

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**”)

16 October 2019

2020 Half-Year Trading Update

Mediclinic International plc, the diversified private healthcare services group, provides the following trading update ahead of the publication of the Group’s results for the half-year ended 30 September 2019 (“**1H20**”) on 14 November 2019. The information on which this trading update is based, represents the Group’s latest financial estimates and has not been reviewed and reported on by Mediclinic’s external auditors. All financial figures, unless explicitly stated, are adjusted*. The Group has adopted the new IFRS 16** accounting standard from 1 April 2019, applying the simplified transition approach on which basis comparatives will not be restated. Pre-IFRS 16 margins have been provided for comparative purposes only.

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

“I am encouraged by the first-half performance of the Group with trading in line with expectations. At all three divisions, our core acute care business is being supplemented by our continued expansion across the continuum of care.”

“In Switzerland, Hirslanden delivered good revenue growth and a broadly stable EBITDA margin. At Mediclinic Southern Africa, patient volumes were in line with expectations and we continue to invest in initiatives to further enhance our clinical standards. At Mediclinic Middle East, there was a continued focus on efficiencies in operational delivery. Contributing to the division’s growth was the strong performance at the new Mediclinic Parkview Hospital in Dubai and the continued gradual improvement in the Abu Dhabi business where Mediclinic Airport Road Hospital delivered good growth.”

Hirslanden

Hirslanden has continued to make good progress in adapting the business to the regulatory changes affecting the Swiss healthcare system. Performance during the first six months of the financial year was in line with expectations and incorporates the impact of identified clinical treatments transferring from an inpatient to a lower outpatient tariff. This process has gradually occurred across Swiss cantons over the past two years, with official national implementation effective from 1 January 2019. In response, Hirslanden has initiated a new day case surgery strategy which focuses on a lower cost and more efficient service delivery model; continued to attract additional clinical professionals; delivered ongoing cost management and efficiency savings; and advanced the Hirslanden 2020 strategic project.

Hirslanden delivered 1H20 growth of around 5.0% in both revenue (1H19: CHF826m) and inpatient admissions, benefiting from the contribution of Clinique des Grangettes. Revenue per admission was down 2.2%, while the general insurance patient mix was 49.2% (1H19: 49.4%).

The revenue contribution in 1H20 from Clinique des Grangettes (consolidated from 1 October 2018) was around CHF55m (1H19: nil) and the hospital contributed 5.5% growth in Hirslanden inpatient admissions during the period.

On an IFRS16 accounting basis the EBITDA margin was around 16.0%. The pre-IFRS16 EBITDA margin for 1H20 was broadly stable at around 14.0% (1H19: 14.3%).

Mediclinic Southern Africa

At Mediclinic Southern Africa, 1H20 revenue was up around 7.0% (1H19***: ZAR8 013m) with an increase in inpatient bed days sold of 2.7%, in line with expectations.

The revenue contribution in 1H20 from the majority investment in the Intercare group (“**Intercare**”), consisting of four day case clinics, four sub-acute hospitals and one specialist hospital, effective since 1 December 2018, was around ZAR105m (1H19: nil). As expected, Intercare accounted for the majority of growth in the division’s inpatient bed days sold during the period at 2.4%.

On an IFRS16 accounting basis the EBITDA margin was around 21.0%. The pre-IFRS16 EBITDA margin for 1H20 was in line with expectations at around 20.0% (1H19***: 21.0%).

Mediclinic Middle East

At Mediclinic Middle East, revenue growth was driven by the continued ramp-up of Mediclinic Parkview Hospital in Dubai and a gradual improvement in the Abu Dhabi business with Mediclinic Airport Road Hospital delivering a strong performance. Mediclinic Parkview Hospital continues to outperform expectations since opening 12 months ago. The region continues to experience a weaker macroeconomic environment and a sustained competitive landscape.

Mediclinic Middle East 1H20 revenue growth was around 8.5% (1H19: AED1 495m). Inpatient and outpatient volumes in the division were up 9.0% and 5.5% respectively.

During the seasonally quieter first half of the year, on an IFRS16 accounting basis, the EBITDA margin was around 12.5%. The pre-IFRS16 EBITDA margin for 1H20 was in line with expectations at around 9.5% (1H19: 9.4%).

Spire Healthcare Group

Mediclinic holds a 29.9% investment in Spire Healthcare Group plc (“**Spire**”). Spire’s reported performance for its half-year financial period ended 30 June 2019 was in line with expectations and guidance for its financial year ending 31 December 2019 remained unchanged.

The investment in Spire is equity accounted, recognising the reported IFRS16 profit of £7.1m for Spire’s financial half-year ended 30 June 2019 (six months ended 30 June 2018 pre-IFRS16: £8.2m). Mediclinic’s 1H20 equity accounted share of profit from Spire amounted to £2.1m (1H19 on pre-IFRS16 basis: £1.8m).

Group

At the Group level, in constant currency, a solid first half performance was delivered with revenue up around 6.5% (1H19***: GBP1 390m) and pre-IFRS16 EBITDA up around 3.5% (1H19 pre-IFRS16: GBP213m). On a reported basis, 1H20 revenue was up around 9.0% and pre-IFRS16 EBITDA was up around 5.0% (1H19 pre-IFRS16: GBP213m). The IFRS16 EBITDA margin was around 16.5%.

As guided in detail at the 2019 full-year results presentation, adjustments to depreciation and amortisation and finance costs are required for each division when adopting IFRS16. In addition, 1H20 earnings will also reflect the increased depreciation and amortisation and finance costs associated with the new Mediclinic Parkview Hospital in Dubai and the minority interest for the Hirslanden Clinique La Colline and Cliniques des Grangettes combination in Switzerland.

The average foreign exchange rates for 1H20 were GBP/CHF 1.25, GBP/ZAR 18.28 and GBP/AED 4.62 (1H19: 1.31, 17.71 and 4.89 respectively).

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

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

**** Income statement reclassification at Mediclinic Southern Africa increasing revenue and cost of sales by ZAR55m.*

Cautionary Statement

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

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

About Mediclinic International plc

Mediclinic is a diversified international private healthcare services group, established in South Africa in 1983, with current operating divisions in Switzerland, Southern Africa (South Africa

and Namibia) and the United Arab Emirates. Its core purpose is to enhance the quality of life of patients by providing acute care, specialist-orientated, multi-disciplinary healthcare services. Mediclinic also holds a 29.9% interest in Spire Healthcare Group plc, an LSE-listed and UK-based private healthcare group.

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

The Group 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.

As at 30 September 2019, Mediclinic comprised 78 hospitals, five sub-acute hospitals, 13 day case clinics and 22 outpatient clinics. Hirslanden operated 18 hospitals, two day case clinics and three outpatient clinics in Switzerland with more than 1 900 inpatient beds; Mediclinic Southern Africa operated 53 hospitals, five sub-acute hospitals and nine day case clinics across South Africa and three hospitals in Namibia with more than 8 500 inpatient beds; and Mediclinic Middle East operated seven hospitals, two day case clinics and 19 outpatient clinics with more than 900 inpatient beds in the United Arab Emirates.

The divisions' contributions to Group revenue for the financial year ended 31 March 2019 were 47% by Hirslanden, 30% by Mediclinic Southern Africa and 23% by Mediclinic Middle East.

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

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