss and Southern Africa businesses
  - Growing Middle East revenue and margin expansion

- Strong cash flow generation

- Capital discipline
  - Ongoing investment in the business
  - Judicious expansion
  - Shareholder returns

Creating long-term shareholder value
THANK YOU

WISHING YOU A SAFE JOURNEY HOME
ADJUSTED GROUP
INCOME STATEMENT

<table>
<thead>
<tr>
<th>GBP’m</th>
<th>FY18</th>
<th>FY17</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,870</td>
<td>2,749</td>
<td>4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>515</td>
<td>501</td>
<td>3%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>17.9%</td>
<td>18.2%</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(145)</td>
<td>(138)</td>
<td>5%</td>
</tr>
<tr>
<td>Other gains and losses</td>
<td>-</td>
<td>(3)</td>
<td>(100%)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>370</td>
<td>360</td>
<td>3%</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(70)</td>
<td>(80)</td>
<td>(13%)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(64)</td>
<td>(58)</td>
<td>10%</td>
</tr>
<tr>
<td>Income from associates</td>
<td>3</td>
<td>12</td>
<td>(75%)</td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>(18)</td>
<td>(14)</td>
<td>29%</td>
</tr>
<tr>
<td>Earnings</td>
<td>221</td>
<td>220</td>
<td>1%</td>
</tr>
<tr>
<td>Earnings per share (pence)</td>
<td>30.0</td>
<td>29.8</td>
<td>1%</td>
</tr>
<tr>
<td>Dividend per share (pence)</td>
<td>7.90</td>
<td>7.90</td>
<td></td>
</tr>
<tr>
<td>Weighted avg number of shares (m)</td>
<td>737.1</td>
<td>736.9</td>
<td></td>
</tr>
</tbody>
</table>

- Revenue growth reflects positive momentum in Southern Africa and Middle East; offset by impact of market and regulatory environment in Switzerland
- Cost management implemented in Southern Africa and Switzerland
- Depreciation increased due to ongoing investment
- Net finance costs benefitted from refinancing in Switzerland
- Reduced Spire contribution reflects lower reported earnings due to exceptional charges
- Normalised effective tax rate 20.8%
- Proposed final dividend maintained at 4.70p
ADJUSTED GROUP
FIVE YEAR PERFORMANCE

FINANCIAL PERFORMANCE*

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue  (GBP$m)</th>
<th>EBITDA  (GBP$m)</th>
<th>EBITDA margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>1,892</td>
<td>401</td>
<td>21.2%</td>
</tr>
<tr>
<td>FY15</td>
<td>1,977</td>
<td>403</td>
<td>20.4%</td>
</tr>
<tr>
<td>FY16</td>
<td>2,107</td>
<td>428</td>
<td>20.3%</td>
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</tr>
<tr>
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<td>515</td>
<td>17.9%</td>
</tr>
</tbody>
</table>

* Adjusted measures presented

CAGR FY14-FY18:
- Underlying EBITDA margin %: 6.5%
- EBITDA margin %: 11.0%
## HIRSLANDEN
### FINANCIAL OVERVIEW

<table>
<thead>
<tr>
<th>CHF’m</th>
<th>FY18</th>
<th>FY17</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue*</td>
<td>1,735</td>
<td>1,704</td>
<td>2%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>318</td>
<td>340</td>
<td>(7%)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(110)</td>
<td>(98)</td>
<td>12%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>208</td>
<td>242</td>
<td>(14%)</td>
</tr>
<tr>
<td>Net finance costs**Δ</td>
<td>(62)</td>
<td>(73)</td>
<td>(15%)</td>
</tr>
<tr>
<td>Income tax expense*</td>
<td>(29)</td>
<td>(35)</td>
<td>(18%)</td>
</tr>
<tr>
<td>Earnings*Δ</td>
<td>117</td>
<td>134</td>
<td>(12%)</td>
</tr>
<tr>
<td>Movement in bed days sold</td>
<td>1.6%</td>
<td>(0.7%)</td>
<td></td>
</tr>
<tr>
<td>Movement in revenue per bed day</td>
<td>(1.5%)</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>Inpatients (000’s)</td>
<td>103</td>
<td>100</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

* Adjusted measures presented
**Δ Includes inter-company loan interest which is eliminated in the Group earnings reconciliation

- Revenue impacted by evolving changes in the market and regulatory environment
- 8% growth in outpatient revenue
- EBITDA* margin impacted by revenues; cost-management and efficiency measures implemented
- Finance costs benefited from refinance
- Cash conversion at 81% (FY17: 96%)
- Capex totalled CHF129m (FY17: CHF163m)
# CAPITAL PROJECTS

## HIRSLANDEN

## CAPITAL PROJECTS DURING FY18

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Project</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Klinik St. Anna</td>
<td>MRI 3 Tesla</td>
<td>1H18</td>
</tr>
<tr>
<td>Klinik St. Anna</td>
<td>O-arm® Surgical Imaging system</td>
<td>1H18</td>
</tr>
<tr>
<td>Klinik Im Park</td>
<td>Outpatient surgery unit “Bellaria”</td>
<td>1H18</td>
</tr>
<tr>
<td>Klinik Hirslanden</td>
<td>Capacity expansion; gastroenterology &amp; stroke unit</td>
<td>2H18</td>
</tr>
<tr>
<td>Klinik Permanence</td>
<td>Radiology institute “Cosmos”</td>
<td>2H18</td>
</tr>
<tr>
<td>Klinik Stephanshorn</td>
<td>DaVinci robot</td>
<td>2H18</td>
</tr>
<tr>
<td>Klinik Stephanshorn</td>
<td>Restructuring of entrance</td>
<td>2H18</td>
</tr>
<tr>
<td>Klinik Birshof</td>
<td>O-arm® Surgical Imaging system</td>
<td>2H18</td>
</tr>
</tbody>
</table>

## FUTURE PROJECTS

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Project</th>
<th>Expected Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Klinik Hirslanden</td>
<td>HKL 1 Biplane</td>
<td>FY19</td>
</tr>
<tr>
<td>Klinik Hirslanden</td>
<td>Emergency practice with 8 beds</td>
<td>FY19</td>
</tr>
<tr>
<td>Klinik Im Park (Kappelistrasse)</td>
<td>Medical centre, breast centre, extension radiology</td>
<td>FY19</td>
</tr>
<tr>
<td>AndreasKlinik (Cham Lorze)</td>
<td>Doctor’s offices</td>
<td>FY19</td>
</tr>
<tr>
<td>Klinik Birshof</td>
<td>Medical centre and intermediate care facility</td>
<td>FY19</td>
</tr>
<tr>
<td>Clinique La Colline</td>
<td>Sport medicine centre</td>
<td>FY19</td>
</tr>
<tr>
<td>Klinik Stephanshorn (Schuppis)</td>
<td>Doctor’s offices</td>
<td>FY19</td>
</tr>
<tr>
<td>Klinik Hirslanden (Seefeldstrasse)</td>
<td>Doctor’s offices</td>
<td>FY19</td>
</tr>
<tr>
<td>Klinik St. Anna</td>
<td>Ward C5 with 12 beds</td>
<td>FY19</td>
</tr>
<tr>
<td>St. Anna Im Bahnhof (Lucerne)</td>
<td>Outpatient Surgery Unit and medical centre</td>
<td>FY19</td>
</tr>
<tr>
<td>Klinik Linde</td>
<td>Extension of emergency unit, radiology</td>
<td>FY19</td>
</tr>
<tr>
<td>Salemspital</td>
<td>PETCT</td>
<td>FY19</td>
</tr>
<tr>
<td>Klinik Im Park</td>
<td>Renovation of 3rd floor</td>
<td>FY20</td>
</tr>
</tbody>
</table>
HIRSLANDEN
FIVE YEAR PERFORMANCE

FINANCIAL PERFORMANCE*

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (CHF'm)</th>
<th>EBITDA (CHF'm)</th>
<th>EBITDA margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>1,436</td>
<td>298</td>
<td>20.8%</td>
</tr>
<tr>
<td>FY15</td>
<td>1,563</td>
<td>303</td>
<td>19.4%</td>
</tr>
<tr>
<td>FY16</td>
<td>1,647</td>
<td>325</td>
<td>18.7%</td>
</tr>
<tr>
<td>FY17</td>
<td>1,704</td>
<td>340</td>
<td>19.7%</td>
</tr>
<tr>
<td>FY18</td>
<td>1,735</td>
<td>318</td>
<td>18.3%</td>
</tr>
</tbody>
</table>

Underlying EBITDA margin %

- FY14: 4.8%
- FY18: 1.6%

CAGR FY14-FY18:

4.8%

OPERATIONAL PERFORMANCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Bed Days Sold</th>
<th>Revenue Per Bed Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>5.6%</td>
<td>41.4%</td>
</tr>
<tr>
<td>FY15</td>
<td>8.4%</td>
<td>42.7%</td>
</tr>
<tr>
<td>FY16</td>
<td>3.4%</td>
<td>43.5%</td>
</tr>
<tr>
<td>FY17</td>
<td>3.0%</td>
<td>44.8%</td>
</tr>
<tr>
<td>FY18</td>
<td>-1.5%</td>
<td>47.9%</td>
</tr>
</tbody>
</table>

PATIENT MIX

- Basic: 22.4%
- Semiprivate: 32.3%
- Private: 31.2%

* Adjusted measures presented
## MEDICLINIC SOUTHERN AFRICA
### FINANCIAL OVERVIEW

<table>
<thead>
<tr>
<th>ZAR’m</th>
<th>FY18</th>
<th>FY17</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>15,106</td>
<td>14,367</td>
<td>5%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>3,245</td>
<td>3,049</td>
<td>6%</td>
</tr>
<tr>
<td><em><em>EBITDA</em> margin</em>*</td>
<td><strong>21.5%</strong></td>
<td><strong>21.2%</strong></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(496)</td>
<td>(465)</td>
<td>7%</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>2,749</td>
<td>2,584</td>
<td>6%</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(526)</td>
<td>(496)</td>
<td>6%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(684)</td>
<td>(582)</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td><strong>30.7%</strong></td>
<td><strong>27.6%</strong></td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(303)</td>
<td>(271)</td>
<td>12%</td>
</tr>
<tr>
<td>Earnings*</td>
<td>1,237</td>
<td>1,240</td>
<td>-</td>
</tr>
<tr>
<td>Movement in bed days sold</td>
<td>(1.5%)</td>
<td>0.8%</td>
<td></td>
</tr>
<tr>
<td>Movement in revenue per bed day</td>
<td>6.7%</td>
<td>5.8%</td>
<td></td>
</tr>
<tr>
<td>Admissions (000's)</td>
<td>566</td>
<td>579</td>
<td>(2.2)%</td>
</tr>
</tbody>
</table>

* Adjusted measures presented

- Lower patient volumes in first half impacted revenue; stronger second half performance
- Revenue per bed day increased due to inflation and mix change
- EBITDA* margin benefitted from focussed cost-management
- Cash conversion 103% (FY17: 104%)
- Capex totalled ZAR1 057m (FY17: ZAR1 305m)
CAPITAL PROJECTS
SOUTHERN AFRICA

CAPITAL PROJECTS DURING FY18

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Completion</th>
<th>Licenced Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Growth into existing license</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mediclinic Bloemfontein (12 additional operational beds)</td>
<td>1H18</td>
<td>-</td>
</tr>
<tr>
<td>Mediclinic Vergelegen (20 additional operational beds)</td>
<td>2H18</td>
<td>-</td>
</tr>
<tr>
<td>Mediclinic Thabazimbi</td>
<td>2H18</td>
<td>13</td>
</tr>
<tr>
<td>Mediclinic Newcastle</td>
<td>2H18</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total licenced beds</strong></td>
<td><strong>As at FY18</strong></td>
<td><strong>8,131</strong></td>
</tr>
</tbody>
</table>

FUTURE PROJECTS

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Expected Completion</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Existing hospitals</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mediclinic Stellenbosch</td>
<td>1H20</td>
<td>32</td>
</tr>
<tr>
<td>Mediclinic Legae</td>
<td>1H20</td>
<td>23</td>
</tr>
<tr>
<td>Mediclinic Vergelegen</td>
<td>1H20</td>
<td>8</td>
</tr>
<tr>
<td>Mediclinic Potchefstroom</td>
<td>2H20</td>
<td>70</td>
</tr>
<tr>
<td>Mediclinic Medforum</td>
<td>2H20</td>
<td>24</td>
</tr>
<tr>
<td>Mediclinic Tzaneen</td>
<td>2H21</td>
<td>35</td>
</tr>
<tr>
<td><em>Day clinics</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mediclinic Newcastle Day Clinic</td>
<td>1H19</td>
<td>30 (3 theatres)</td>
</tr>
<tr>
<td>Mediclinic Nelspruit Day Clinic</td>
<td>1H20</td>
<td>16 (2 theatres)</td>
</tr>
<tr>
<td>Mediclinic Stellenbosch Day Clinic</td>
<td>2H20</td>
<td>30 (3 theatres)</td>
</tr>
<tr>
<td>Mediclinic Bloemfontein Day Clinic (awaiting license)</td>
<td>2H20</td>
<td>22 (2 theatres)</td>
</tr>
<tr>
<td>Mediclinic Pietermaritzburg</td>
<td>2H20</td>
<td>21 (3 theatres)</td>
</tr>
<tr>
<td>Mediclinic Cape Gate Day Clinic</td>
<td>2H20</td>
<td>20 (2 theatres)</td>
</tr>
<tr>
<td><em>Additional/new facilities</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Klerksdorp</td>
<td>Awaiting Competition Tribunal Hearing (May 2018)</td>
<td>256</td>
</tr>
<tr>
<td>Intercare</td>
<td>Completed DD – requires ComComm approval</td>
<td>92</td>
</tr>
<tr>
<td>- Day clinics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sub-acute</td>
<td></td>
<td>128</td>
</tr>
</tbody>
</table>
MEDICLINIC SOUTHERN AFRICA
FIVE YEAR PERFORMANCE

FINANCIAL PERFORMANCE*

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>EBITDA</th>
<th>EBITDA margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>11,205</td>
<td>2,418</td>
<td>21.6%</td>
</tr>
<tr>
<td>FY15</td>
<td>12,323</td>
<td>2,625</td>
<td>21.3%</td>
</tr>
<tr>
<td>FY16</td>
<td>13,450</td>
<td>2,877</td>
<td>21.4%</td>
</tr>
<tr>
<td>FY17</td>
<td>14,367</td>
<td>3,049</td>
<td>21.2%</td>
</tr>
<tr>
<td>FY18</td>
<td>15,106</td>
<td>3,245</td>
<td>21.5%</td>
</tr>
</tbody>
</table>

CAGR FY14-FY18:
Underlying EBITDA margin: 7.8%
Adjusted EBITDA margin: 7.6%

OPERATIONAL PERFORMANCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Operational beds</th>
<th>Additional capacity</th>
<th>Bed occupancy rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>7,614</td>
<td>71.4%</td>
<td>5.4%</td>
</tr>
<tr>
<td>FY15</td>
<td>7,885</td>
<td>72.9%</td>
<td>5.8%</td>
</tr>
<tr>
<td>FY16</td>
<td>8,017</td>
<td>71.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>FY17</td>
<td>8,095</td>
<td>71.5%</td>
<td>5.8%</td>
</tr>
<tr>
<td>FY18</td>
<td>8,131</td>
<td>69.7%</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

* Adjusted measures presented
### MEDICLINIC MIDDLE EAST
### FINANCIAL OVERVIEW

<table>
<thead>
<tr>
<th>AED’m</th>
<th>FY18</th>
<th>FY17</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,134</td>
<td>3,109</td>
<td>1%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>397</td>
<td>364</td>
<td>9%</td>
</tr>
<tr>
<td><em><em>EBITDA</em> margin</em>*</td>
<td>12.7%</td>
<td>11.7%</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation*</td>
<td>(149)</td>
<td>(173)</td>
<td>(14%)</td>
</tr>
<tr>
<td>Operating profit*</td>
<td>248</td>
<td>191</td>
<td>30%</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(34)</td>
<td>(31)</td>
<td>10%</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(4)</td>
<td>2</td>
<td>(295%)</td>
</tr>
<tr>
<td>Earnings*</td>
<td>210</td>
<td>162</td>
<td>30%</td>
</tr>
<tr>
<td>Movement in bed days sold</td>
<td>(3.5%)</td>
<td>(6.2%)</td>
<td></td>
</tr>
<tr>
<td>Inpatients (’000s)</td>
<td>72</td>
<td>69</td>
<td>3.2%</td>
</tr>
<tr>
<td>Outpatients (’000s)</td>
<td>2,866</td>
<td>3,173</td>
<td>(9.7%)</td>
</tr>
</tbody>
</table>

* Adjusted measures presented

** Compared to FY16 pro forma data

- Inflection point reached with strong second half revenue growth in Abu Dhabi
- Continued delivery in Dubai
- Quality of revenue improving due to business and operational alignment
- Depreciation increased due to opening of facilities
- Cash conversion 74% (FY17: 121%)
- Capex totalled AED389m (FY17: AED245m)
MEDITCLINIC MIDDLE EAST
FIVE YEAR PERFORMANCE

FINANCIAL PERFORMANCE*

* Adjusted measures presented

ABU DHABI PATIENT MIX

CAGR FY14-FY18:

26.1%

9.9%
In FY19, expects modest revenue growth supported by an increase in average bed capacity for the year, largely related to Linde.

As a result of the regulatory and market trends more than offsetting the benefits of cost savings and efficiency initiatives, the FY19 EBITDA margin is expected to contract by around 100 basis points ("bps") from the prior year.

EBITDA margin is targeted to gradually improve from FY20 onwards.

FY19 revenue growth driven by 1-2% increase in bed days sold (largely as a result of increased productive days vs FY18) and tariff increases broadly in line with inflation.

The medium-term EBITDA margin is expected to be broadly in line with recent years.

FY19 revenue growth (adjusted for the adoption of IFRS15): low double-digit % range reflecting underlying operating performance of the business and additional bed capacity coming online in 2H19.

FY19 EBITDA margin of the existing operations expected to increase by c.250bps; continues improving year-on-year to c.20% in FY22.

Ramp up costs associated with the opening of Mediclinic Parkview Hospital in Dubai and upgrade and expansion projects in Abu Dhabi, offset the margin of the existing business by c.250bps per annum between FY19-FY21, reducing thereafter.

Current FY19 trading across all platforms in line with expectations.
Mediclinic’s 29.9% investment in Spire gives the Group exposure to UK private healthcare market

Spire is ideally positioned to be a leading player in the independent hospital sector given its scale, reach and quality of care

Underlying performance in 2017: revenue up 1%; EBITDA down 5% impacted by NHS tariff reductions

Reported earnings impacted by provisions relating to civil litigation against a consultant who previously had practicing privileges at Spire Healthcare and ceasing to provide radiotherapy services at Spire Baddow in addition to other exceptional items

Total Group admissions fell 1.7% as a result of growth in self pay (+6.4%) offset by declines in PMI (-4.1%) and NHS (-2.5) volumes

In 2017, Spire opened two state of the art hospitals in Manchester and Nottingham, resolved the Ian Paterson civil litigation case, appointed Justin Ash as new CEO and received “Good” or “Outstanding” in all CQC inspections carried out

2018 guidance: financials to be in line with 2017

Management announced “2022 Vision” of achieving 100% good/outstanding in CQC inspections and customer satisfaction/recommendation, 80% of revenues from private patients and an EBITDA of £200m
THANK YOU

James Arnold
Head of Investor Relations
MEDICLINIC INTERNATIONAL PLC
14 Curzon Street
London
W1J 5HN
United Kingdom
Tel: +44 (0) 20 3786 8181
James.Arnold@Mediclinic.com
www.mediclinic.com