

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

28 July 2022

## **2022 Annual General Meeting Statement and Trading Update**

Following the online shareholder engagement event on Thursday 14 July 2022, Mediclinic, the diversified international private healthcare services group, will today hold its 2022 Annual General Meeting ("AGM") in London.

### **Guidance for the full year remains unchanged**

During the first quarter of the financial year ended 31 March 2023 ("FY23"), the Group observed relatively low COVID-19 hospital admissions with patient mix continuing to normalise towards pre-pandemic levels. With pre-pandemic seasonality returning, patient volumes were also impacted in the quarter due to patients and staff contracting COVID-19. Notwithstanding the increased macro uncertainty since Mediclinic's 2022 Full-Year Results, guidance for FY23 remains unchanged.

### **Switzerland**

In April and June 2022, inpatient volumes were impacted by holidays and the ongoing effects of COVID-19-related disruptions. Additional staffing resources required to address COVID-19-related staff absenteeism and general nurse shortages in the market added to overall employee costs. Lower volumes and additional costs were partially offset by an encouraging insurance mix and average revenue per inpatient.

### **Southern Africa**

Bed days sold and patient case mix, including day case admissions, continued to normalise as COVID-19 hospital admissions remained low, which negatively impacted overall revenue per paid patient day. The impact on margins was limited as staffing requirements were adapted to meet the changing patient mix.

### **Middle East**

Patient activity in April 2022 was lower year-on-year due to the timing of Ramadan, but momentum built steadily in May and June. Patient case mix also continued to normalise, similar to the experience in Southern Africa. Record outpatient volumes in June preceded the quieter summer period in the Middle East with eased travel restrictions, marking the first time since the onset of the pandemic that seasonality is expected to return.

### **Cautionary Statement**

This announcement contains certain forward-looking statements relating to the business of the Company and its subsidiaries, including with respect to the progress, timing and completion of the Group's development; the Group's ability to treat, attract and retain patients and clients; its ability to engage consultants and healthcare practitioners and to operate its business and increase referrals; the integration of prior acquisitions; the Group's estimates for future performance and its estimates regarding anticipated operating results; future revenue; capital

requirements; shareholder structure; and financing. In addition, even if the Group's actual results or development are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of the Group's results or developments in the future. In some cases, forward-looking statements can be identified by words such as "could", "should", "may", "expects", "aims", "targets", "anticipates", "believes", "intends", "estimates", or similar. These forward-looking statements are based largely on the Group's current expectations as of the date of this announcement and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the Group's expectations could be affected by, among other things, uncertainties involved in the integration of acquisitions or new developments; changes in legislation or the regulatory regime governing healthcare in Switzerland, South Africa, Namibia and the United Arab Emirates ("UAE"); poor performance by healthcare practitioners who practise at its facilities; unexpected regulatory actions or suspensions; competition in general; the impact of global economic changes; the impact of pandemics, including COVID-19; the impact of military conflicts, including the current events in the Ukraine; and the Group's ability to obtain or maintain accreditation or approval for its facilities or service lines. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this announcement will in fact be realised and no representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in this announcement.

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

### **FY23 Guidance**

The following FY23 guidance statements set out in Mediclinic's 2022 Full-Year Results (the "Profit Forecasts") are classed as profit forecasts for the purposes of the City Code on Takeovers and Mergers:

*"Expect increased client activity to drive further revenue growth, margin expansion and improved earnings"*

*"In the year ahead, we expect to benefit from a continued increase in client activity which will drive further improvement in our profitability and earnings."*

*"In FY23, we expect a combination of volume growth and efficiency gains to continue to drive the Group towards pre-pandemic profitability, alongside a meaningful improvement in earnings."*

*"The Group expects the positive momentum in revenue growth, margin improvement and earnings of FY22 to continue in FY23, driven by increased client activity supported by expected underlying economic growth in all three regions. Seasonal trends in patient activity levels, most notably in Switzerland and the Middle East, are expected to return, in the absence of any material new waves of COVID-19. Improving profitability and strong cash generation are expected to support continued deleveraging."*

*Switzerland expects to deliver modest FY23 revenue growth and EBITDA margin improvement to around 16%.*

*Southern Africa expects to deliver FY23 revenue growth in the mid-single digit percentage range and an EBITDA margin improvement, approaching 20%.*

*The Middle East expects to deliver FY23 revenue growth in the high-single digit percentage range and an EBITDA margin improvement approaching the mid-15% range."*

### ***Basis of preparation***

The Profit Forecasts are based on the Group's current internal forecast for the remainder of the year ending 31 March 2023.

The basis of accounting used for the Profit Forecasts is consistent with the Group's existing accounting policies, which are in accordance with U.K. adopted International Accounting Standards, IFRS as adopted by the EU and IFRS as issued by the IASB, were applied in the preparation of the Group's financial statements for the year ending 31 March 2022 and are expected to be applied in the preparation of the Group's financial statements for the year ending 31 March 2023. The divisional information has been prepared on the basis on local currencies in each of the relevant divisions, being South African rand in Southern Africa, Swiss franc in Switzerland and UAE dirham in the Middle East.

The Profit Forecasts have been prepared on the basis referred to above and subject to the principal assumptions set out below. The Profit Forecasts are inherently uncertain and there can be no guarantee that any of the factors referred to under 'Principal Assumptions' (Appendix I) will not occur and/or, if they do, their effect on the Group's results of operations, financial condition or financial performance, may be material. The Profit Forecasts should therefore be read in this context and construed accordingly.

### ***Directors' Confirmation***

The Mediclinic Directors confirm that the Profit Forecasts remain valid and have been properly compiled on the basis of the principal assumptions stated above and that the basis of accounting used is consistent with Mediclinic's accounting policies as set out above.

### **About Mediclinic International plc**

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

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

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

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

At 31 March 2022, Mediclinic comprised 74 hospitals, five subacute hospitals, two mental health facilities, 20 day case clinics and 22 outpatient clinics. The Swiss operations included 17 hospitals and four day case clinics with around 1 900 inpatient beds; Southern Africa operations included 50 hospitals (three of which in Namibia), five subacute hospitals, two mental health facilities and 14 day case clinics (four of which operated by Intercare) across South Africa, and around 8 650 inpatient beds; and the Middle East operated seven hospitals, two day case clinics and 22 outpatient clinics with around 1 000 inpatient beds in the UAE. In addition, under management contract the Middle East will open a 200-bed hospital in the Kingdom of Saudi Arabia in 2023.

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

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

For further information, please contact:

**Investor Relations, Mediclinic International plc**

James Arnold, Head of Investor Relations

ir@mediclinic.com

+44 (0)20 3786 8181

**Media queries**

FTI Consulting

Ben Atwell/Ciara Martin – UK

+44 (0)20 3727 1000

Sherryn Schooling – South Africa

+27 (0)21 487 9000

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

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

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

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

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

## Appendix I – Principal Assumptions

Factors outside the influence or control of the Mediclinic Directors for the year ending 31 March 2023:

- no material change to the Group's assumptions in the forecast period for patient volumes and case mix as client activity normalises and fewer direct COVID-19-related costs are incurred in line with COVID-19-related admissions receding;
- no adverse change in private healthcare market conditions or introduction of significant disruptive innovation and digitalisation (including, but without limitation, in relation to actions taken by the Group's competitors, insurance companies and healthcare authorities);
- no changes in the Group's ability to attract patients, nurses and medical practitioners;
- no material changes to the Group's assumptions in the forecast period on the effects of seasonality and public and school holidays affecting availability of patients, nurses and medical practitioners;
- no change in client preferences for private healthcare that the Group is unable to address through changes in its service offering;
- no adverse changes for the Group in supply chain costs and the availability of consumables and supplies (for example, as a result of material supply chain disruptions) and/or the Group's employee costs;
- There will be no adverse change to current prevailing global macroeconomic and political conditions (including geopolitical tension, further escalation of conflict or war in or affecting areas where the Group operates (or any sanctions imposed in response to any such events)) which is material in the context of the Statements;
- no change in legislation or regulatory requirements relating to the Group or the legislative or regulatory environment within which the Group operates;
- no change in general sentiment towards the Group and/or its operations which has an impact on its ability to attract consultants and healthcare practitioners and to operate its business and increase referrals;
- no business disruption affecting the Group, its customers, its supply chain or other stakeholders (including, but without limitation, any COVID-19-related lockdowns and restrictions, natural disasters, severe adverse weather, acts of terrorism, cyberattacks, workforce shortages or labour disputes);
- there will be no litigation or contractual disputes which are material in the context of the Group;
- there will be no material movements in foreign exchange rates compared with the Group's estimates;
- no change in the Group's existing debt arrangements, or its ability to access external financing; and
- no change in the accounting standards or policies which were used for the Profit Forecast.

Factors within the influence or control of the Mediclinic Directors for the year ending 31 March 2023:

- no change to the strategy or operation of the Group's divisions;
- no deterioration in the Group's relationships with patients, nurses or medical practitioners;
- no health and safety issues experienced by the Group;
- no unplanned capital expenditure or asset disposals conducted by or affecting the Group;
- no significant acquisitions, disposals, developments, partnerships or joint venture agreements will be entered into by the Group and no existing partnerships or joint venture agreements will be terminated or amended, in each case, which have an adverse impact on the Group's income or expenditure which is material in the context of the Statements; and
- no change in key management of the Group;

in the case of each principal assumption, which is material in the context of the Profit Forecast.