



NETCARE

Netcare Limited

Unaudited Interim Group Results

for the six months ended
31 March 2023



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Our purpose and promise

Our purpose

Providing **YOU** with the best and safest care

Our promise

We promise to care for you, and about you, in a manner that places you and your family at the centre of everything we do. We recognise that you are an individual with unique needs and expectations. We recognise the importance of your family and loved ones in your healing process. We are here to ensure that we provide you with the best and safest care, when you need it and in a way that we would wish for our loved ones.

Our values

Our core value is **CARE**. We care about the **DIGNITY** of our patients and all members of the Netcare family. We care about the **PARTICIPATION** of our people and healthcare partners in everything that we do. We care about the **TRUTH** in all our actions. We engage everyone with empathy and respond with acts of **COMPASSION** in all our interactions with our patients and their families.

Commentary

Netcare limited

Incorporated in the Republic of South Africa
(Registration number 1996/008242/06)
JSE ordinary share code: NTC
ISIN: ZAE000011953
JSE preference share code: NTCP
ISIN: ZAE000081121
("Netcare" or "the Company" or "the Group")

Interim results for the six months ended 31 March 2023

For comparative purposes, the impact of exceptional items is excluded, unless otherwise indicated.

Salient features

- 11.9% increase in Group revenue to R11 537 million
- 24.0% growth in Group normalised EBITDA
- 220 basis point improvement in Group normalised EBITDA margin (excluding strategic costs and generator diesel costs) to 19.1%
- 31.5% increase in adjusted HEPS to 46.3 cents
- 50.0% increase in interim dividend to 30.0 cents per share (64.8% of adjusted HEPS)

Group performance

Rm	Unaudited six months ended			Year ended
	31 March 2023	31 March 2022	% change	30 September 2022
Revenue	11 537	10 311	11.9	21 636
Normalised EBITDA ¹	2 015	1 625	24.0	3 496
Normalised operating profit ¹	1 382	1 043	32.5	2 293
Normalised profit before taxation ¹	934	685	36.4	1 545
Normalised taxation ¹	(268)	(202)		(460)
Normalised profit after taxation¹	666	483	37.9	1 085
Exceptional items:				
Impairment of properties		(11)		(11)
Change in corporate tax rate		(24)		(24)
Profit for the period	666	448	48.7	1 050
Adjusted HEPS (cents)	46.3	35.2	31.5	83.2
ROIC (%)	10.6	8.1		8.8

1. Normalised excludes the impact of exceptional items.

Commentary continued

Note:

The accounting policies applied in preparing the unaudited interim Group financial statements for the six months ended 31 March 2023 ("H1 2023") are consistent in all material respects with those applied in the audited financial statements for the year ended 30 September 2022.

Overview

The Group delivered a robust improvement in financial performance in H1 2023, when measured against the comparative six-month period ended 31 March 2022 ("H1 2022") as the post COVID-19 operating environment continued to normalise. Recent COVID-19 activity levels are at their lowest since the onset of the pandemic and have been absorbed into daily operations with minimal disruption to the business.

We are encouraged by the improvement in demand for private healthcare services, reflected in an 11.5% growth in total paid patient days ("PPD"), inclusive of acute and mental health, with improved occupancies of 63.2 % for H1 2023 (H1 2022: 56.4%). Acute hospital occupancies for March 2023 recorded the highest level since the onset of the pandemic. The sustained improvement in activity has resulted in Group revenue for H1 2023 exceeding H1 2019 pre-pandemic revenue by 9.7%.

Excellent progress has been made on implementing key strategic projects in H1 2023. The CareOn digitisation project has been successfully rolled out at 30 acute hospitals to date, covering 70% of beds, and remains within budget and timelines, demonstrating tangible evidence of efficiencies and savings.

Similarly, our environmental sustainability strategy further enhances efficiency across our facilities. The Group has implemented more than 204 environmental sustainability projects since 2013, which have played a pivotal role in reducing exposure to the impacts of the instability of the national electricity grid.

Sales of NetcarePlus products are gaining traction, contributing to the Netcare ecosystem through the increased use of our facilities. Netcare Diagnostics

progressed with the rollout of validated and quality assured Point of Care devices across Netcare's ICU, high care, theatres and emergency departments.

In February 2023, Netcare Christiaan Barnard Memorial Hospital received Level One trauma accreditation from the Trauma Society of South Africa, which is aligned to the American Trauma Society accreditation principles. There are only four hospitals in South Africa that have achieved this status, all of which are in the Netcare Group. We remain committed to our Consistency of Care strategy, broadening the measurement of clinical outcomes and patient experience to ensure we deliver on our core purpose of providing the best and safest care to our patients.

Strong cash generation during the period under review resulted in net debt remaining at comfortable levels, with a net debt to annualised EBITDA ratio of 1.2 times (H1 2022: 1.7 times), which is well within the requirements of banking covenants.

Notwithstanding the fluid macroeconomic environment, we are encouraged by the ongoing improvement in our operational and financial performance. We are confident that our strategy positions us to benefit from the positive long-term dynamics driving growth in healthcare and we remain committed to realising growth opportunities, improving returns and the successful completion and delivery of our key strategic projects.

In line with our dividend policy, where we aim to provide shareholders with a sustainable dividend of 50% – 70% of earnings, the Board has declared an interim dividend of 30.0 cents per share. This represents 64.8% of adjusted headline earnings per share ("HEPS") and an increase of 50.0% over the 2022 interim dividend.

Group financial overview

Group revenue increased by 11.9% to R11 537 million (H1 2022: R10 311 million). Normalised EBITDA grew by 24.0% to R2 015 million (H1 2022: R1 625 million) and the normalised EBITDA margin, including strategic costs and generator diesel costs, improved by 170 basis points to 17.5% (H1 2022: 15.8%). The margin improvement is largely attributable to higher occupancy levels in H1 2023 and well managed costs.

Load shedding across our facilities averaged Stage 3.5 for H1 2023 and deteriorated to an average of Stage 3.9 during the second quarter (January to March 2023). Generator diesel costs increased to R67 million (H1 2022: R10 million) due to the consistently high levels of load shedding experienced to date, combined with the higher price of diesel.

The Group incurred operational costs relating to strategic projects of R127 million (H1 2022: R112 million) during the period, with a further R130 million expected to be incurred in H2 2023. Pleasingly, normalised EBITDA margins, excluding strategic costs and generator diesel costs, strengthened from 16.9% in H1 2022 to 19.1% in H1 2023.

Normalised operating profit grew by 32.5% to R1 382 million (H1 2022: R1 043 million), driven by solid operating leverage from higher activity levels as well as tight cost control across the Group.

Net interest paid (excluding interest on lease liabilities) increased to R223 million (H1 2022: R169 million) on the back of higher interest rates during the period.

Normalised profit before taxation increased by 36.4% to R934 million (H1 2022: R685 million). The normalised taxation charge amounted to R268 million (H1 2022: R202 million), reflecting an effective tax rate of 28.7% (H1 2022: 29.5%).

Profit after taxation and exceptional items increased by 48.7% to R666 million (H1 2022: R448 million) and adjusted HEPS increased by 31.5% to 46.3 cents (H1 2022: 35.2 cents).

Capital expenditure and cash flow

The Group invested R430 million in capital expenditure during the period. Of this, R81 million related to expansionary projects, including completion of the construction of the new 72-bed Netcare Akeso Gqeberha facility which commenced operations on 8 May 2023, and R43 million (H1 2022: R24 million) invested in the CareOn hospital digitisation project.

Cash generation remains strong, and Group net debt (exclusive of IFRS 16 lease liabilities) declined to R5.0 billion from R5.4 billion at 31 March 2022. The decrease in net debt is due to higher operating profit, partially offset by ongoing capital expenditure and dividend payments.

At 31 March 2023, the Group had cash resources and undrawn committed facilities of R3.6 billion.



Commentary continued

Financial position

Rm	<i>Unaudited</i>		
	31 March 2023	31 March 2022	30 September 2022
Assets			
Property, plant, equipment, goodwill and intangible assets	15 302	14 713	15 312
Right of use assets	3 841	3 484	3 770
Deferred tax assets	968	952	1 040
Other non-current assets	675	726	710
Current assets	4 401	4 066	3 939
Cash and cash equivalents	1 619	1 390	1 499
Total assets	26 806	25 331	26 270
Equity and liabilities			
Total shareholders' equity	11 093	10 589	10 944
Borrowings	6 638	6 769	6 374
Lease liabilities – long and short term	4 659	4 087	4 488
Deferred tax liabilities	333	238	319
Other liabilities	4 083	3 648	4 145
Total equity and liabilities	26 806	25 331	26 270

Total assets at 31 March 2023 increased to R26 806 million from R26 270 million at September 2022. Total shareholders' equity of R11 093 million increased from R10 944 million at September 2022, notwithstanding the payment of ordinary and preference dividends totaling R455 million during the period.

The Group's return on invested capital improved to 10.6% from 8.1% in H1 2022.



Segmental performance

Hospital and emergency services

Hospital and emergency services comprise acute and mental health hospitals, as well as emergency and ancillary services.

Rm	Unaudited six months ended			Year ended
	31 March 2023	31 March 2022	% change	30 September 2022
Revenue	11 226	10 008	12.2	21 024
Normalised EBITDA ¹	1 937	1 554	24.6	3 333
Normalised operating profit ¹	1 348	1 018	32.4	2 221
Normalised EBITDA margin ¹ (%)	17.3	15.5		15.9
Normalised operating profit margin ¹ (%)	12.0	10.2		10.6
Total occupancy (%)	63.2	56.4		60.1
Occupancy (full week) – acute hospitals (%)	62.6	55.7		59.3
Occupancy (week day) – acute hospitals (%)	67.3	60.0		63.9
Occupancy (full week) – mental health (%)	70.2	64.2		68.1
Percentage change in:				
PPD – total	11.5			
PPD – acute hospitals	11.3			
PPD – mental health	13.5			

1. Normalised to exclude the impact of exceptional items.

Note: Non-financial information excludes Netcare Ceres, Bougainville and Optiklin hospitals which were closed in the comparative period.

The segment delivered a strong performance driven by a recovery in demand and further normalisation of the post COVID-19 operating environment.

Normalised revenue increased by 12.2% to R11 226 million (H1 2022: R10 008 million), and total PPD grew by 11.5% in H1 2023.

Our acute hospitals experienced a steady improvement in PPDs, demonstrating resilient activity, notwithstanding the recent changes in various network arrangements. PPDs increased by 11.3%, equating to 95.5% of H1 2019, with PPDs in the month of March 2023 being at 98.5% of March 2019 levels on a same store basis. Similarly, there has been a steady increase in Emergency Department (“ED”) visits and out-patient conversions (admissions from ED) which have outpaced FY 2019 levels.

Medical PPDs grew at a faster pace than surgical PPDs, and increased by 15.6% compared to

H1 2022. Medical PPDs for H1 2023 were at 100.5% of pre-pandemic levels. Surgical PPDs increased by 7.5% against the prior period and are trending at 91.3% of pre-pandemic levels, contributing 72.0% of revenue vs. 73.5% in H1 2019.

Total surgical cases comprised 57.5% of admissions (H1 2022: 60.3%; pre-pandemic levels: 60.6%) and medical cases 42.5% (H1 2022: 39.7%; pre-pandemic levels: 39.4%).

Average length of stay increased from 4.2 days in H1 2022 to 4.3 days.

Notwithstanding the dilutive impact of the lower seasonal occupancy levels in December 2022 and early January 2023, full week occupancy levels within acute hospitals increased to 62.6% in H1 2023 from 55.7% in the comparative period, with March 2023 recording an occupancy of 68.3%, which is the highest level reported since the onset of the pandemic.

Commentary continued

Net revenue per PPD increased by 0.7% for the period, reversing the negative trend seen in FY 2022. H1 2022 included COVID-19 vaccine revenue, with none recorded in H1 2023. Excluding the COVID-19 vaccine revenue from the prior period, revenue per PPD increased by 1.0%.

The strong demand for mental health resulted in a 13.5% increase in PPDs during the period, with Netcare Akeso Richards Bay contributing 3.9%. Average mental health PPD activity has surpassed H1 2019 pre-pandemic levels by 4.6% (same store) and 8.4% (inclusive of Netcare Akeso Richards Bay).

Occupancy levels in our mental health facilities have increased sharply from 64.2% in H1 2022 to 70.2% for H1 2023, with average occupancy of 80.7% in March 2023, ahead of pre-pandemic occupancy of 77.2%.

Normalised EBITDA for the segment grew by 24.6% to R1 937 million (H1 2022: R1 554 million), and normalised EBITDA margins strengthened to 17.3% from 15.5% in H1 2022. Underlying EBITDA margin (excluding strategic and generator diesel costs) improved to 18.9% (H1 2022: 16.7%).

The normalised EBITDA margin within the hospital and pharmacy operations sub-segment, excluding the impact of operational costs related to strategic projects and generator diesel costs, strengthened to 19.1% from 16.8%. The higher margin was attributable to higher patient day activity, cost efficiencies and lower COVID-19 PPE costs.

Netcare attracted a net 61 new specialists to the Group.

Primary Care

Rm	Unaudited six months ended			Year ended	
	31 March 2023	31 March 2022	% change	30 September 2022	
Revenue	317	309	2.6	634	
EBITDA	78	71	9.9	163	
Operating profit	34	25	36.0	72	
EBITDA margin (%)	24.6	23.0		25.7	
Operating profit margin (%)	10.7	8.1		11.4	

Total GP and dental visits declined by 2.2% in H1 2023 as a result of the higher base in H1 2022, which was boosted by increased COVID-19 GP visits during the Omicron-driven fourth wave. Notwithstanding this decline in visits, revenue increased by 2.6%. EBITDA margins increased to 24.6% from 23.0% and were boosted by a capital profit of R2 million relating to the sale of property.



Strategic projects

In H1 2023, we invested capital expenditure of R72 million and incurred operational costs of R127 million on various key strategic projects across our ecosystem. We have made good progress with these projects, which remain on schedule and within budget.

Digitisation

The digitisation of the Group's entire ecosystem will provide a long-term sustainable competitive advantage and is critical to our strategy of delivering person centred health and care that is digitally enabled and data driven.

A significant focus of these projects is to provide electronic medical records ("EMR") across all divisions of Netcare. The CareOn hospital EMR has been successfully implemented at 30 Netcare hospitals to date, comprising 6 722 beds (70% of registered beds) since the start of the project in 2020. In addition, over 19 000 healthcare professionals have been trained on the system, comprising nurses, doctors, allied health professionals, pharmacists and administrative personnel. The project remains on track for a further 8 hospitals (1 923 beds) to be completed by the end of 2023, and seven hospitals (943 beds) in H1 2024, which will mark the completion of the project across the entire portfolio.

In addition, the digitisation of Netcare Akeso, Medicross, Netcare 911, National Renal Care and Cancer Care radiotherapy have all been successfully completed.

Although we are still in the implementation phase, the efficiencies and savings realised in H1 2023 of R50 million (FY 2022: R 37 million) have exceeded our expectations.

Netcare App

In line with our digitisation strategy, the new Netcare App will be launched in June 2023. This will further support our digitally integrated patient experience, as we intentionally move from the traditional siloed and episodic-led model of care to an ongoing engagement-led model of care.

Akeso

Opportunities to meet the demand for mental health are being explored. Following the successful commissioning of Netcare Akeso Richards Bay (36 beds) in May 2022, we have completed the construction of Netcare Akeso Gqeberha (72 beds), which was commissioned in May 2023. Other initiatives to add a further circa 200 beds to the portfolio across three provinces are underway.

Commentary continued

NetcarePlus

NetcarePlus has a portfolio of innovative healthcare products and funding solutions that promote access to affordable quality healthcare in South Africa. In H1 2023, we launched additional pre-paid procedures and completed enhancements to NetcarePlus GapCare and NetcarePlus Accident Cover, driving growth in sales of these products to the retail and corporate segments. The Group continues to benefit from the sale of NetcarePlus products and its contribution through the increased use of the Netcare ecosystem. The division is expected to break even in the next five years.

Netcare Diagnostics

Netcare Diagnostics, which supports a black female-owned pathology services provider, Dr Eshle Nomlomo Inc., made a positive contribution to the Netcare ecosystem and Group EBITDA. The first stage rollout at Netcare's ICU, high care, theatres and emergency departments has been completed, with 193 Point of Care devices currently installed across the Hospital Division. The rollout to further emergency departments and certain Medicross clinics will continue in the second half of the financial year.

Environmental sustainability

Netcare has invested R589 million in capex since the implementation of its environmental sustainability strategy in 2013. During this time, absolute Scope 1 and Scope 2 emissions have been reduced by 16%, with a 38% reduction in the intensity of Scope 2 emissions per bed. Energy intensity per bed has been reduced by 35% and we have achieved cumulative operational savings and benefits of more than R1.2 billion to date, yielding an IRR in excess of 35%. Furthermore, the Group has been awarded 31 national and international awards, which solidify its standing in the global and local community of environmentally conscious healthcare institutions.

Following the successful completion of this first phase of our strategy, we have commenced the journey towards our 2030 goals, with a primary target of reducing Scope 2 emissions to zero by 2030 and reducing Scope 1 and 2 emissions

by a combined 84%. For FY 2023, we allocated R55 million in capex and R25 million in operational costs to achieve our targets.

The Just Energy Transition Plan ("JET IP") developed by the Presidential Climate Commission was approved by Cabinet in September 2022 and highlights a shift in focus for South Africa and a period of intensified climate action. We fully support these initiatives, and our environmental sustainability strategy and goals are well aligned with those of the JET IP. The Group's 2030 strategy aims to achieve 100% electrical energy utilisation from renewable sources, with zero waste to landfill and a 20% reduction of impact on water sources. The proposed legislative changes and policies outlined in the JET IP could further enable Netcare's transition to renewables. Other initiatives, including the first phase of a renewable energy power purchase agreement, are underway.

Outlook

We are encouraged by the ongoing improvement in activity as the post COVID-19 operating environment normalises.

Despite several public holidays in April 2023, patient admissions in acute hospitals increased for the first week leading up to the Easter holiday weekend. However, activity slowed in the last two weeks due to the combination of Easter and school holidays. Acute hospital PPDs for April 2023 increased by 3.3% against April 2022. The average full week occupancy for April 2023 was 60.2% and 65.0% on weekdays, while projected occupancy for the month of May 2023 is 67.1%.

Similarly, demand in Akeso remains strong with occupancy of 73.7% during April 2023 and 78.3% to date for May 2023.

We expect ongoing improvements in the operational and financial performance of the business in H2 2023 and beyond as demand recovers from the impact of COVID-19. While there are a number of macroeconomic challenges facing corporate South Africa, we believe our strategy and market positioning will hold us in good stead to navigate these challenges.

Load shedding

The impact of load shedding on operations has been well contained. The majority of Netcare's acute hospitals have full island capacity, allowing them to operate independently of the grid. In addition, Uninterrupted Power Supply systems and a fleet of 200 backup diesel generators support all facilities across the portfolio. Over the past decade Netcare invested in installing a sizable solar power base across 72 sites, capable of generating 18 – 20 GWh per annum, which is used during daylight hours and outside of load shedding to ensure that safe, sustainable care is delivered without disruption throughout our hospitals.

The Group has placed considerable emphasis on improving energy efficiency at its facilities and has implemented more than 204 environmental sustainability projects, which have reduced the Group's exposure to the impacts of the instability of the national grid. These projects mitigate the significant escalation in costs associated with increased reliance on diesel-powered generators resulting from sustained load shedding.

Inflation

Despite the abnormally high inflationary environment, we are confident in our ability to manage reasonable levels of inflationary

risk and remain focused on optimising the cost efficiencies realised in H1 2023.

Provider Networks

While existing medical scheme members have largely retained their benefit plans, increased pressure on disposable income has resulted in new medical scheme entrants opting for more affordable restricted provider network plans. We continue to participate in these network arrangements and for 2023 were successfully appointed as co-anchor on one of the two tenders up for renewal, where previously we had filler status. In addition, we were granted filler status at six hospitals for the other tender. We are focused on driving efficiencies to mitigate the impact of the lower tariffs related to these contracts, and our significant geographic footprint, coupled with the NetcarePlus GapCare products, enables us to retain a steady portion of patients in these networks.

Although there has been limited growth in medical scheme membership, we are encouraged by the resilience of the existing pool of covered lives, demonstrating the sustainable demand for quality private healthcare, which in turn is driven by the growing burden of disease.



Commentary continued



Nursing shortages

The national shortage of nurses remains a significant health sector risk and attracting and retaining these scarce skills is a critical imperative for the business. We are committed to collaborating with government, regulatory bodies and other relevant stakeholders to maximise our currently under-utilised college capacity to produce a sufficient high quality nursing pipeline for both Netcare and the broader national healthcare sector. Netcare trained nearly 50 000 nurses between 1999 and 2023. While we have the capacity to train in excess of 3 500 nurses per annum, we are currently only accredited to train circa 360 nursing students per annum despite the escalating shortage and interest shown by more than 9 000 prospective students for the 2023 intake.

Guidance

We maintain our high level guidance for FY 2023, as previously published in the FY 2022 results.

The Group expects full year revenue growth of between 9.0% and 12.0%.

PPD growth for the full financial year remains within our guidance of between 6.5% and 7.5%. As a result of the Christmas holiday season, PPDs for the second half are typically higher than the first half and this trend is expected to

continue. Absolute PPDs are therefore expected to be higher in H2 2023 vs. H1 2023. Due to the lower base in H1 2022, which was affected by the fourth wave of COVID-19, the rate of PPD growth for H2 2023 vs. H2 2022 will be lower than that of H1 2023 vs. H1 2022.

Operating costs associated with the implementation of the CareOn EMR project have been revised downwards to approximately R105 million (against a budgeted R129 million) for FY 2023, with R47 million having been incurred in H1 2023. We expect to realise savings in excess of the budgeted R55 million to R65 million in FY 2023 and the project will be earnings accretive from H2 2024.

For FY 2023, other strategic operating costs of R152 million (of which R80 million was spent in H1 2023) will be incurred for environmental sustainability, data analytics and NetcarePlus, which are all critical enablers of our strategy.

Generator diesel costs for the full year are expected to amount to approximately R165 million (FY 2022: R37 million).

The business will remain focused on optimising the cost efficiencies realised in the first half and, in the absence of abnormal inflation, the underlying EBITDA margins (excluding strategic costs and generator diesel costs), earnings and ROIC are

expected to strengthen year-on-year in line with improving occupancies. In line with normal seasonality of higher activity in the second half, revenue, EBITDA and earnings for H2 2023 are expected to exceed H1 2023.

Total capital expenditure for FY 2023 of R1.6 billion (of which R430 million was incurred in H1 2023) is expected. Total capex includes R111 million attributable to expansion in mental health, approximately R600 million for refurbishments that were delayed during the pandemic and R181 million for strategic projects.

We are committed to maintaining an optimal capital structure, and the strength of the statement of financial position and the ongoing improvement in operational performance in the underlying businesses will support dividend payments in line with our dividend policy, where we seek to return at least 50% – 70% of adjusted headline earnings to shareholders.

Board changes

Dr Thabi Leoka resigned as an independent non-executive director with effect from 8 March 2023.

The board of directors of Netcare (“Board”) expresses its sincere gratitude and appreciation to Dr Leoka for her contributions during her tenure and wishes her well in her future endeavours.

Dividend

Declaration of dividend number 25

Notice is hereby given of the declaration of a gross interim dividend of 30.0 cents per ordinary share in respect of the period ended 31 March 2023. The dividend has been declared from income reserves and is payable to shareholders recorded in the register at the close of business on Friday, 14 July 2023. The number of ordinary shares (inclusive of treasury shares) in issue at the date of this declaration is 1 439 090 009. The dividends will be subject to a local dividend withholding tax at a rate of 20%, which will result in a net interim dividend to those shareholders not exempt from paying dividend withholding tax of 24.0 cents per ordinary share and 30.0 cents per ordinary share for those shareholders who are exempt from dividend withholding tax.

The Board has confirmed by resolution that the solvency and liquidity test as contemplated by the Companies Act 71 of 2008 has been duly considered, applied and satisfied.

The salient dates applicable to the dividend are as follows:

Last day to trade cum dividend	Tuesday, 11 July 2023
Trading ex-dividend commences	Wednesday, 12 July 2023
Record date	Friday, 14 July 2023
Payment date	Monday, 17 July 2023

Share certificates may not be dematerialised nor rematerialised between Wednesday, 12 July 2023 and Friday, 14 July 2023, both dates inclusive.

On Monday, 17 July 2023, the dividends will be electronically transferred to the bank accounts of all certificated shareholders. Holders of dematerialised shares will have their accounts credited at their participant or broker on Monday, 17 July 2023.

Netcare Limited's tax reference number is 9999/581/71/4.

The normalised information contained in this announcement is the responsibility of the Board, has been prepared for illustrative purposes only and, because of its nature, may not fairly present Netcare's financial position.

The information presented above has not been reviewed or reported on by Netcare's external auditors.

On behalf of the Board

Mark Bower
Chairperson

Richard Friedland
Chief Executive Officer

Keith Gibson
Chief Financial Officer

Sandton

18 May 2023

Condensed Group statement of profit or loss

Rm	Notes	Unaudited		
		six months ended	Year ended	
		31 March 2023	31 March 2022	30 September 2022
Revenue¹		11 537	10 311	21 636
Cost of sales		(5 789)	(5 273)	(11 085)
Gross profit		5 748	5 038	10 551
Other income		216	183	435
Administrative and other expenses		(4 491)	(4 094)	(8 524)
Impairment of financial assets		(91)	(95)	(180)
Operating profit	2	1 382	1 032	2 282
Investment income		59	57	115
Finance costs	3	(502)	(416)	(885)
Other financial (losses)/gains – net ²		—	(2)	1
Attributable losses of associates ²		—	(11)	(23)
Attributable earnings of joint ventures		15	14	44
Impairment of long-term interests and investment in associates		(20)	—	—
Profit before taxation		934	674	1 534
Taxation	4	(268)	(226)	(484)
Profit for the period		666	448	1 050
<i>Attributable to:</i>				
Owners of the parent		618	415	975
Preference shareholders		23	19	38
Profit attributable to shareholders		641	434	1 013
Non-controlling interest		25	14	37
		666	448	1 050
Cents				
Basic earnings per share		45.8	30.7	72.3
Diluted earnings per share		45.7	30.6	71.7

1. Refer to the segment report on page 20 for detail on the disaggregation of revenue.

2. March 2023 loss below R1 million.

Condensed Group statement of comprehensive income

Rm	<i>Unaudited</i>		<i>Year ended</i>
	31 March 2023	31 March 2022	30 September 2022
Profit for the period	666	448	1 050
Items that will not subsequently be reclassified to profit or loss			
Fair value adjustment on equity investments	—	(6)	(21)
Items that may subsequently be reclassified to profit or loss	(3)	26	62
Effect of cash flow hedge accounting	(4)	36	85
Reclassification into profit or loss	(5)	26	43
Change in the fair value of cash flow hedges	1	10	42
Taxation on items that may subsequently be reclassified to profit or loss	1	(10)	(23)
Other comprehensive income for the period	(3)	20	41
Total comprehensive income for the period	663	468	1 091
<i>Attributable to:</i>			
Owners of the parent	615	435	1 016
Preference shareholders	23	19	38
Non-controlling interest	25	14	37
	663	468	1 091

Condensed Group statement of financial position

Rm	Notes	Unaudited		
		31 March 2023	31 March 2022	30 September 2022
ASSETS				
Non-current assets				
Property, plant and equipment		13 457	12 906	13 469
Right of use assets		3 841	3 484	3 770
Goodwill		1 606	1 606	1 606
Intangible assets		239	201	237
Equity-accounted investments, loans and receivables	5	610	656	594
Financial assets	6	46	60	99
Deferred lease assets		19	10	17
Deferred taxation		968	952	1 040
Total non-current assets		20 786	19 875	20 832
Current assets				
Loans and receivables	5	39	123	59
Financial assets	6	31	3	2
Inventories ¹		608	610	562
Trade and other receivables		3 699	3 218	3 288
Taxation receivable		24	112	28
Cash and cash equivalents		1 619	1 390	1 499
Total current assets		6 020	5 456	5 438
Total assets		26 806	25 331	26 270
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		4 297	4 297	4 297
Treasury shares		(3 578)	(3 556)	(3 504)
Other reserves		486	458	473
Retained earnings		9 192	8 727	8 980
Equity attributable to owners of the parent		10 397	9 926	10 246
Preference share capital and premium		644	644	644
Non-controlling interest		52	19	54
Total shareholders' equity		11 093	10 589	10 944
Non-current liabilities				
Long-term debt	7	4 680	4 963	5 265
Long-term lease liabilities		4 003	3 559	3 906
Financial liabilities	6	—	10	—
Post-employment healthcare benefit obligations		550	519	533
Provisions		18	27	22
Deferred taxation		333	238	319
Total non-current liabilities		9 584	9 316	10 045
Current liabilities				
Trade and other payables		3 429	2 997	3 521
Short-term debt	7	1 932	1 805	1 105
Short-term lease liabilities		656	528	582
Financial liabilities	6	14	32	20
Taxation payable		72	63	49
Bank overdrafts		26	1	4
Total current liabilities		6 129	5 426	5 281
Total equity and liabilities		26 806	25 331	26 270

1. Inventories include R45 million (March 2022: R70 million; September 2022: R47 million) relating to personal protective equipment which is expected to be recovered more than 12 months after the reporting period.

Condensed Group statement of cash flows

Rm	<i>Unaudited</i>		<i>Year ended</i>
	31 March 2023	31 March 2022	30 September 2022
Cash flows from operating activities			
Cash received from customers	11 144	10 267	21 522
Cash paid to suppliers and employees	(9 603)	(8 762)	(17 572)
Cash generated from operations	1 541	1 505	3 950
Interest paid on debt	(250)	(190)	(419)
Interest paid on lease liabilities	(219)	(189)	(409)
Taxation paid	(156)	(227)	(439)
Ordinary dividends paid by subsidiaries	(27)	(7)	(25)
Ordinary dividends paid	(402)	(457)	(728)
Preference dividends paid	(23)	(19)	(38)
Distribution to beneficiaries of the HPFL B-BBEE ¹ trusts	(3)	(4)	(8)
Net cash from operating activities	461	412	1 884
Cash flows from investing activities			
Advances to associates	(62)	—	(30)
Advances from joint ventures	19	—	17
Payments for acquisition of property, plant and equipment	(404)	(410)	(1 382)
Payments for additions to intangible assets	(26)	—	(14)
Proceeds on disposal of property, plant and equipment and intangible assets	42	22	35
Payments for investments and loans	(32)	(38)	(8)
Interest received	48	57	115
Dividends received	27	3	19
Net cash from investing activities	(388)	(366)	(1 248)
Cash flows from financing activities			
Proceeds on disposal of treasury shares	49	1	29
Payments for acquisition of treasury shares	(153)	—	(29)
Debt raised	1 000	834	1 903
Debt repaid	(760)	(857)	(2 325)
Proceeds from issue of shares to non-controlling interests	—	—	2
Payment of principal elements of lease liabilities	(111)	(91)	(177)
Net cash from financing activities	25	(113)	(597)
Net increase/(decrease) in cash and cash equivalents	98	(67)	39
Cash and cash equivalents at the beginning of the period	1 495	1 456	1 456
Cash and cash equivalents at the end of the period	1 593	1 389	1 495
Consisting of			
Cash on hand and balances with banks ²	1 619	1 390	1 499
Bank overdrafts	(26)	(1)	(4)
	1 593	1 389	1 495

1. Health Partners for Life Broad-based Black Economic Empowerment.

2. Includes restricted cash balances of R394 million (March 2022: R381 million; September 2022: R397 million).

Condensed Group statement of changes in equity

Rm	Ordinary share capital	Treasury shares	Cash flow hedge accounting reserve
Balance at 1 October 2021	4 297	(3 557)	(31)
Sale of treasury shares	—	1	—
Share-based payment reserve movements	—	—	—
Tax recognised in equity	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE trusts ¹	—	—	—
Total comprehensive income for the period	—	—	26
Profit for the period	—	—	—
Other comprehensive income	—	—	26
Balance at 31 March 2022	4 297	(3 556)	(5)
Sale of treasury shares	—	81	—
Purchase of treasury shares	—	(29)	—
Acquisition of subsidiaries	—	—	—
Transfer ²	—	—	—
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE trusts ¹	—	—	—
Other reserve movements	—	—	—
Tax recognised in equity	—	—	—
Changes in equity interest in subsidiaries	—	—	—
Total comprehensive income for the period	—	—	36
Profit for the period	—	—	—
Other comprehensive income	—	—	36
Balance at 30 September 2022	4 297	(3 504)	31
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Dividends paid	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE trusts ¹	—	—	—
Tax recognised in equity	—	—	—
Sale of treasury shares	—	79	—
Purchase of treasury shares	—	(153)	—
Other reserve movements	—	—	—
Transfer ²	—	—	—
Total comprehensive income for the period	—	—	(3)
Profit for the period	—	—	—
Other comprehensive income	—	—	(3)
Balance at 31 March 2023	4 297	(3 578)	28

1. Health Partners for Life Broad-based Black Economic Empowerment.

2. Transfer of share-based payment reserve in respect of vested shares.

Share-based payment reserve	Retained earnings	Equity attributable to owners of the parent	Preference share capital and premium	Non-controlling interest	Total shareholders' equity
444	8 780	9 933	644	12	10 589
—	—	1	—	—	1
19	—	19	—	—	19
—	(1)	(1)	—	—	(1)
—	—	—	(19)	—	(19)
—	(457)	(457)	—	(7)	(464)
—	(4)	(4)	—	—	(4)
—	409	435	19	14	468
—	415	415	19	14	448
—	(6)	20	—	—	20
463	8 727	9 926	644	19	10 589
—	(53)	28	—	—	28
—	—	(29)	—	—	(29)
—	(1)	(1)	—	17	16
(42)	42	—	—	—	—
22	—	22	—	—	22
—	—	—	(19)	—	(19)
—	(271)	(271)	—	(18)	(289)
—	(4)	(4)	—	—	(4)
(1)	8	7	—	—	7
—	(1)	(1)	—	—	(1)
—	(12)	(12)	—	13	1
—	545	581	19	23	623
—	560	560	19	23	602
—	(15)	21	—	—	21
442	8 980	10 246	644	54	10 944
45	—	45	—	—	45
—	—	—	(23)	—	(23)
—	(402)	(402)	—	(27)	(429)
—	(3)	(3)	—	—	(3)
—	(1)	(1)	—	—	(1)
—	(30)	49	—	—	49
—	—	(153)	—	—	(153)
—	1	1	—	—	1
(29)	29	—	—	—	—
—	618	615	23	25	663
—	618	618	23	25	666
—	—	(3)	—	—	(3)
458	9 192	10 397	644	52	11 093

Headline earnings

Rm	Unaudited		Year ended
	31 March 2023	31 March 2022	30 September 2022
Reconciliation of headline earnings			
Profit for the period	666	448	1 050
<i>Adjusted for:</i>			
Dividends paid on shares attributable to the Forfeitable Share Plan, Single Incentive Plan and HPFL B-BBEE ¹ Trust units	(7)	(5)	(8)
Preference shareholders	(23)	(19)	(38)
Non-controlling interest	(25)	(14)	(37)
Profit for the purposes of basic and diluted earnings per share	611	410	967
<i>Adjusted for:</i>			
Reversal of impairment on property, plant and equipment	—	(4)	—
Net (profit)/loss on disposal of property, plant and equipment and intangible assets	(21)	1	11
Recognition of impairment of property, plant and equipment in operating profit and equity accounted earnings	—	19	13
Recognition of impairment of investment in associates	2	—	3
Tax effect of headline adjusting items	6	—	(4)
Headline earnings	598	426	990

1. Health Partners for Life Broad-based Black Economic Empowerment.

Headline earnings continued

Rm	Unaudited six months ended		Year ended
	31 March 2023	31 March 2022	30 September 2022
Adjusted headline earnings			
Headline earnings	598	426	990
<i>Adjusted for:</i>			
Ineffectiveness losses on cash flow hedges	—	—	2
Fair value gains on derivative financial instruments	—	(3)	(2)
Amortisation of cash flow hedge accounting reserve	2	5	8
Restructure costs	—	—	2
Impairment of financial assets	—	—	40
Impairment of loan to joint venture	—	—	1
Impairment of loans to associates	20	19	48
Tax rate change	—	24	24
Tax effect of adjusting items	(3)	(1)	—
Adjusted headline earnings	617	470	1 113
Cents			
Headline earnings per share	44.8	31.9	74.0
Diluted headline earnings per share	44.7	31.7	73.4
Adjusted headline earnings per share	46.3	35.2	83.2
Diluted adjusted headline earnings per share	46.1	35.0	82.6

Adjusted headline earnings per share is a measurement used by the chief operating decision maker as a key measure of sustainable earnings from trading operations. The calculation of adjusted headline earnings per share excludes non-trading and/or non-recurring items, and is based on the adjusted profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the period. The presentation of adjusted headline earnings is not an IFRS requirement, nor a JSE Listings Requirement.

Adjusted headline earnings represent headline earnings which have been adjusted for specific items of a non-trading and/or non-recurring nature, and could include the following:

- Gains or losses on financial instruments;
- Impairments and reversal of impairments on loans;
- Acquisition costs;
- Regulatory inquiry costs;
- Onerous lease provisions;
- Significant restructuring costs;
- New business development costs;
- Realisation of reserves through profit or loss;
- B-BBEE transaction costs;
- Changes in tax rates;
- Other non-trading items; and
- Other non-recurring items.

Condensed segment report

Hospital and emergency services

This segment is further disaggregated into Hospital and pharmacy operations, covering our private acute hospital network and day clinics, and non-acute services. The non-acute services include the provision of emergency services, the operation of private mental health clinics, cancer care, diagnostic services and the sale of healthcare products and vouchers.

Primary Care

This segment offers comprehensive primary healthcare services, employee health and wellness services and administrative services to medical and dental practices.

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment elimination ¹	Total
31 March 2023						
Statement of profit or loss						
Revenue	10 478	748	11 226	317	(6)	11 537
EBITDA²	1 853	84	1 937	78	—	2 015
Operating profit	1 364	(16)	1 348	34	—	1 382

1. Relates to revenue earned in the Non-acute services segment.


2. Earnings before interest, tax, depreciation and amortisation.

Condensed segment report continued

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment elimination ¹	Total
31 March 2022						
Statement of profit or loss						
Revenue	9 381	627	10 008	309	(6)	10 311
EBITDA²	1 470	73	1 543	71	—	1 614
Operating profit	1 022	(15)	1 007	25	—	1 032
Additional segment information						
Impairment of property, plant and equipment	(15)	—	(15)	(4)	—	(19)
Reversal of impairment of property, plant and equipment	2	2	4	—	—	4

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment elimination ¹	Total
30 September 2022						
Statement of profit or loss						
Revenue	19 733	1 291	21 024	634	(22)	21 636
EBITDA²	3 211	111	3 322	163	—	3 485
Operating profit	2 282	(72)	2 210	72	—	2 282
Additional segment information						
Impairment of property, plant and equipment	(13)	2	(11)	—	—	(11)

1. Relates to revenue earned in the Non-acute services segment.
2. Earnings before interest, tax, depreciation and amortisation.



Notes to the condensed unaudited interim Group financial statements

1. Basis of preparation and accounting policies

The condensed unaudited interim Group financial statements for the six months ended 31 March 2023 have been prepared in compliance with the Listings Requirements of the JSE Limited, the requirements of International Accounting Standard (IAS) 34: *Interim Financial Reporting*, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, No. 71 of 2008.

All accounting policies and methods of computation applied in the preparation of these results are in accordance with IFRS and consistent in all material respects with those applied in the audited annual financial statements for the year ended 30 September 2022, except for the adoption of the new and amended standards as set out below.

Certain new or amended standards became applicable for the current reporting period. The adoption of these standards did not have a material impact on the Group.

The interim results have not been reviewed or audited by the Group's independent external auditors, Deloitte & Touche.

These condensed unaudited interim Group financial statements were compiled under the supervision of Mr KN Gibson (CA)SA, Group Chief Financial Officer.

Notes to the condensed unaudited interim Group financial statements continued

Rm	Unaudited six months ended		Year ended
	31 March 2023	31 March 2022	30 September 2022
2. Operating profit	1 382	1 032	2 282
After including:			
Depreciation and amortisation	(633)	(582)	(1 203)
Depreciation and amortisation of property, plant and equipment and intangible assets	(420)	(380)	(787)
Depreciation of right of use assets	(211)	(198)	(410)
Amortisation of cash flow hedge accounting reserve	(2)	(4)	(6)
Impairment of property, plant and equipment	—	(19)	(11)
Reversal of impairment of property, plant and equipment	—	4	—
Impairment of financial assets	(91)	(95)	(180)
Movements in expected credit losses and bad debts related to trade and other receivables	(89)	(76)	(112)
Impairment of loans	(2)	(19)	(68)
Operating lease charges	(89)	(91)	(190)
Net profit/(loss) on disposal of property, plant and equipment and intangible assets	21	(1)	(11)

Operating profit is defined as the profit generated from the core business activities of the Group. Operating profit is derived after general and administrative expenses, including impairment of financial assets, have been deducted from gross profit and other income. Operating profit excludes investment income, and is stated before finance costs and other net financial gains/losses are added/deducted. Due to their nature, these items are not classified as being part of the core operating activities of the Group.

Operating profit only includes profit from entities which are controlled by the Group in accordance with IFRS 10: *Consolidated Financial Statements*, and excludes amounts from entities where we share control or have significant influence. The Group, therefore, excludes from operating profit, income and expense items relating to associates and joint ventures, such as its share of earnings/losses of associates and joint ventures, impairments of investments in associates and joint ventures, profit/loss on disposal of investments in associates and joint ventures, and impairments of long-term interest in associates and joint ventures.

Revenue, income or expense items that would otherwise be presented within gross profit or operating profit, are separately disclosed and appropriately described when, by virtue of their nature or amount, they require separate disclosure on the statement of profit or loss.

Notes to the condensed unaudited interim Group financial statements continued

Rm	Level	<i>Unaudited</i>		
		31 March 2023	31 March 2022	30 September 2022
6. Financial assets/liabilities				
Non-derivative financial assets				
Investment in Cell Captive	2	—	—	18
Investment in equity instruments ¹	3	38	53	38
Derivative financial assets				
Interest rate swaps	2	39	10	45
		77	63	101
Included in:				
Non-current assets		46	60	99
Current assets		31	3	2
		77	63	101
Non-derivative financial liabilities				
Investment in Cell Captive	2	—	6	—
Derivative financial liabilities				
Interest rate swaps	2	—	12	1
Inflation rate swaps	2	2	13	7
Written put option over non-controlling interest	3	12	11	12
		14	42	20
Included in:				
Non-current liabilities		—	10	—
Current liabilities		14	32	20
		14	42	20

1. The Group designates investments in equity instruments held at fair value through other comprehensive income.

Investment in equity instruments

The valuations are based on the estimated liquidation values determined for the net assets on the balance sheet of each entity. The main objective of these entities is the investment in start-up businesses. Given the difficulty in obtaining reliable forward-looking cash flow forecasts for these types of new businesses, it is challenging to determine a reliable fair value for the underlying investments, and therefore a liquidation basis approach to the valuation has been adopted.

Written put option over non-controlling interest

The fair value is driven by the annual rent of the entity in which shares will be purchased when the option is exercised, divided by 10% yield (before tax) divided by 100 to derive the value per percentage shareholding. The fair value of the put option is therefore directly impacted by fluctuations in the annual rent of the entity.

Notes to the condensed unaudited interim Group financial statements continued

6. Financial assets/liabilities continued

Fair value hierarchy

Financial instruments measured at fair value are grouped into the following levels based on the significance of the inputs used in determining fair value:

- Level 1: Fair value is derived from quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: Fair value is derived through the use of valuation techniques based on observable inputs, either directly or indirectly.
- Level 3: Fair value is derived through the use of valuation techniques using inputs not based on observable market data.

The Group has no financial instruments measured at fair value categorised as Level 1. There were no transfers between categories in the current period.

Analysis of movements in swap instruments

31 March 2023

Rm	Interest rate swaps	Inflation rate swaps	Total
Recognised in profit or loss			
Reclassification into profit or loss ¹	7	(2)	5
	7	(2)	5
Recognised in other comprehensive income			
Fair value movements	1	—	1
Reclassification into profit or loss	(7)	2	(5)
	(6)	2	(4)
Cash flow hedge reserve			
Gross	39	(1)	38
Deferred tax	(10)	—	(10)
Net	29	(1)	28

31 March 2022

Rm	Interest rate swaps	Inflation rate swaps	Total
Recognised in profit or loss			
Fair value movements ²	(2)	—	(2)
Reclassification into profit or loss ¹	(21)	(5)	(26)
	(23)	(5)	(28)
Recognised in other comprehensive income			
Fair value movements	10	—	10
Reclassification into profit or loss	21	5	26
	31	5	36
Cash flow hedge reserve			
Gross	1	6	7
Deferred tax	—	(2)	(2)
Net	1	4	5

1. Amounts included in interest and depreciation.

2. Amounts included in other financial (losses)/gains – net in the statement of profit or loss.

Notes to the condensed unaudited interim Group financial statements continued

6. **Financial assets/liabilities** continued

Analysis of movements in swap instruments continued

Rm	30 September 2022		Total
	Interest rate swaps	Inflation rate swaps	
Recognised in profit or loss			
Hedge ineffectiveness ¹	(1)	—	(1)
Reclassification into profit or loss ²	(35)	(8)	(43)
	(36)	(8)	(44)
Recognised in other comprehensive income			
Fair value movements	(42)	—	(42)
Reclassification into profit or loss	(35)	(8)	(43)
	(77)	(8)	(85)
Cash flow hedge reserve			
Gross	(44)	3	(41)
Deferred tax	12	(1)	11
Net	(32)	2	(30)

1. Amounts included in other financial (losses)/gains – net in the statement of profit or loss.

2. Amounts included in interest and depreciation.

Notes to the condensed unaudited interim Group financial statements continued

Rm	<i>Unaudited</i>		
	31 March 2023	31 March 2022	30 September 2022
7. Debt			
Long-term debt	4 680	4 963	5 265
Short-term debt	1 932	1 805	1 105
Total debt	6 612	6 768	6 370
Comprising:			
Unsecured liabilities			
Bank loans	1 277	1 488	1 505
Promissory notes and commercial paper in issue	5 330	5 275	4 860
Other	5	5	5
	6 612	6 768	6 370

Maturity profile¹

Rm	Total	<1 year	1-2 years	2-3 years	3-4 years	>4 years
31 March 2023	8 167	2 462	1 441	1 031	1 747	1 486
31 March 2022	7 663	2 128	2 154	1 692	94	1 595
30 September 2022	7 622	1 529	1 923	1 458	1 224	1 488

1. This maturity analysis includes the contractual undiscounted cash flows, represented by gross commitments, including finance charges. These amounts are different to those reflected in the statement of financial position, which are based on discounted cash flows.

Notes to the condensed unaudited interim Group financial statements continued

Rm	<i>Unaudited</i>		
	31 March 2023	31 March 2022	30 September 2022
8. Commitments			
Authorised and contracted for			
Property, plant and equipment	606	627	601
Intangible assets	34	1	—
Equity investments	—	77	83
Authorised but not yet contracted for			
Property, plant and equipment	903	746	1 174
Intangible assets	33	—	—
Capital expenditure commitments	1 576	1 451	1 858
9. Contingent liabilities			
Guarantees in favour of municipalities and other beneficiaries	26	23	32

10. Related parties

Government Employee Pension Fund

The Government Employee Pension Fund (GEPF) holds more than 20% of the voting rights in Netcare Limited, and is therefore presumed to have significant influence.

The Group has the following balances with the GEPF including detail of the associated transactions:

Rm	31 March 2023	31 March 2022	30 September 2022
Right of use asset	7	10	9
Lease liability – long term	(7)	(10)	(8)
Lease liability – short term	(4)	(3)	(4)
Depreciation on right of use asset	(1)	(1)	(3)
Interest on lease liability	—	(1)	(1)



Notes to the condensed unaudited interim Group financial statements continued

11. Events after the reporting period

Shareholders are advised that an ordinary interim dividend of 30.0 cents per share has been declared by the Board of Netcare Limited on 18 May 2023.

The directors are not aware of any other matters or circumstances arising since the end of the reporting period, not otherwise dealt with in the unaudited interim Group financial statements, which significantly affect the financial position at 31 March 2023 or the results of its operations or cash flows for the period then ended.

Salient features

	<i>Unaudited</i>		
	31 March 2023	31 March 2022	30 September 2022
Share statistics			
<i>Ordinary shares</i>			
Shares in issue (million)	1 439	1 439	1 439
Shares in issue net of treasury shares (million)	1 331	1 337	1 338
Weighted average number of shares (million)	1 334	1 337	1 338
Diluted weighted average number of shares (million)	1 338	1 342	1 348
Market price per share (cents)	1 481	1 610	1 372

Corporate information

Netcare Limited

Incorporated in the Republic of South Africa
(Registration number: 1996/008242/06)
JSE ordinary share code: NTC
ISIN: ZAE000011953
JSE preference share code: NTCP
ISIN: ZAE000081121
("Netcare" or "the Company" or "the Group")

Registered office

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Benmore 2010

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RH Friedland (Chief Executive Officer)
KN Gibson (Chief Financial Officer)

Non-executive directors

MR Bower (Chair), B Buldo,
L Human, I Kirk, R Phillips, L Stephens

Company Secretary

C Vikisi

Sponsor

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Disclaimer

Certain statements in this document constitute 'forward-looking statements'. Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or the healthcare sector to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

Any forward-looking information contained in this announcement/presentation has not been reviewed or reported on by the Company's external auditors.

Forward-looking statements apply only as of the date on which they are made, and Netcare does not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise.

The normalised information has been prepared for illustrative purposes only, is the responsibility of the directors, has not been reviewed or reported on by the external auditors and, because of its nature, may not fairly represent Netcare's financial position.

Providing YOU with the best and safest care.

