



NETCARE

Netcare Limited

Unaudited Interim Group Results

for the six months ended
31 March 2025



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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 our 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 interactions with our patients and their families.

Commentary

NETCARE LIMITED

(Registration number: 1996/008242/06)

JSE ordinary share code: NTC; ISIN: ZAE000011953

JSE preference share code: NTCP; ISIN: ZAE000081121

A2X share code: NTC

("Netcare" or the "Group")

Interim results for the six months ended 31 March 2025 and cash dividend declaration

To aid comparability, the commentary that follows excludes the impact of exceptional items unless otherwise indicated.

Salient features

- 5.3% increase in Group revenue to R12 677 million
- 8.3% growth in normalised Group EBITDA
- 10.7% growth in normalised Group operating profit, demonstrating strong operating leverage
- 50 basis point improvement in EBITDA margin
- 20.0% increase in adjusted HEPS to 58.8 cents
- ROIC increased to 11.9% from 10.9% in H1 2024
- R473 million invested in share buybacks in H1 2025
- 20.0% increase in interim dividend to 36.0 cents per share
- R984 million returned to shareholders in ordinary dividends and share buybacks in H1 2025

Key financial results

Rm	Unaudited six months ended			Year ended	
	31 March 2025	31 March 2024	% change	30 September 2024	
Revenue	12 677	12 034	5.3	25 202	
Normalised ¹ EBITDA	2 347	2 167	8.3	4 530	
Normalised ¹ operating profit	1 663	1 502	10.7	3 198	
Normalised ¹ profit before taxation	1 154	1 000		2 177	
Normalised ¹ taxation	(328)	(284)		(602)	
Normalised¹ profit after taxation	826	716	15.4	1 575	
Exceptional items:					
Impairment of properties		(11)		(39)	
Taxation on exceptional items		3		11	
Profit for the period	826	708	16.7	1 547	
Normalised ¹ EBITDA margin (%)	18.5	18.0		18.0	
Adjusted HEPS (cents)	58.8	49.0	20.0	113.7	
ROIC (%)	11.9	10.9		11.7	

1. Normalised excludes the impact of exceptional items.

Note:

The normalised information for the six months ended 31 March 2025 has been presented on a consistent basis with the normalised financial information published for the year ended 30 September 2024.

The normalised information contained in this announcement is the responsibility of the directors of Netcare, has been prepared for illustrative purposes only and, because of its nature, may not fairly present Netcare's financial position, changes in equity, results of operations or cash flows.

The accounting policies applied in preparing the unaudited interim Group financial statements for the six months ended 31 March 2025 ("H1 2025" or the "review period") are consistent in all material respects with those applied in the audited financial statements for the year ended 30 September 2024.

Overview

Netcare's solid results for the six months ended 31 March 2025 reflect the Group's continued focus on delivering strong and consistent operational and financial performance.

Activity was influenced by the timing of Easter and school holidays. In the current financial year ("FY 2025"), the holidays fell in April 2025 (second half of the financial year) as compared to March 2024 (first half of the financial year). Resultantly, total paid patient days ("PPD") for H1 2025 increased by 1.1%² compared to the prior period, comprising a 1.4%² increase in acute PPD and a 1.3% decrease in mental health PPD.

Revenue grew by 5.3% for H1 2025. Continued emphasis on operational efficiencies, the realisation of enhanced digital benefits, and lower strategic and diesel costs collectively contributed to strong operating leverage, resulting in a 10.7% increase in the operating profit of the prior period.

The Group's statement of financial position remains strong, with a net debt to EBITDA ratio of 1.2 times (31 March 2024: 1.3 times). Pleasingly, our ROIC improved further to 11.9% from 10.9% at 31 March 2024.

In line with Netcare's capital allocation strategy of returning excess cash to shareholders, the Group continued with its share buyback program, whereby a total of 35.6 million ordinary shares were acquired in the market between

1 October 2024 and 31 March 2025 at an average price of 1 320 cents per share. A further 10.3 million ordinary shares have been purchased post 31 March 2025 at an average price of 1 275 cents per share. For the financial year up to 15 May 2025, R604 million has been applied to repurchase 45.9 million ordinary shares at an average price of 1 310 cents per share. During this period, 52.9 million shares were cancelled, and the Group currently holds 156.2 million treasury shares (FY 2024: 168.8 million shares). Since the commencement of the share buyback program in September 2023, Netcare has bought back 130.7 million shares (9.1% of total ordinary shares in issue at 30 September 2023) at an average price of 1 256 cents per share.

The Group's dividend policy aims to provide ordinary shareholders with a sustainable dividend in a range of 50% - 70% of adjusted HEPS. Accordingly, the Board of Directors ("Board") has declared an interim dividend of 36.0 cents per share, representing 61.2% of adjusted HEPS.

We have made strong progress across all our strategic projects, aligned with our long-term strategy of providing person centred health and care that is digitally enabled and data driven. This reinforces our ability to respond to the rapidly evolving dynamics which are driving demand in the healthcare sector. As we transition into the operational phase of our strategy, the Group is well positioned to unlock value and deliver sustainable growth and returns for shareholders.



2. In December 2024, a fire occurred at the 358-bed Netcare Pretoria East Hospital, affecting activity in multiple wards and seven theatres. As a result, certain disciplines have experienced temporary disruptions while restoration efforts are underway. Accordingly, paid patient day and occupancy metrics for H1 2025 have been reported excluding this facility.

Commentary continued

Group financial overview

Netcare is encouraged by the strong financial performance in H1 2025, notwithstanding a constrained and competitive operating environment.

Group revenue for H1 2025 increased by 5.3% to R12 677 million from R12 034 million in the six months ended 31 March 2024 ("H1 2024" or the "prior period"). Normalised Group EBITDA for H1 2025 improved by 8.3% to R2 347 million (H1 2024: R2 167 million). Pleasingly, the Group EBITDA margin increased by 50 basis points to 18.5% in H1 2025 from 18.0% in H1 2024.

The lower levels of load shedding across our facilities in H1 2025 resulted in a reduction in diesel costs from the use of generators. However, this benefit was largely offset by significant increases in electricity tariffs and, to a lesser extent, higher electricity utilisation from the national grid.

In H1 2025, the Group incurred operational costs relating to strategic projects of R31 million (H1 2024: R87 million). EBITDA margin excluding

strategic costs improved to 18.8% (H1 2024: 18.7%).

Normalised operating profit for H1 2025 increased by 10.7% from R1 502 million in the prior period to R1 663 million.

Net interest paid (excluding interest on lease liabilities) increased marginally to R272 million (H1 2024: R265 million), notwithstanding the share buyback program during the review period.

Normalised profit before taxation increased by 15.4% to R1 154 million (H1 2024: R1 000 million). The normalised taxation charge amounted to R328 million (H1 2024: R284 million), reflecting an effective tax rate of 28.4% (H1 2024: 28.4%).

Earnings from joint ventures increased by 38.9% to R25 million, compared to R18 million in H1 2024, driven by a strong performance at National Renal Care from the growth of renal dialysis services.

Profit for the period increased by 16.7% to R826 million (H1 2024: R708 million) and adjusted HEPS increased by 20.0% to 58.8 cents (H1 2024: 49.0 cents).

Financial position

	<i>Unaudited</i>		
Rm	31 March 2025	31 March 2024	30 September 2024
Assets			
Property, plant, equipment, goodwill and intangible assets	16 298	15 793	16 333
Right of use assets	4 121	4 222	4 418
Deferred tax assets	623	712	668
Other non-current assets	653	685	590
Current assets	4 783	4 959	4 580
Cash and cash equivalents	1 298	1 601	1 802
Total assets	27 776	27 972	28 391
Equity and liabilities			
Total shareholders' equity	10 810	11 135	10 972
Borrowings	6 924	7 442	7 108
Lease liabilities – long and short term	5 324	5 246	5 541
Deferred tax liabilities	290	269	265
Other liabilities	4 428	3 880	4 505
Total equity and liabilities	27 776	27 972	28 391

Commentary continued

At 31 March 2025, total assets decreased to R27 776 million from R28 391 million at 30 September 2024.

Total shareholders' equity decreased to R10 810 million from R10 972 million, after the payment of ordinary dividends and share buybacks totalling R984 million in H1 2025.

Total capex, including strategic projects, amounted to R434 million for H1 2025, of which R54 million related to expansionary projects.

At 31 March 2025, the Group's cash resources and available undrawn committed facilities amounted to R2.3 billion.

Group net debt (exclusive of IFRS 16 lease liabilities) increased slightly to R5.6 billion from R5.3 billion at 30 September 2024 due to the payment of ordinary dividends and share buybacks. The net bank debt to annualised EBITDA ratio at 31 March 2025 was 1.2 times (31 March 2024: 1.3 times). The EBITDA/net interest cover remains strong at 4.3 times (H1 2024: 4.2 times).

Divisional review

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		% change	Year ended
	31 March 2025	31 March 2024		30 September 2024
Revenue	12 347	11 705	5.5	24 506
Normalised ³ EBITDA	2 266	2 096	8.1	4 366
Normalised ³ operating profit	1 624	1 474	10.2	3 121
Normalised ³ EBITDA margin (%)	18.4	17.9		17.8
Normalised ³ operating profit margin (%)	13.2	12.6		12.7
Total occupancy ⁴ (%)	63.7	62.8		64.9
Occupancy ⁴ (full week) – acute hospital (%)	63.1	62.1		64.3
Occupancy ⁴ (weekday) – acute hospital (%)	67.7	66.8		69.1
Occupancy (full week) – mental health (%)	68.2	69.3		70.3
Percentage change in PPD:				
Total ⁴ (%)	1.1			
Acute hospital ⁴ (%)	1.4			
Mental health (%)	(1.3)			

3. Normalised excludes the impact of exceptional items.

4. In December 2024, a fire occurred at the 358-bed Netcare Pretoria East Hospital, affecting activity in multiple wards and seven theatres. As a result, certain disciplines have experienced temporary disruptions while restoration efforts are underway. Accordingly, paid patient day and occupancy metrics for H1 2025 have been reported excluding this facility.

Commentary continued

The Hospital and emergency services segment delivered a steady performance for H1 2025. Revenue increased by 5.5% to R12 347 million (H1 2024: R11 705 million). Total PPD increased by 1.1%, driven by a 1.4% increase in acute PPD, while mental health PPD declined by 1.3% in line with expectations.

Aligned with broader sectoral trends, medical cases continue to grow at a faster rate than surgical cases, with ongoing outmigration of lower-margin surgical procedures and declining maternity cases. While the industry-wide downturn in maternity volumes persists, the rate of decline within the Group's operations has moderated. Furthermore, although the Group's innovative initiative to capture market share in the maternity segment is still in its early stages, performance in H1 2025 has been encouraging.

Total surgical cases comprised 51.4% of PPD (H1 2024: 51.7%) and medical cases 48.6% (H1 2024: 48.3%). Notwithstanding this trend, surgical cases still contribute more than 70% of revenue. Additionally, the case mix remains more complex than before the COVID-19 pandemic as reflected in the intensive care and high care PPD that continue to outperform 2019 levels.

Higher volume growth from lower cost Designated Service Provider network options, as well as data driven clinical efficiencies which were passed on to medical schemes, resulted in revenue per PPD growth of 4.1% in H1 2025.

The average case severity remains above 2019 levels. However, the overall acute length of stay declined marginally to 4.4 days in H1 2025 (H1 2024: 4.5 days), with a high increase in less severe medical admissions during the review period.

Increased activity levels resulted in an improvement in acute occupancy to 63.1% (H1 2024: 62.1%).

Demand for mental health services remains robust. However, the temporary unavailability of beds at certain high occupancy sites for essential refurbishment work constrained capacity. Consequently, mental health occupancy levels decreased from 69.3% in H1 2024 to 68.2% in the review period.

Normalised EBITDA for the Hospital and emergency services segment increased by 8.1% to R2 266 million from R2 096 million in H1 2024, while EBITDA margins improved from 17.9% in H1 2024 to 18.4% in H1 2025.

The Group's fully integrated, digitised ecosystem, underpinned by cutting-edge technology, clinical centres of excellence, and the distinction of operating the only four Level 1 accredited trauma facilities in the private sector in South Africa, continues to attract leading medical professionals. In line with this, the Group granted admission rights to a net 64 specialists during H1 2025.



Primary care

Rm	Unaudited six months ended			Year ended
	31 March 2025	31 March 2024	% change	30 September 2024
Revenue	337	337		712
EBITDA	81	71	14.1	164
Operating profit	39	28	39.3	77
EBITDA margin (%)	24.0	21.1		23.0
Operating profit margin (%)	11.6	8.3		10.8

For H1 2025, medical and dental visits declined by 0.9% on a same-store basis against H1 2024, reflective of the constrained consumer environment. This resulted in revenue being flat when compared to the prior period.

Notwithstanding the challenging environment, EBITDA increased by 14.1%, driven by ongoing operational efficiencies.

Strategic update

The Group's strategic projects gained further traction in H1 2025, progressing in line with expectations and making a meaningful contribution to the advancement of our long-term strategic objectives.

The Group incurred operational expenditure of R31 million in H1 2025 (H1 2024: R87 million) on various strategic initiatives aligned with our long-term objectives, of which R25 million was attributable to NetcarePlus. The 'Digitally Enabled' first phase of our strategy was successfully completed in FY 2024. As a result, no further strategic costs were incurred in H1 2025, with all related operational costs now fully integrated into the cost base of the Hospital Division.

Person centred health and care, digitally enabled and data driven

Netcare's ten-year strategy is fundamentally reshaping the way we deliver health and care. Anchored in response to three global healthcare megatrends of customer centricity, digitisation, and data-driven care, the strategy capitalises on the Group's unique, integrated ecosystem of assets

and services to create a more connected, efficient, and responsive healthcare experience.

The strategy is structured around three core phases of being digitally enabled, data driven, and ultimately person centred. We are making substantial progress in executing this vision, firmly positioning Netcare at the forefront of healthcare innovation and ensuring the long-term delivery of sustainable value to all stakeholders.

The first phase of our ambitious digitisation programme entailed digitising the Group's entire clinical ecosystem, spanning seven delivery platforms, including the implementation of an Electronic Medical Record (EMR) system. This foundational phase was successfully completed in April 2024 and marked a pivotal point in the Group's transformation journey. Beyond the significant enhancements in clinical and patient experience, the project has already yielded exceptional financial returns, delivering an internal rate of return (IRR) exceeding 23% and cumulative gross cash savings and cost avoidance of R439 million since FY 2022, surpassing original expectations.

This success lays a robust foundation for the second phase, which is now well underway and will unfold over the next two to three years.

As part of our 'Data Driven' strategic approach, the Group is leveraging over 50 GB of clinical data generated daily to enhance clinical efficiency, improve patient safety, drive better outcomes, and optimise cost-effectiveness. This phase is underpinned by the deployment of advanced data

analytics, reinforcing our commitment to delivering high quality, value-based care.

We are developing capabilities in predictive analytics and have made significant progress, with the South African Health Products Regulatory Authority (SAHPRA) approving our algorithm for the early detection of sepsis (blood stream infections) in ICU patients. This innovation enables earlier clinical interventions and meaningfully enhances patient care and outcomes.

In addition, an advanced analytics platform has been deployed, equipping clinical teams with real-time, actionable insights. Beyond the substantial clinical and patient benefits, this capability positions the Group to reduce the cost per clinical event, reduce morbidity and mortality rates, and improve overall efficiency.

Going forward, clinicians will benefit from the integration of Generative AI and Natural Language Processing tools, which will streamline the publication of large-scale clinical research. This supports their leadership in medical and surgical research and reinforces our commitment to upholding the highest standards of clinical excellence in South Africa.

Concurrently, the third phase of the transformation focuses on 'Person Centred Health and Care' and is being rolled out over the next three to four years. This initiative will empower patients with direct access to their health records, enabling more meaningful engagement in their care journey and ensuring that care delivery is deeply aligned with their individual needs and preferences.

Together, these integrated phases entrench a powerful competitive and first mover advantage for the Group by redefining how care is delivered while reinforcing its commitment to innovation, clinical excellence, and patient empowerment.

Akeso

Demand for quality mental healthcare services continues to grow, and we remain firmly committed to expanding access and pursuing new opportunities in this vital space. Construction of the Netcare Akeso Polokwane facility (87 beds) is advancing well and remains on track for commissioning in March 2026. In response to the significant and increasing need for mental health support in the broader Tshwane region, we will also be commissioning the new Netcare Akeso Montana facility (88 beds) in October 2026. Furthermore, the Netcare Akeso Alberlito facility (80 beds) is



scheduled to open its doors in March 2027, strengthening our national footprint and reinforcing our dedication to meeting the mental healthcare needs of communities across South Africa.

Promoting access to healthcare

NetcarePlus is a key growth enabler within the Netcare Group, offering a comprehensive suite of innovative healthcare products and funding solutions that expand access to private healthcare beyond traditional medical scheme membership. The product portfolio includes gap cover, emergency and primary care insurance, employee wellness programmes, prepaid healthcare vouchers for consultations and elective procedures across multiple specialities, including ophthalmology, ENT, gynaecology, orthopaedics, urology, and general surgery.

Strong sales momentum and growth in H1 2025 in both retail and corporate channels underscore the role of NetcarePlus in broadening the addressable market and driving incremental patient volumes into the Netcare ecosystem. Similarly, NetcarePlus GapCare products continue to enhance patient retention in hospitals not listed on designated provider networks, preserving revenue within the

system and strengthening Netcare's competitive positioning in the evolving healthcare landscape.

Netcare Diagnostics

Netcare Diagnostics, in partnership with the Black female-owned pathology service provider Dr Esihle Nomlomo Inc., continues to show strong growth in revenue and the number of pathology tests performed.

To date, four laboratories have been commissioned, along with the deployment of 124 blood gas analysers across Netcare's ICU and High Care units. In addition, 127 point of care devices have been operationalised at 19 emergency departments, with plans to extend the service in H2 2025. The pathology service has also been introduced at 24 Medicross facilities, eight of which now offer point of care testing.

Environmental sustainability

Netcare completed the first phase of its ten-year environmental sustainability strategy in 2023, achieving a 39% reduction in energy intensity per bed. This resulted in a cumulative benefit of R1.5 billion in savings and cost avoidance, delivering an IRR of 40%.



The Group is now well advanced in Phase 2 of its strategy, which focuses on achieving net zero Scope 2 emissions by 2030 through a full transition to renewable energy sources. In addition, Netcare is targeting a combined 84% reduction in Scope 1 and Scope 2 emissions. This phase also places strong emphasis on waste, water and backup energy. Notably, a key objective is to achieve zero waste to landfill, alongside a 20% reduction in freshwater utilisation, of which 16.8% has already been realised since 2022.

Netcare's renewable energy wheeling agreement with NOA Group Trading (a renewable energy trader) reached unconditional status in 2024. This agreement, involving wind power supply, now applies across the initial six facilities (FY 2024: five facilities) included in Phase 1 of our "100% Renewable Energy by 2030" initiative. These sites are on track to receive up to 100% of their electricity from renewable sources by September 2026.

Our 2030 strategy is focused on delivering continued financial efficiencies through modest capital investment, while advancing our longer-term ambition of achieving net zero emissions by 2050. The strategy is fully aligned with South Africa's Just Energy Transition Investment Plan and the 1.5°C pathway outlined by the COP21 Paris Accord and has been approved by the Science Based Targets Initiative.

Netcare continues to set the benchmark for sustainability in the healthcare sector and remains firmly positioned as the market leader in environmental stewardship. In a groundbreaking initiative, marking yet another first for the South African healthcare industry, the Group is piloting an anaerobic digestion plant at Netcare Alberton Hospital. This innovative system transforms food waste into methane, which is then captured and converted into usable energy for the facility, further reducing our environmental footprint.

Our commitment to sustainability extends well beyond operational practices and continues to receive international recognition. In 2024, Netcare was named runner-up in the prestigious

Association of Energy Engineers (AEE) Corporate Energy Management International Award, and received the Sub-Saharan Africa Regional Award, further underscoring our leadership on the continent.

Building on this momentum, in April 2025, Netcare was honoured as the Global Winner of the AEE 2025 Corporate Energy Management International Award, presented at the World Energy Conference in Atlanta, USA. This award spans all sectors, not just healthcare, which makes this global recognition a powerful testament to the pioneering work Netcare continues to deliver.

These accolades reflect more than just technical excellence; they affirm our long-standing commitment to innovation, sustainability, and meaningful impact, not only within healthcare but across the broader global sustainability landscape.

Transformation

We remain firmly committed to transforming Netcare and contributing to society. We are a Level 3 B-BBEE accredited company. Were we permitted to train the number of nurses we have historically trained, we would comfortably achieve a Level 1 rating. We remain the largest employer of disabled people in the healthcare sector and listed entities that employ more than 10 000 people.

NHI

Netcare has long recognised the pressing need to address the deficiencies and inequities in healthcare access and delivery in South Africa. As the country's largest private hospital services provider, the Group is well positioned to support the government's efforts to expand access to quality healthcare for all South Africans.

In May 2024, the President signed the National Health Insurance (NHI) Act into law. Despite ongoing concerns and anticipated legal challenges, the Minister of Health published the first draft regulations under the NHI Act on 6 March 2025, inviting public comment over a three-month period.

Several legal actions have since been initiated against the NHI Act by various stakeholders, including Solidarity, the Board of Healthcare Funders (BHF), the South African Private Practitioners Forum, the Hospital Association of South Africa (HASA), and the South African Medical Association.

We believe that a collaborative partnership between the public and private sectors is essential to developing sustainable and affordable solutions that advance the goal of universal healthcare. Notwithstanding these legal proceedings, Netcare remains committed to constructive engagement and stands ready to work in partnership to meaningfully reform and strengthen South Africa's health system.

Outlook

While we are cautiously optimistic about the positive trajectory of some key economic indicators, most notably the two recent interest rate cuts and the ongoing decline in inflation, the broader operating environment remains challenging. Formal sector employment levels have yet to show meaningful improvement, and persistent global uncertainty, along with escalating geopolitical risks, could further dampen GDP growth, impact the country's macroeconomic outlook, and erode investor sentiment.

However, notwithstanding sluggish growth in formal sector employment, we are reassured by the strong increase in new members over the past year within one of the largest restricted medical schemes. Furthermore, demand for high-quality private healthcare remains underpinned by an ageing insured population and consistent increases in the burden of disease.

While the recent interest rate cuts have provided some relief, consumers continue to face financial pressures, reinforcing the shift in preference towards more affordable, restricted network plans. Our extensive geographic footprint, together with our NetcarePlus GapCare offering, strategically position us to maintain a meaningful share of patient volumes within these cost-conscious networks. We remain committed to managing

overall financial performance by carefully balancing the key drivers of price and volume, thereby supporting margin protection and enhancing growth. This alignment with evolving consumer demand ensures that we remain accessible and competitive within an increasingly price-sensitive environment.

We are confident that our differentiated strategy, anchored in person centred health and care that is digitally enabled and data driven not only strengthens our ability to navigate a challenging macroeconomic environment and maintain relevance in the restricted network space, but also positions the Group to continue delivering sustainable earnings growth and meaningful returns for our shareholders.

Guidance

We are encouraged by the H1 2025 performance. However, in line with expectations and the broader sector patterns, activity decelerated during Easter and school holidays, which fell at the beginning of H2 2025. This influences comparative analysis, since in FY 2024 the Easter holidays fell in the first half (H1 2024). Acute occupancy to date is currently trending at 64.0%. Similarly, Akeso occupancy is currently trending at 68.9%.

Notwithstanding these seasonal factors, the Group remains on track to achieve the guidance as published in the FY 2024 results, which is included below for reference:

- *For FY 2025, the Group expects revenue growth of between 5.0% and 6.0%. Total PPD are expected to grow by between 0.8% and 1.3%.*
- *The Group will continue to focus on operational efficiency and strategic innovation, streamlining processes to reduce costs, and investing in technology that enhances patient care and service delivery. Costs of R60 million will be incurred in FY 2025 for environmental sustainability and NetcarePlus, which are critical enablers of our strategy.*
- *The increased activity and operational efficiencies are expected to support further EBITDA margin expansion, improved earnings and higher ROIC.*

- *Total capital expenditure for FY 2025 is estimated at R1.5 billion.*
- *We will continue to maintain an optimal capital structure, and the strength of the statement of financial position and the ongoing improvement in operational performance of the underlying businesses will continue to support dividend payments in line with our dividend policy, where we seek to return between 50% - 70% of adjusted headline earnings to shareholders. Additionally, the Group will continue to consider share buybacks in our capital efficiency programme.*

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

Acknowledgement

These achievements are a direct result of the resilience, dedication, and professionalism of our employees. We remain firmly committed to placing their growth, development, and wellbeing at the heart of our strategic priorities.

We extend our sincere gratitude to all our staff and clinicians for their unwavering commitment to supporting the successful implementation of the first phase of our strategy and look forward to navigating the remaining phases together. Their dedication to our core purpose of delivering the best and safest care has been instrumental in advancing Netcare's strategic and operational objectives.

Dividend

Declaration of dividend number 29

Notice is hereby given of the declaration of a gross interim dividend of 36.0 cents per ordinary share for the six months ended 31 March 2025. The dividend has been declared from income reserves and is payable to shareholders recorded in the register at the close of business on Friday, 11 July 2025. The number of ordinary shares (inclusive of treasury shares) in issue at the date of this declaration is 1 364 628 089. The dividend will be subject to a local dividend withholding tax at a rate of 20%, which will result in a net final dividend to those shareholders not exempt from paying dividend withholding tax of 28.8 cents per ordinary

share and 36.0 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 (as amended) has been duly considered, applied and satisfied.

The salient dates applicable to the dividend are as follows:

Last day to trade cum dividend	Tuesday, 8 July 2025
Trading ex-dividend commences	Wednesday, 9 July 2025
Record date	Friday, 11 July 2025
Payment date	Monday, 14 July 2025

Share certificates may not be dematerialised nor rematerialised between Wednesday, 9 July 2025 and Friday, 11 July 2025, both dates inclusive.

On Monday, 14 July 2025, 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, 14 July 2025.

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

On behalf of the Board

Alex Maditise
Chairperson

Richard Friedland
Chief Executive Officer

Keith Gibson
Chief Financial Officer

Sandton

15 May 2025

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Condensed Group statement of profit or loss

Rm	Notes	Unaudited six months ended		Year ended
		31 March 2025	31 March 2024	30 September 2024
Revenue¹		12 677	12 034	25 202
Cost of sales		(6 357)	(6 079)	(12 746)
Gross profit		6 320	5 955	12 456
Other income		263	248	546
Administrative and other expenses		(4 820)	(4 629)	(9 638)
Net impairment losses on financial assets		(100)	(83)	(205)
Operating profit	2	1 663	1 491	3 159
Investment income		69	97	205
Finance costs	3	(610)	(613)	(1 269)
Other financial gains/(losses) – net		2	(2)	(8)
Attributable earnings/(losses) of associates		5	(2)	(4)
Attributable earnings of joint ventures		25	18	55
Profit before taxation		1 154	989	2 138
Taxation	4	(328)	(281)	(591)
Profit for the period		826	708	1 547
<i>Attributable to:</i>				
Owners of the parent		754	646	1 436
Preference shareholders		32	31	63
		786	677	1 499
Non-controlling interests		40	31	48
		826	708	1 547
Cents				
Basic earnings per share		59.3	48.7	110.4
Diluted earnings per share		59.1	48.7	108.9

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

Condensed Group statement of comprehensive income

Rm	Unaudited six months ended		Year ended
	31 March 2025	31 March 2024	30 September 2024
Profit for the period	826	708	1 547
Items that will not subsequently be reclassified to profit or loss	3	—	—
Fair value adjustment on equity investments	3	—	—
Items that may subsequently be reclassified to profit or loss	4	(19)	(33)
Effect of cash flow hedge accounting	5	(26)	(45)
Amortisation of cash flow hedge accounting reserve	(3)	(21)	(27)
Change in the fair value of cash flow hedges	8	(5)	(18)
Taxation on items that may subsequently be reclassified to profit or loss	(1)	7	12
Other comprehensive income for the period	7	(19)	(33)
Total comprehensive income for the period	833	689	1 514
<i>Attributable to:</i>			
Owners of the parent	761	627	1 403
Preference shareholders	32	31	63
Non-controlling interests	40	31	48
	833	689	1 514

Condensed Group statement of financial position

Unaudited

Rm	Notes	31 March 2025	31 March 2024	30 September 2024
ASSETS				
Non-current assets				
Property, plant and equipment		14 381	13 902	14 413
Right of use assets		4 121	4 222	4 418
Goodwill		1 601	1 606	1 606
Intangible assets		316	285	314
Equity-accounted investments, loans and receivables	5	607	632	544
Financial assets	6	40	32	26
Deferred lease assets		6	21	20
Deferred taxation		623	712	668
Total non-current assets		21 695	21 412	22 009
Current assets				
Loans and receivables	5	21	28	22
Financial assets	6	—	19	17
Inventories	7	760	791	550
Trade and other receivables		3 956	4 075	3 940
Taxation receivable		46	46	51
Cash and cash equivalents		1 298	1 601	1 802
Total current assets		6 081	6 560	6 382
Total assets		27 776	27 972	28 391
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		4 077	4 297	4 233
Treasury shares		(4 036)	(4 032)	(4 306)
Other reserves		544	537	563
Retained earnings		9 529	9 655	9 799
Equity attributable to owners of the parent		10 114	10 457	10 289
Preference share capital and premium		644	644	644
Non-controlling interests		52	34	39
Total shareholders' equity		10 810	11 135	10 972
Non-current liabilities				
Long-term debt	8	6 155	6 055	5 505
Long-term lease liabilities		4 631	4 495	4 810
Financial liabilities	6	8	1	15
Post-employment healthcare benefit obligations		540	511	526
Deferred taxation		290	269	265
Provisions		38	19	35
Total non-current liabilities		11 662	11 350	11 156
Current liabilities				
Trade and other payables		3 708	3 298	3 786
Short-term debt	8	769	1 387	1 603
Short-term lease liabilities		693	751	731
Financial liabilities	6	—	12	14
Taxation payable		134	39	129
Total current liabilities		5 304	5 487	6 263
Total equity and liabilities		27 776	27 972	28 391

Condensed Group statement of cash flows

Rm	Unaudited six months ended		Year ended
	31 March 2025	31 March 2024	30 September 2024
Cash flows from operating activities			
Cash received from customers	12 564	11 408	24 689
Cash paid to suppliers and employees	(10 495)	(10 334)	(20 315)
Cash generated from operations	2 069	1 074	4 374
Interest paid on debt	(322)	(329)	(679)
Interest paid on lease liabilities	(269)	(251)	(511)
Taxation paid	(255)	(145)	(345)
Ordinary dividends paid to non-controlling interest in subsidiaries	(29)	(21)	(50)
Ordinary dividends paid to owners of the parent	(511)	(463)	(850)
Preference dividends paid	(32)	(31)	(63)
Distribution to beneficiaries of the HPFL B-BBEE ¹ trusts	(4)	(4)	(7)
Net cash from operating activities	647	(170)	1 869
Cash flows from investing activities			
Advances (to)/from associates	(13)	14	27
Advances from/(to) joint ventures	18	(9)	58
Payments for acquisition of property, plant and equipment ²	(406)	(494)	(1 463)
Payments for additions to intangible assets	(28)	(16)	(56)
Proceeds on disposal of property, plant and equipment and intangible assets	2	33	40
Proceeds on disposal of investment in subsidiaries	2	—	—
Cash and cash equivalents of businesses deconsolidated (Payments for)/proceeds from investments and loans	(3)	—	—
Interest received	(23)	(6)	7
Dividends received	69	97	205
	4	—	28
Net cash from investing activities	(378)	(381)	(1 154)
Cash flows from financing activities			
Acquisition of treasury shares	(473)	(146)	(722)
Debt raised	1 150	1 600	2 600
Debt repaid	(1 322)	(1 465)	(2 814)
(Payments for)/proceeds from acquisition of non-controlling interest	(1)	4	3
Payment of principal elements of lease liabilities	(127)	(119)	(258)
Net cash from financing activities	(773)	(126)	(1 191)
Net decrease in cash and cash equivalents	(504)	(677)	(476)
Cash and cash equivalents at the beginning of the period	1 802	2 278	2 278
Cash and cash equivalents at the end of the period	1 298	1 601	1 802
Consisting of			
Cash on hand and balances with banks ³	1 300	1 601	1 802
Bank overdrafts	(2)	—	—
	1 298	1 601	1 802

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

2. Included in payments for acquisition of property, plant and equipment is R11 million of capitalised borrowing costs (March 2024: R12 million; September 2024: R25 million).

3. Includes restricted cash balances of R265 million (March 2024: R474 million; September 2024: R229 million).

Condensed Group statement of changes in equity

Rm	Ordinary share capital	Treasury shares	Cash flow hedge accounting reserve
Balance at 1 October 2023	4 297	(3 926)	25
Transfer ¹	—	40	—
Purchase of treasury shares	—	(146)	—
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Dividend withholding tax	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE trusts ²	—	—	—
Changes in equity interests in subsidiaries	—	—	—
Total comprehensive income for the period	—	—	(19)
Profit for the period	—	—	—
Other comprehensive income	—	—	(19)
Balance at 31 March 2024	4 297	(4 032)	6
Shares cancelled during the period	(64)	282	—
Transfer ¹	—	20	—
Purchase of treasury shares	—	(576)	—
Capital gains tax attributable to the sale of treasury shares	—	—	—
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Dividend withholding tax	—	—	—
Reserve movement – other	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE trusts ²	—	—	—
Changes in equity interests in subsidiaries	—	—	—
Total comprehensive income for the period	—	—	(14)
Profit for the period	—	—	—
Other comprehensive income	—	—	(14)
Balance at 30 September 2024	4 233	(4 306)	(8)
Shares cancelled during the period	(156)	663	—
Transfer ¹	—	80	—
Purchase of treasury shares	—	(473)	—
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Dividend withholding tax	—	—	—
Reserve movement – other	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE trusts ²	—	—	—
Changes in equity interest in subsidiaries	—	—	—
Total comprehensive income for the period	—	—	4
Profit for the period	—	—	—
Other comprehensive income	—	—	4
Balance at 31 March 2025	4 077	(4 036)	(4)

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

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

Share-based payment reserve	Retained earnings	Equity attributable to owners of the parent	Preference share capital and premium	Non-controlling interests	Total shareholders' equity
501	9 479	10 376	644	21	11 041
(39)	(1)	—	—	—	—
—	—	(146)	—	—	(146)
69	—	69	—	—	69
—	—	—	(31)	—	(31)
—	(463)	(463)	—	(21)	(484)
—	(3)	(3)	—	—	(3)
—	(4)	(4)	—	—	(4)
—	1	1	—	3	4
—	646	627	31	31	689
—	646	646	31	31	708
—	—	(19)	—	—	(19)
531	9 655	10 457	644	34	11 135
—	(218)	—	—	—	—
(21)	1	—	—	—	—
—	—	(576)	—	—	(576)
—	(10)	(10)	—	—	(10)
61	(1)	60	—	—	60
—	—	—	(32)	—	(32)
—	(387)	(387)	—	(29)	(416)
—	(11)	(11)	—	—	(11)
—	(16)	(16)	—	—	(16)
—	(3)	(3)	—	—	(3)
—	(1)	(1)	—	17	16
—	790	776	32	17	825
—	790	790	32	17	839
—	—	(14)	—	—	(14)
571	9 799	10 289	644	39	10 972
—	(507)	—	—	—	—
(81)	1	—	—	—	—
—	—	(473)	—	—	(473)
58	—	58	—	—	58
—	—	—	(32)	—	(32)
—	(511)	(511)	—	(29)	(540)
—	(5)	(5)	—	—	(5)
—	(1)	(1)	—	—	(1)
—	(4)	(4)	—	—	(4)
—	—	—	—	2	2
—	757	761	32	40	833
—	754	754	32	40	826
—	3	7	—	—	7
548	9 529	10 114	644	52	10 810

Headline earnings

Rm	Unaudited six months ended		Year ended
	31 March 2025	31 March 2024	30 September 2024
Reconciliation of headline earnings			
Profit for the period	826	708	1 547
<i>Adjusted for:</i>			
Dividends paid on shares attributable to the Single Incentive Plan and HPFL B-BBEE ¹ Trust units	(15)	(14)	(24)
Preference shareholders	(32)	(31)	(63)
Non-controlling interests	(40)	(31)	(48)
Profit for the purposes of basic and diluted earnings per share			
	739	632	1 412
<i>Adjusted for:</i>			
Profit on disposal of property, plant and equipment and intangible assets	—	(14)	(13)
Loss on disposal of property, plant and equipment and intangible assets	6	6	13
Recognition of net impairment on property, plant and equipment in operating profit	—	10	38
Profit on disposal of subsidiaries	(7)	—	—
Tax effect of headline adjusting items ²	(2)	—	(5)
Headline earnings	736	634	1 445

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

2. Amount for March 2024 is less than R1 million.

Headline earnings continued

Rm	Unaudited six months ended		Year ended
	31 March 2025	31 March 2024	30 September 2024
Adjusted headline earnings			
Headline earnings	736	634	1 445
<i>Adjusted for:</i>			
Impairment of short-term associate loans	1	1	3
Fair value loss on derivative financial instruments	—	—	4
Ineffectiveness (gains)/losses on cash flow hedges	(2)	2	4
Reversal of impairment on short-term loans	(7)	—	—
Regulatory review costs	7	—	—
Net reversal of impairment on short-term joint venture loans	—	(1)	(1)
Tax effect of adjusting items	(2)	(1)	(1)
Adjusted headline earnings	733	635	1 454
Cents			
Headline earnings per share	59.1	48.9	113.0
Diluted headline earnings per share	58.9	48.9	111.4
Adjusted headline earnings per share	58.8	49.0	113.7
Diluted adjusted headline earnings per share	58.6	49.0	112.0

Adjusted headline earnings per share is an alternative non-IFRS measurement used by the chief operating decision maker as a key measure of sustainable earnings from trading operations and used in setting the dividend to be paid to shareholders. The calculation of adjusted headline earning 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. Non-IFRS measures are not defined by IFRS Accounting Standards nor the JSE Listings Requirements, and may not be uniformly defined by others resulting in direct non-comparability to similarly labelled measures and disclosures.

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

- Gains or losses on financial instruments;
- Impairments and reversal of impairments on loans;
- Acquisition costs;
- Regulatory review 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 2025						
Statement of profit or loss						
Revenue	11 416	931	12 347	337	(7)	12 677
EBITDA ²	2 138	128	2 266	81	—	2 347
Depreciation and amortisation	(547)	(95)	(642)	(42)	—	(684)
Operating profit	1 591	33	1 624	39	—	1 663
Additional segment information						
Cost of sales (excluding direct payroll)	(3 209)	(148)	(3 357)	(25)	7	(3 375)
Direct payroll	(2 570)	(331)	(2 901)	(81)	—	(2 982)
Property rental received	205	7	212	10	—	222
Indirect payroll (including executive directors)	(1 720)	(117)	(1 837)	(79)	—	(1 916)

1. Relates to revenue earned in the hospital and emergency 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 2024						
Statement of profit or loss						
Revenue	10 897	808	11 705	337	(8)	12 034
EBITDA²	2 046	39	2 085	71	—	2 156
Depreciation and amortisation	(540)	(82)	(622)	(43)	—	(665)
Operating profit/(loss)	1 506	(43)	1 463	28	—	1 491
Additional segment information						
Cost of sales (excluding direct payroll) ³	(3 042)	(162)	(3 204)	(35)	8	(3 231)
Direct payroll ³	(2 461)	(304)	(2 765)	(83)	—	(2 848)
Property rental received ³	193	10	203	12	—	215
Indirect payroll (including executive directors) ³	(1 603)	(110)	(1 713)	(83)	—	(1 796)
Net impairment of property, plant and equipment	(10)	—	(10)	—	—	(10)

1. Relates to revenue earned in the hospital and emergency services segment.

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

3. Additional disclosure has been added in the segmental report.

Condensed segment report continued

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment elimination ¹	Total
30 September 2024						
Statement of profit or loss						
Revenue	22 807	1 699	24 506	712	(16)	25 202
EBITDA²	4 228	115	4 343	148	—	4 491
Depreciation and amortisation	(1 067)	(178)	(1 245)	(87)	—	(1 332)
Operating profit/(loss)	3 161	(63)	3 098	61	—	3 159
Additional segment information						
Cost of sales (excluding direct payroll)	(6 419)	(330)	(6 749)	(70)	16	(6 803)
Direct payroll	(5 136)	(641)	(5 777)	(166)	—	(5 943)
Property rental received	394	19	413	22	—	435
Indirect payroll (including executive directors)	(3 366)	(225)	(3 591)	(180)	—	(3 771)
Net impairment of property, plant and equipment	(16)	(6)	(22)	(16)	—	(38)

1. Relates to revenue earned in the hospital and emergency services segment.

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

The Group's operations and main revenue streams are described in the Group's last annual financial statements and the disaggregation of revenue as described therein are consistent with the revenue information disclosed for each of the reportable segments above.

Notes to the condensed Group financial statements

1. Basis of preparation and accounting policies

The condensed unaudited interim Group financial statements for the six months ended 31 March 2025 have been prepared in compliance with the Listings Requirements of the JSE Limited, IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), International Accounting Standard (IAS) 34: *Interim Financial Reporting*, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, as well as the Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, No. 71 of 2008 (as amended). These condensed unaudited interim Group financial statements for the six months ended 31 March 2025 should be read in conjunction with the Group's last annual financial statements as at and for the year ended 30 September 2024.

All accounting policies and methods of computation applied in the preparation of these condensed unaudited interim results are in terms of the IFRS Accounting Standards as issued by the International Accounting Standards Board and are consistent in all material respects with those applied in the Group audited annual financial statements for the year ended 30 September 2024, except for the adoption of amended standards. The amended standards that became applicable for the current reporting period 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 Group financial statements continued

Rm	Unaudited six months ended		Year ended
	31 March 2025	31 March 2024	30 September 2024
2. Operating profit	1 663	1 491	3 159
After including:			
Cost of sales	(6 357)	(6 079)	(12 746)
Cost of goods sold	(3 343)	(3 182)	(6 708)
Settlement and volume discounts	39	38	78
Direct payroll	(2 982)	(2 848)	(5 943)
Other	(71)	(87)	(173)
Depreciation and amortisation	(684)	(665)	(1 332)
Depreciation and amortisation of property, plant and equipment and intangible assets	(450)	(440)	(868)
Depreciation of right of use assets	(234)	(225)	(464)
Net impairment of property, plant and equipment	—	(10)	(38)
Employee costs (excluding direct payroll)	(1 916)	(1 796)	(3 771)
Net impairment of financial assets	(100)	(83)	(205)
Movements in expected credit losses related to trade and other receivables	(100)	(83)	(205)
Lease charges	(75)	(72)	(145)
Net (loss)/profit on disposal of property, plant and equipment and intangible assets	(6)	8	—

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 before 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, profit/loss on disposal of investments in associates and joint ventures, and impairments of long-term interests 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 Group financial statements continued

Rm	Unaudited six months ended		Year ended
	31 March 2025	31 March 2024	30 September 2024
3. Finance costs			
Interest on bank loans and other	(62)	(77)	(189)
Interest on promissory notes	(247)	(254)	(506)
Interest expense on lease liabilities	(269)	(251)	(511)
Total funding finance costs	(578)	(582)	(1 206)
Post-employment benefit plan finance costs	(32)	(31)	(63)
	(610)	(613)	(1 269)

Rm	Unaudited six months ended		Year ended
	31 March 2025	31 March 2024	30 September 2024
4. Taxation			
South African normal and deferred taxation			
Current year	(327)	(280)	(582)
Prior years	—	—	(5)
	(327)	(280)	(587)
Foreign normal and deferred taxation			
Current year	(2)	(1)	(4)
Prior years	1	—	—
Total taxation per the statement of profit or loss	(328)	(281)	(591)

Rm	Unaudited		
	31 March 2025	31 March 2024	30 September 2024
5. Equity-accounted investments, loans and receivables			
Non-current			
Associated companies	160	163	157
Joint ventures	281	244	258
Loans and receivables	166	225	129
	607	632	544
Current			
Loans and receivables	21	28	22
Total equity-accounted investments, loans and receivables	628	660	566

Notes to the condensed Group financial statements continued

Unaudited

Rm	Level	31 March 2025	31 March 2024	30 September 2024
6. Financial assets/liabilities				
Derivative financial assets				
Interest rate swaps	2	—	8	2
Non-derivative financial assets				
Investment in Cell Captive	2	2	5	3
Investment in equity instruments ¹	3	38	38	38
		40	51	43
Included in:				
Non-current assets		40	32	26
Current assets		—	19	17
		40	51	43
Derivative financial liabilities				
Interest rate swaps	2	8	1	16
Written put option over non-controlling interests	3	—	12	13
		8	13	29
Included in:				
Non-current liabilities		8	1	15
Current liabilities		—	12	14
		8	13	29

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

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.

Notes to the condensed Group financial statements continued

6. Financial assets/liabilities continued

Fair value measurement

There is no material difference between the fair values of financial instruments measured at amortised cost and the amounts recognised in the statement of financial position.

The following methods are used by the Group to determine the fair value of financial instruments:

Financial assets

Investment in Cell Captive – Level 2

The Cell Captive is mandatorily recognised at fair value through profit and loss. The fair value is derived from the net assets of the cell which mainly comprise financial assets and liabilities accounted for at fair value through profit or loss.

The valuation and assumptions are based on monthly unaudited management accounts received from the insurer. The investment portfolio includes unit trusts, call deposits, money market accounts and cash on hand held for the six month period ended along with outstanding claims and other liabilities.

Fair value gains and losses have been accounted for in the statement of profit or loss for the period.

Investments in Founders Factory Africa and the SA SME Fund – Level 3

These investments in equity are designated at fair value through other comprehensive income at inception. These instruments are not considered core to the Group, and any fair value movements are not reflective of the operating activities of the Group. This designation was therefore considered appropriate. The fair value is derived from the estimated liquidation values of the net assets of the entities (not based upon a forced liquidation valuation approach).

The valuations are based on the estimated liquidation values determined for the net assets on the statement of financial position 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 new businesses of this nature, it is challenging to determine a reliable fair value for the underlying investments. For this reason a liquidation basis approach to our valuation is used.

Fair value gains and losses on the investments in Founders Factory Africa and the SA SME Fund are accounted for in other comprehensive income.

Financial liabilities

Derivative financial liabilities – Level 2

The fair values of the interest rate swap instruments are calculated based on a discounted cash flow model using a number of key assumptions. The fair value of the put-option instrument is calculated using a formula determined on a fixed yield basis of the annual rent of the entity whose shares will be purchased when the option is exercised. There are no enforceable master netting arrangements within the Group to allow for set-off.

The analysis of the values applicable to financial instruments measured at fair value is performed by qualified independent experts, with the exception of the put option which is valued internally (see below). The effectiveness test and valuations were performed as at 31 March 2025.

Notes to the condensed Group financial statements continued

6. Financial assets/liabilities continued

Ratio Offset and Regression Analysis methods were used and modelled the hedged items as interest rate swap instruments, with the notional terms based on the terms of the underlying hedged item provided.

Interest Rate Swaps

Zero coupon perfect fit swap instrument curve as at 31 March 2025 was used to determine the relevant floating interest rates. Standard interest rate swap instrument valuation methodology was used.

The fair value results exclude the estimated impact of non-performance due to counterparty risk (Credit Valuation Adjustment CVA) and our own risk (Debit Valuation Adjustment DVA). This was assessed and determined to be immaterial.

The probability of default was estimated for debt instruments issued by relevant parties, and the potential exposure of default was estimated by utilising a valuation model.

Derivative financial liabilities – Level 3

Written put option instrument

The fair value of the put option is based on the following formula: 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 put option was derecognised during the current financial period.

Analysis of movements in interest rate swap instruments

Rm	Unaudited six months ended		Year ended
	31 March 2025	31 March 2024	30 September 2024
Recognised in profit or loss			
Hedge ineffectiveness ¹	2	(2)	(4)
Reclassification into profit or loss ²	3	21	27
	5	19	23
Recognised in other comprehensive income			
Fair value movements	8	(5)	(18)
Reclassification into profit or loss	(3)	(21)	(27)
	5	(26)	(45)
Cash flow hedge accounting reserve			
Gross	(6)	8	(11)
Deferred tax	2	(2)	3
Net	(4)	6	(8)

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

2. Amounts included in interest.

Notes to the condensed Group financial statements continued

Unaudited

Rm	31 March 2025	31 March 2024	30 September 2024
7. Inventories			
Medical and pharmaceutical merchandise	567	679	352
Crockery, cutlery, linen, soft furnishings and other consumables	193	112	198
	760	791	550

Inventories include personal protective equipment, of which R31 million (March 2024: R83 million; September 2024: R51 million) is expected to be recovered more than 12 months after the reporting period.

Unaudited

Rm	31 March 2025	31 March 2024	30 September 2024
8. Funding			
8.1 Debt			
Long-term debt	6 155	6 055	5 505
Short-term debt	769	1 387	1 603
Total debt	6 924	7 442	7 108
Comprising:			
Unsecured liabilities			
Promissory notes and commercial paper in issue	5 503	4 803	5 876
Bank loans	1 416	2 634	1 227
Other	5	5	5
	6 924	7 442	7 108

Maturity analysis of undiscounted cash flows

Rm	Total	<1 year	1-2 years	2-3 years	3-4 years	>4 years
31 March 2025	8 627	1 364	2 151	2 340	699	2 073
31 March 2024	9 367	2 068	1 276	3 047	1 900	1 076
30 September 2024	8 853	2 168	990	2 282	1 809	1 604

8.2 Lease liabilities

Maturity analysis of undiscounted lease payments

Rm	Total	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years
31 March 2025	12 986	726	650	608	590	582	9 830
31 March 2024	12 779	786	709	665	617	556	9 446
30 September 2024	13 317	761	682	637	618	589	10 030

Notes to the condensed Group financial statements continued

Unaudited

Rm	31 March 2025	31 March 2024	30 September 2024
9. Commitments			
Authorised and contracted for			
Property, plant and equipment	558	852	400
Intangible assets	14	4	—
Authorised but not yet contracted for			
Property, plant and equipment	789	412	1 245
Intangible assets	31	24	—
Capital expenditure commitments	1 392	1 292	1 645

Unaudited

Rm	31 March 2025	31 March 2024	30 September 2024
10. Contingent liabilities			
Guarantees in favour of municipalities and other beneficiaries	26	30	27

11. Events after the reporting period

Shareholders are advised that an ordinary interim dividend of 36.0 cents per share has been declared by the Board of Netcare Limited on 15 May 2025.

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 condensed unaudited interim Group financial statements, which significantly affect the financial position at 31 March 2025 or the results of its operations or cash flows for the period then ended.

Salient features

Unaudited

	31 March 2025	31 March 2024	30 September 2024
Share statistics			
<i>Ordinary shares</i>			
Shares in issue (million)	1 365	1 439	1 418
Shares in issue net of treasury shares (million)	1 219	1 296	1 249
Weighted average number of shares (million)	1 246	1 297	1 279
Diluted weighted average number of shares (million)	1 250	1 297	1 298
Market price per share (cents)	1 317	1 189	1 541

Corporate information

Netcare Limited

Registration number: 1996/008242/06
(Incorporated in the Republic of South Africa)
JSE ordinary share code: NTC
ISIN: ZAE000011953
JSE preference share code: NTCP
ISIN: ZAE000081121
A2X share code: NTC
Listed on the JSE and the A2X Exchanges
("Netcare" or "the Company" or "the Group")

Registered office

76 Maude Street (corner West Street),
Sandton 2196, Private Bag X34
Benmore 2010

Executive directors

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

Non-executive directors

A Maditse (Chairperson), B Bulo,
L Human, I Kirk, R Phillips, L Stephens

Company Secretary

CM Vikisi

Sponsor

Nedbank Corporate and Investment Banking,
a division of Nedbank Limited
135 Rivonia Road
Sandown, 2196

Transfer secretaries

CTSE Registry Services
The District Building, Office B6, 6th Floor,
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Investor relations

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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 which is the responsibility of the directors. It has not been reviewed or reported on by the external auditors and, because of its nature, may not fairly represent Netcare's financial position, changes in equity, results of operations or cash flows.



NETCARE