

MARKET OVERVIEW

MARKET LEADERS IN A DEVELOPING LANDSCAPE



THE DEMAND FOR HEALTHCARE SERVICES CONTINUES TO GROW

AGEING POPULATION

1 billion

By 2030, the number of people aged over 65 will be more than 1 billion, or 13% of the total population.¹

DISEASE BURDEN

In 2017, global life expectancy at birth was

73 years

Healthy life expectancy at birth, however, was only 63 years. This means that on average in 2017, 10 years of life were spent in poor health.²

TECHNOLOGY

More than

154 000

artificial intelligence patents have been filed worldwide since 2010, a significant number of which in healthcare (29.5%).³

CONSUMERISM

By 2025, the patient monitoring devices market - wearables - is estimated to reach a worth of

\$27bn⁴

THIS DEMAND DRIVES COMPETITION FOR SKILLED INDUSTRY PROFESSIONALS

GLOBAL HEALTHCARE WORKFORCE

The World Health Organization ('WHO') projected that global demand for healthcare workers will reach

80 million

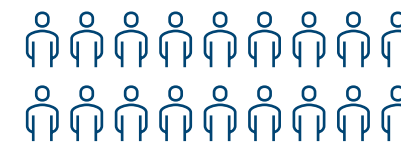
in 2030, with supply only reaching 65 million. The world will be short of 15 million healthcare workers by 2030.⁵

Nurses comprise half the global healthcare workforce.⁶

Practising nurses per 1 000 population in 2017 or nearest year:

Switzerland⁷

17.0



South Africa⁸

4.94



UAE⁹

5.5



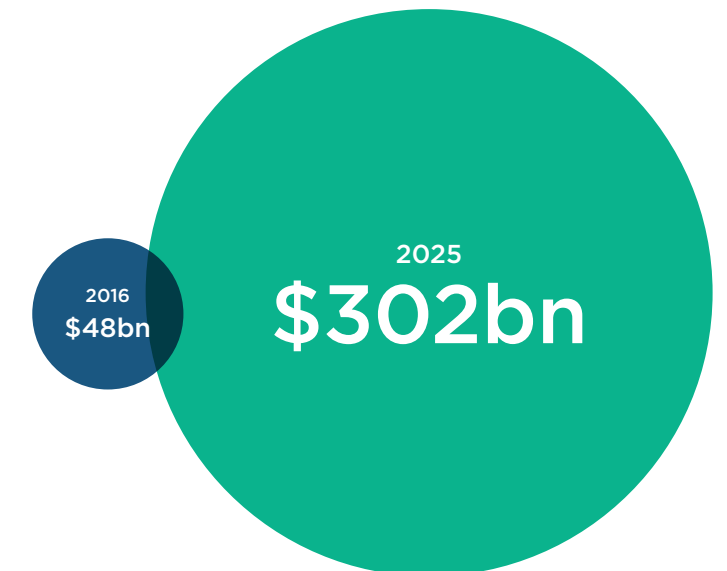
THERE ARE FEW DIVERSIFIED, INTERNATIONAL PROVIDERS OF PRIVATE HEALTHCARE

THE BIG PICTURE

The global healthcare provider network management market was valued at

\$48bn

in 2016 and is projected to reach \$302bn by 2025, growing at a compound annual growth rate ('CAGR') of 23% from 2017 to 2025.¹⁰



Taking into account the value people place on health, the list of the top 10 most economically sound investments is dominated by health. The Lancet Commission Global Health 2035 found that every \$1 spent in support of lowering avoidable maternal and child mortality, and deaths from now to 2035 would yield a return of \$9-20.¹¹

Sources

¹'The Future State 2030' Infographic, KPMG.

²Global Burden of Disease 2017 study findings by the Institute for Health Metrics and Evaluation, University of Washington.

³'Microsoft leads the AI patent race into 2019', Forbes online.

⁴'Patient Monitoring Devices Market Size By Product, By Type, By End-use, Industry Analysis Report, Regional Outlook, Application Potential, Competitive Market Share and Forecast, 2019-2025', Global Market Insights, Inc.

Sources

⁵'Global Health Workforce Labor Market Projections for 2030', 2017 Human Resources for Health.

⁶'2018 update, Global Health Workforce Statistics', WHO.

⁷September 2019, Eidgenössisches Departement des Innern, Bundesamt für Statistik.

⁸'Geographical Distribution of Nursing Manpower vs Total Population 2018', South African Nursing Council.

⁹2017 Statistics, Federal Statistics and Competitive Authority of the UAE.

¹⁰'Global Healthcare Provider Network Management Market Size and Forecast to 2025', Verified Market Intelligence.

¹¹'Evaluating the impact of Private Providers on Health and Health Systems', Institute of Global Health Innovation, Imperial College London.

INVESTMENT CASE



From hospital management, specialist services and outpatient support to procurement, business partnerships and employee growth, we do what we do exceptionally well. We explore and find better ways to care – for our clients, our communities, our employees and our environment.

Dr Ronnie van der Merwe
Group Chief Executive Officer

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CLIENT-CENTRED APPROACH

- Internationally recognised clinical expertise and a relentless focus on improving patient safety and clinical outcomes
- Dedicated to creating value every day by providing cost-efficient, quality care and outstanding client experiences
- Transparent reporting

All Hirslanden hospitals score above Initiative on Quality Medicine ('IQM') clinical benchmark

In 2019, Mediclinic Southern Africa launched public website that reports patient safety indicators

All Mediclinic Middle East facilities accredited by Joint Commission International ('JCI')

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PARTNER OF CHOICE

- The preferred partner to both medical practitioners and patients across all the geographies in which it operates
- Purpose-driven strategic approach to strengthening the Group's position as the employer of choice

All three divisions increased their grand mean score for Press Ganey[®] patient experience survey in 2019

2 300+
& **2 250+**

More than 2 300 physicians in Switzerland and 2 250¹ in South Africa choose to partner with the Group

3.99

Gallup[®] employee engagement grand mean score (out of five) for the Group

Note
¹Includes general practitioners who admit directly to Mediclinic facilities.

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LEADING, TRUSTED BRANDS ACROSS DIVERSE MARKETS

- One of the largest private healthcare providers across the Europe, Middle East and Africa ('EMEA') region with interests in developed markets (Switzerland and the UK) and emerging markets (Southern Africa, the UAE and Saudi Arabia).

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Hirslanden hospitals in top 25 for Switzerland according to *Newsweek's* 'World's Best Hospitals 2019'

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Mediclinic Southern Africa hospitals on 'Discovery Health Top 20 Hospitals 2019' list

Mediclinic Middle East awarded Superbrand status by the UAE Superbrands Council for 2019

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CAPITALISE ON GROWTH OPPORTUNITIES

- Geographic diversity and extensive healthcare expertise allow the Group to take advantage of profitable growth opportunities in existing and new markets
- Advantageous position to expand across continuum of care due to experience in managing complex, specialised inpatient facilities
- Asset-light growth enabled by existing core business
- Strong cash generation supports growth through disciplined capital allocation
- Active pursuit of innovation, technology, digitalisation and analytics opportunities

Continuum of care Continuing to establish PPPs, strategic collaborations and investments to expand service offering

2020 Group is preparing to launch precision medicine service and Innovation Hub

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SUSTAINABLE LONG-TERM VALUE

- Broad approach to value creation supported by ESG goals and sustainable development mission to ensure that every day the Group improves sustainability by managing its resources responsibly and efficiently to the benefit of its stakeholders and the environment
- System relevance enhanced through PPPs, strategic collaboration and constructive engagement with healthcare funders and government
- Operational flexibility anchored in extensive hospital ownership
- Agility to adapt operations to changing dynamics and reduce fragmentation by integrating services
- Strategy of responsible leverage
- Remgro Ltd ('Remgro') as supportive long-term investor since inception

88% The Group owns 67 of its 76 hospital buildings

2019 Sustainable Development Strategy formalised during 2019

2030 Group environmental goals to be carbon neutral and have zero waste to landfill by 2030