HIRSLANDEN
KOMPETENZ, DIE VERTRAUEN SCHAFFT.

PRESS RELEASE

Zurich, 23 May 2019

SOLID RESULT IN SPITE OF CHALLENGING ENVIRONMENT

The Hirslanden Private Hospital Group can look back on a successful financial year in a challenging regulatory environment. In spite of rapidly changing framework conditions, the measures implemented to enhance efficiency ensured that Hirslanden posted a solid result. The Group's turnover improved by 2 per cent year-on-year to CHF 1,778 million in 2018/19. As announced at the end of last year, the EBITDA margin was 16 per cent (EBITDAR margin: 18.2 per cent), while cash flow was solid at CHF 73 million. Inpatient stays increased by 3.8 per cent.

As for all Swiss hospital operators, the 2018/19 financial year ending on 31 March was a challenging year in terms of regulatory requirements for the Hirslanden Private Hospital Group. The introduction of lists of operations which in future may only be performed on an outpatient basis as well as lower outpatient tariffs (Tarmed reduction) put pressure on the financial result. In spite of this challenging regulatory environment, however, the Group increased its turnover by 2 per cent to CHF 1,778 million. Owing to regulatory restrictions, the operating result (EBITDA) contracted by 10 per cent to CHF 285 million (previous year: CHF 318 million), which equates to an EBITDA margin of 16.0 per cent (previous year: 18.3 per cent). The EBITDAR margin was 18.2 per cent (previous year: 20 per cent). Free cash flow was solid at CHF 73 million (previous year: CHF -54 million).

Hirslanden reacted to the deteriorating environment by cutting costs and further enhancing its efficiency. Following cost savings of CHF 9 million in the first half of the year, it was possible to save another CHF 12 million in the second half. These cost saving measures focusing on delivery costs, employee efficiency and general administrative costs will be continued in the next financial year. These measures, as well as the continuation of the Hirslanden 2020 programme with its clear focus on the standardisation, centralisation and simplification of administrative processes, will support Hirslanden's operating performance in the medium term.

The hospital group invested a major share of its profits in the further development and expansion of its medical network in Switzerland. Hirslanden continued its growth strategy and strengthened its market position in the Geneva area with the merger of Clinique des Grangettes and Clinique La Colline. Hirslanden also opened medical centres in Zurich and St. Gallen as well as an outpatient surgical unit in Lucerne and a centre for sports medicine in Geneva. This allowed the hospital group to further expand its presence in the outpatient market.

During the past financial year, Hirslanden was once again among the best in the industry with regard to the quality of its medical results and services. Hirslanden received above-average marks in the patient survey carried out by the National Association for Quality Development in Hospitals and Clinics (ANQ). The "excellent" assessment for treatment quality by patients was ten percentage points higher than the Swiss average. The picture was similar for patient satisfaction as measured by the internationally renowned Press Ganey Institute: 91.5 per cent of Hirslanden's patients in 2018/19 were likely to recommend the hospital group to others.

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The percentage of patients with basic health insurance increased further in 2018/19 to 48.7 per cent across the Group by the end of the financial year. As almost half of all patients by now have basic health insurance, Hirslanden has successfully expanded its position as a relevant provider of compulsory healthcare (OKP).

The number of employees rose to 10,442 (previous year: 9,635) in the reporting year. The number of nursing staff increased from 4,216 to 4,590. As at 31 March 2019, the Group employed 976 students and apprentices.

“Our employees deserve a huge thank you for this result,” says Daniel Liedtke, Chief Executive Officer of the Hirslanden Private Hospital Group. “Thanks to their enormous commitment and the organisational measures implemented by us, we managed for the most part to cushion the negative consequences of the stricter regulatory requirements. I’m confident about the current financial year: the implementation of our strategy is proceeding according to plan and will support our medium-term results.”

You can find all the information about the annual results of Mediclinic International here:
https://investor.mediclinic.com/events/event-details/2019-full-year-results

Further information about the Hirslanden Private Hospital Group is available on our website:
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Hirslanden Private Hospital Group
The Hirslanden Private Hospital Group consists of 18 hospitals in 11 cantons, many of which have an outpatient surgery unit and an emergency department. The Group also operates 3 outpatient clinics, 2 outpatient surgery units, 17 radiology institutes and 5 radiotherapy institutes. As at 31 March 2019, the Group had 2,303 affiliated doctors and 10,442 employees, of whom 510 are permanently employed doctors. Hirslanden is the leading private hospital group and the largest medical network in Switzerland. In the 2018/19 financial year, the Group generated turnover of CHF 1,778 million. As at 31 March 2019, the Group had treated 106,851 patients, amounting to a total of 479,631 inpatient days. In insurance terms, the patient mix consists of 48.7% basic, 29.5% semi-private, and 21.8% private insured patients.

The Hirslanden Private Hospital Group is synonymous with first-class medical care provided by highly qualified medical specialists with years of experience. As a system provider, Hirslanden stands out from the rest of the market: interdisciplinary medical centres of expertise and specialised institutes enable it to offer the best possible individualised treatment, even in highly complex cases. The Hirslanden Private Hospital Group was formed in 1990 through the merger of several Swiss private hospitals. Since 2007 it has been part of the international hospital group Mediclinic International plc, which is listed on the London Stock Exchange.