

MEDIA RELEASE

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FINANCIAL YEAR 20/21: COVID-19: CHALLENGES AND ACCELERATED TRANSFORMATION

The financial year ended was a challenging one, as the Hirslanden Group confronted the Covid-19 pandemic, continuing to play a key role in close cooperation with authorities and other hospital operators. Even in the face of Covid-19, Hirslanden remained steady, systematically executing on its corporate strategy at a faster pace in fact, in certain aspects, than would have been the case without the pandemic.

In the financial year ended (1 April 2020 – 31 March 2021) the Hirslanden Group was chiefly occupied with battling the Covid-19 pandemic.

The Group's hospitals served 107,401 in-patients in FY 20/21 , 1,249 were Covid-19 patients. Of these, 266 were serious cases requiring intensive medical care; artificial ventilation was required in 188 cases. The ban on non-urgent, elective surgery created a backlog in the first half of the year, which has not yet been entirely worked through at all hospital due to the high level of intensive pandemic-related caregiving required in the second half of the year.

Hirslanden has realised eight Covid-19 vaccination centres across Switzerland, one of which is tied for being one of Switzerland's largest, located at Zurich Exhibition Hall, with a capacity for 4,000 vaccinations per day and growing. Over 200,000 Covid-19 vaccinations have been administered at Hirslanden vaccination centres to-date.

Hirslanden has been commissioned by seven cantons to carry out repeat testing at businesses and schools. Repeat testing is aimed at detecting asymptomatic Covid-19 infection early on in order to promptly break infection chains and reduce quarantine times. Hirslanden has developed its own IT and logistics platform called "Together We Test" for conducting repeat testing. The platform has already been utilised to send off nearly 1,000,000 saliva tests for analysis.

Covid-19 accelerating strategy execution

As a Swiss national healthcare provider, the Hirslanden Group, together with public and private partners, develops integrated healthcare throughout patients' lives, representing a 'continuum of care'. This includes prevention, advice, follow-up care and medical diagnostics in addition to treatment and therapy. Hirslanden is also increasingly going digital, offering at-home medical services.

"The Covid 19 pandemic has accelerated the pace at which we are executing on our strategy," commented Hirslanden Group CEO Daniel Liedtke. For example, Hirslanden's response has included rollout of a 24/7 hotline for information and advice around Covid-19, available to both customers and

employees. The success had with this led Hirslanden to move with alacrity into digital, rolling out an app for patient support, aimed primarily at parents and women in family planning or pregnancy in an initial phase. The app has a chat function for receiving advice from midwives and paediatricians. Hirslanden has also acquired a stake in DomoSafety, a leader in digital health and the development of innovative solutions for safety, patient support and better decision-making in home care environments.

Hirslanden has also paid increased attention to the partnership element of its corporate strategy in the fight against Covid 19. "We have had an extraordinarily good experience in the intensified cooperation we have been engaged in with authorities, other hospitals and business partners due to the pandemic," said CEO Liedtke. In the financial year ended Hirslanden signed new long-term partnership deals with hospital operators Spitaler Schaffhausen, See-Spital and Spital Lachen. Hirslanden has also developed a new insurance product jointly with Medbase and Helsana covering outpatient and inpatient services in a customer-friendly way.

Diagnostics and prevention also underwent expansion in the financial year ended – both major pillars of the integrated care model. Since February of this year Hirslanden has been offering additional genetic analyses as part of the Hirslanden Precise program, including human genetic counselling. The focus in the initial phase of the offering will be on cardiovascular disease, cancer and personalised drug therapy, with further analyses to be offered this year.

The Company also moved forward with plans to expand integrated care, opening an outpatient operation centre at Schuppis St. Gallen. In the financial year ended Hirslanden additionally decided to directly invest more than CHF 200 million in the hub locations of Aarau and Lucerne over the course of the next few years. These two strategically important projects include new infrastructures and will augment the offer of specialised inpatient and outpatient medical services.

Robust business results

The Hirslanden Group has opportunity to demonstrate its operational and financial resilience in the Covid-19 pandemic, suffering significant impact from the ban on non-urgent, elective surgery in the first half of the year and April 2020 in particular, followed by pandemic-related intensive care capacity difficulties in the second half.

In financial year 20/21 Hirslanden saw EBITDA fall by approximately CHF 34 million as earnings suffered in combination with increased expenses year-on-year to Covid-19. EBITDA margin is still robust however at 15 percent.

Hirslanden was able to pay down debt and refinance a maturing CHF 145 million bond at significantly better market terms despite the Covid-19 pandemic.

Challenging conditions for hospital employees

Health professionals working on front lines of the pandemic faced highly tasking conditions, including the necessity of daily intensive care capacity planning during the second wave of the second Covid-19, addition to heightened work burden and stress. Employees working in administration also found their work impeded by having to continue working from home.

As compensation for the heightened stress employees have been subject to Hirslanden paid 100% of salary during the short-time work period initially necessary last year. The Company also developed a Corona Care Kit including a 24/7 hotline, regional care teams deployed to the hospitals and online self-help modules on building up resiliency and coping with stress.

The Hirslanden Group would like to thank all staff and physicians for the exceptional dedication they have displayed during the pandemic. “Never have I received more moving thank you-letters from patients than during the past year,” says CEO Liedtke, “I am very proud of our employees and partner physicians for their tireless work and the extraordinary commitment they have shown over the past year, and my heartfelt thanks goes out to them.”

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About Hirslanden

The Hirslanden Group operates 17 hospitals in 10 cantons, many of which have an emergency department. It also operates 4 outpatient surgical units, 17 radiology institutes and 5 radiotherapy institutes. Together with public and private cooperation partners, Hirslanden focuses on the continuum of care and promoting high-quality, responsible, personalised and efficiently integrated healthcare – this explicitly includes, especially in the current situation, prevention in addition to acute treatment in hospitals. The Hirslanden Group has 2 314 partner doctors and 10 711 employees, 479 of whom are permanently employed doctors. Hirslanden is the largest medical network in Switzerland. In the 2020/21 financial year, the Group generated turnover of CHF 1 796 million*. As at 31.3.2021, the Group had treated 107 401 patients, amounting to a total of 461 004 inpatient days. In insurance terms, the patient mix consists of 51% basic, 28.8% semi-private, and 20.2% private insured patients.

Hirslanden is synonymous with first-class medical care provided by highly qualified medical specialists with many years of experience. As a system provider, the Group 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 Group was formed in 1990 through the merger of several hospitals. Since 2007, it has been part of the international hospital group Mediclinic International plc, which is listed on the London Stock Exchange.

* incl. CHF 12.6 Mio. cantonal COVID-19 compensations.