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Embrace every day

Interim Results

for the six months ended
31 August 2025

Contents

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Group Performance Review

The Group delivered strong results for the first half of the year despite challenging operating conditions, with business development initiatives achieving robust growth in Paid Patient Days (PPDs).

Group revenue increased by 6.2% to R2,862.0 million (2024: R2,695.6 million), driven by a 3.8% rise in PPDs and a 2.4% increase in Revenue per PPD (R/PPD). Our targeted focus on high-acuity work resulted in an 8.9% increase in intensive and high care unit volumes. However, this increase in high acuity volumes only partially offset the negative impact of an industry-wide decline in surgical and maternity admissions, coupled with growth in volumes from lower cost medical aid options.

Our strategy to diversify across the continuum of care continues to gain traction, with Other Income up 23.3% compared to the prior period.

Despite persistent inflationary pressures and double-digit increases in utility tariffs, property rates, and insurance premiums, disciplined cost optimization efforts limited operating expense growth to 6.9%, only marginally above revenue growth. As a result, EBITDA rose by 8.5% to R482.9 million (2024: R445.2 million). Excluding once-off costs related mainly to the share buyback and the operating model redesign project, EBITDA increased by 10.7% to R493 million, translating to a margin of 17.2% (2024: 16.5%). Furthermore, approximately R25 million was expensed during the period for ongoing business development initiatives, with returns expected over the medium term.

Net interest expense declined by 6.0% to R92.4 million (2024: R98.3 million), primarily due to a 100 basis point reduction in lending rates as compared to prior year. Consequently, profit before tax increased by 9.4% to R266.8 million (2024: R243.9 million), or 13.5% when excluding once-off costs.

In August 2025, the Group successfully renegotiated its debt facilities, resulting in an extended tenure and increased debt package to support growth. A fourth bank joined the funding syndicate, further strengthening our access to capital. The enhanced package provides flexibility to return value to shareholders while supporting expansion. As at 31 August 2025, gearing (Net Debt to EBITDA for the past 12 months) was 1.98x, marginally lower than the prior period, with ample headroom across banking facilities.

Cash generated from operations represented 72% of EBITDA (2024: 78%), below our 90% target due to continued slow collections in Botswana. While liquidity challenges in that market persist, overall Group collection trends remain consistent with prior periods. During the period under review, the Group invested R80 million in expanding our capacity alongside the R108.8 million spent on maintaining our income generating assets.

Aligned with our commitment to shareholder value creation, the Group completed a share buyback of 32.4 million shares at R3.00 per share, bringing the total repurchased shares over the past 12 months to 33.7 million shares. In July 2025, a dividend of 11.1 cents per share was declared—an increase of 31.1% year-on-year. The Board remains confident in maintaining this level, subject to solvency and liquidity requirements under the Companies Act.

South African Operations

Revenue from South African operations rose 7.3% to R2,201.5 million (2024: R2,051.6 million), underpinned by 4.7% growth in PPDs and a 2.5% increase in R/PPD, with the same pressures noted in the Group narrative constraining R/PPD growth to below inflation.

EBITDA increased by 12.1% to R409.6 million (2024: R365.4 million), with margins improving to 18.6% (2024: 17.8%). Excluding once-off costs, EBITDA grew 14.8%, achieving a margin of 19.1%. Operating leverage and continued optimisation efforts enabled EBITDA growth to outpace revenue.

Operations Outside South Africa

Revenue from operations outside South Africa rose 2.5% to R660.2 million (2024: R644.0 million).

Our Mozambican operations delivered a robust performance, with revenue up 8.6% and EBITDA increasing 36.4%. Beira Private Hospital achieved exceptional growth, with revenue up 36% and PPDs up 28%, exceeding expectations.

In contrast, Botswana faced continued macroeconomic and liquidity challenges, resulting in a 5.0% revenue decline and a 62.2% reduction in EBITDA, despite strong cost containment measures. The environment remains volatile in the short term, but we expect gradual stabilisation in liquidity and trading conditions over the medium term.

Overall, EBITDA for foreign operations decreased by 8.2% to R73.3 million (2024: R79.8 million).

Prospects

The Group remains encouraged by the solid performance in South Africa and Mozambique and is optimistic over the medium-term in Botswana.

Our strategic priorities remain focused on delivering superior clinical outcomes and patient care, driving revenue growth and diversification, achieving cost optimisation through disciplined management, and executing projects that enhance case mix and offset the impact of medical aid downgrades. Digital transformation and AI-driven initiatives are a central focus to improving operational efficiency, patient satisfaction, and clinical excellence.

We continue to leverage our well-established capability of identifying and assessing opportunities and remain ideally positioned to take advantage of well-considered attractive growth initiatives both locally and offshore. Our proposed expansion into the GCC region is on-track with the opening of our regional office in Dubai. These economies are currently among the global leaders in terms of GDP growth with vast investments being made into the healthcare sector. We remain agile and retain our capital light strategy to enter this market.

The Group remains committed to implementing our growth and value-unlock strategy in a responsible and sustainable manner. We extend our appreciation to all stakeholders for their continued confidence and support.

Condensed Statement of Comprehensive Income

Figures in R'000	GROUP **Unaudited six months ended 31 August 2025**	Unaudited six months ended 31 August 2024	Audited year ended 28 February 2025
Profit and Loss			
Revenue	**2 862 030**	2 695 591	5 254 157
Cost of sales	**(899 432)**	(850 316)	(1 651 740)
GROSS PROFIT	**1 962 598**	1 845 275	3 602 417
Other income	**114 814**	93 093	214 029
Operating costs	**(1 718 158)**	(1 596 168)	(3 196 407)
PROFIT BEFORE INTEREST AND TAXATION	**359 254**	342 200	620 039
Share of profit from associates	**–**	–	1 892
Investment income	**6 894**	6 308	14 040
Finance costs	**(99 333)**	(104 631)	(204 847)
PROFIT BEFORE TAXATION	**266 815**	243 877	431 124
Taxation	**(65 178)**	(65 057)	(130 789)
PROFIT FOR THE PERIOD	**201 637**	178 820	300 335
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation reserve	**(32 334)**	(63 105)	(10 818)
Cash flow hedging reserve for interest rate hedging instrument	**–**	–	–
Total other comprehensive income for the period	**(32 334)**	(63 105)	(10 818)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**169 303**	115 715	289 517
Profit for the period attributable to:			
Non-controlling interests	**11 814**	21 235	23 194
Lenmed Investments Ltd equity holders	**189 823**	157 585	277 141
	201 637	178 820	300 335
Total comprehensive income for the period attributable to:			
Non-controlling interests	**4 036**	17 803	16 559
Lenmed Investments Ltd equity holders	**165 267**	97 912	272 958
	169 303	115 715	289 517
Earnings per share (cents)	**27.21**	22.21	39.11

Headline earnings

Figures in R'000	GROUP **Unaudited six months ended 31 August 2025**	Unaudited six months ended 31 August 2024	Audited year ended 28 February 2025
Profit for the period attributable to Lenmed	**189 823**	157 585	277 141
Add/Less: (Profit)/loss/ on disposal of assets	**–**	–	1
Add/Less: Currencies gains and (losses)	**(2 438)**	(3)	–
Impairment loss			4 225
Total tax effects of adjustments	**658**	–	(1 141)
	188 043	157 582	280 226
BASIC EARNINGS PER SHARE	**27.21**	22.21	39.11
Headline Earnings/ (Loss) per share (cents)	**26.95**	22.21	39.55

Normalised EBITDA

Figures in R'000	GROUP **Unaudited six months ended 31 August 2025**	Unaudited six months ended 31 August 2024	Audited year ended 28 February 2025
EBITDA	**485 385**	445 213	832 986
(Profit)/loss on disposal of assets	**–**	–	1
Currencies gains and (losses)	**(2 438)**	(3)	–
	482 947	445 210	832 987

Condensed Statement of Financial Position

	GROUP		
Figures in R'000	**Unaudited six months ended 31 August 2025**	Unaudited six months ended 31 August 2024	Audited year ended 28 February 2025
Assets			
NON-CURRENT ASSETS			
Property, plant and equipment and investment property	**3 795 592**	3 607 287	3 744 690
Right-of-use assets	**199 719**	220 312	212 899
Goodwill	**547 122**	547 124	547 126
Intangible assets	**31 712**	43 231	31 871
Investment in associates	**19 754**	13 162	20 056
Deferred tax	**201 779**	90 753	109 293
	4 795 678	4 521 869	4 665 935
CURRENT ASSETS			
Inventory	**114 177**	112 295	122 620
Trade and other receivables	**1 506 859**	1 249 751	1 321 852
Cash and cash equivalents	**314 621**	337 772	318 826
	1 935 657	1 699 818	1 763 298
TOTAL ASSETS	**6 731 335**	6 221 687	6 429 233
Equity and Liabilities			
Equity and Reserves			
Stated capital	**326 379**	426 006	423 563
Other Reserves	**210 380**	231 143	238 678
Accumulated profits	**2 323 464**	2 041 137	2 208 647
Non-controlling interests	**396 298**	392 055	388 520
	3 256 521	3 090 341	3 259 408
NON-CURRENT LIABILITIES			
Long term liabilities	**1 719 707**	1 728 333	1 724 317
Loans from non-controlling interests	**85 278**	35 798	28 433
Lease liabilities	**233 943**	251 977	246 477
Deferred taxation	**348 068**	246 303	284 481
	2 386 996	2 262 411	2 283 708
Current Liabilities			
Trade and other payables	**672 567**	601 759	619 351
Provisions	**139 732**	136 923	147 719
Current portion of long term liabilities	**66 457**	25 697	46 566
Current portion of loans from non-controlling interests	**–**	–	9 529
Current portion of lease liabilities	**18 081**	18 047	17 683
Taxation liabilities	**46 577**	26 277	3 006
Bank overdraft	**144 404**	60 232	42 263
	1 087 818	868 935	886 117
TOTAL EQUITY AND LIABILITIES	**6 731 335**	6 221 687	6 429 233

Condensed Statements of Changes in Equity

	GROUP					
Figures in R'000	Stated capital	Foreign currency translation reserve	Accumulated profits	Equity attributable to Group	Non-controlling interest	**Total**
BALANCE AT 31 AUGUST 2024	426 006	231 143	2 041 137	2 698 285	392 055	**3 090 341**
Profit for the period	–	–	119 555	119 555	1 959	**121 514**
Other comprehensive income	–	7 535	47 955	55 490	(3 203)	**52 287**
Dividends	–	–	–	–	(2 291)	**(2 291)**
Share buy back	(2 443)			(2 443)		**(2 443)**
BALANCE AT 28 FEBRUARY 2025	423 563	238 678	2 208 647	2 870 888	388 520	**3 259 408**
Profit for the period	–	–	189 823	189 823	11 814	**210 637**
Other comprehensive income	–	(28 298)	–	(28 298)	(4 036)	**(32 334)**
Dividends	–	–	(75 006)	(75 006)	–	**(75 006)**
Share buy back	(97 184)	–	–	(97 184)	–	**(97 184)**
BALANCE AT 31 AUGUST 2025	326 379	210 380	2 323 464	2 860 223	396 298	**3 256 521**

Condensed Statement of Cash Flows

Figures in R'000	GROUP Unaudited six months ended 31 August 2025	Unaudited six months ended 31 August 2024	Audited year ended 28 February 2025
Cash flows from operating activities			
OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGES	**483 854**	445 854	832 988
Working capital changes			
Decrease in trade and other receivables	**(224 917)**	(133 775)	(243 458)
Increase in inventory	**6 269**	4 664	(4 613)
Increase/(decrease) in trade and other payables	**84 595**	31 377	84 787
CASH GENERATED BY OPERATING ACTIVITIES	**349 801**	348 120	669 704
Investment income	**6 852**	5 969	14 040
Finance costs	**(97 546)**	(99 717)	(197 600)
Income tax paid	**(51 789)**	(33 917)	(103 256)
NET CASH FROM OPERATING ACTIVITIES	**207 318**	220 455	382 888
Cash flows from investing activities			
Property, plant and equipment acquired	**(188 790)**	(113 786)	(275 121)
Proceeds on disposal of Property, plant and equipment	**32**	2 998	3 796
Intangible assets acquired	**(4 663)**	(4 827)	(9 665)
Loans advanced to associates	**–**	–	(1 453)
NET CASH UTILISED IN INVESTING ACTIVITIES	**(193 421)**	(115 615)	(282 443)
Cash flows from financing activities			
Net loans repaid	**64 770**	56 433	(32 535)
Net loans raised			100 738
Lease liability paid	**(9 534)**	(8 705)	(17 576)
Share buyback	**(97 184)**		(2 443)
Dividends paid	**(75 006)**	(68 398)	(66 933)
NET CASH GENERATED BY FINANCING ACTIVITIES	**(116 954)**	(20 670)	(18 749)
(Decrease)/ Increase in cash and cash equivalents	**(103 057)**	84 170	81 696
Effect of exchange rate changes on cash and cash equivalents	**(3 289)**	(4 552)	(3 056)
Cash acquired on acquisition			
Cash and cash equivalents at beginning of the period/ year	**276 563**	197 922	197 923
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/ YEAR	**170 217**	277 540	276 563

Accounting policies

1. Basis of preparation

These condensed unaudited consolidated interim financial statements for the six months ended 31 August 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), IAS 34 Interim Financial Reporting Standard, comply with SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Announcements issued by the Financial Reporting Standards Council and the Companies Act of South Africa. These policies have been consistently applied to all periods presented, unless otherwise stated. They have been prepared on the historical cost basis, unless otherwise stated. This report was compiled under the supervision of Fredre Meiring CA (SA). The Board takes full responsibility for the preparation of these financial results. The accounting policies used in the preparation of these results are in accordance with IFRS and consistent in all material respect with those of the previous annual financial statements. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods. The interim results have not been reviewed or audited by the Group's external independent auditors, PKF Durban.

2. Condensed Segment Information

Consistent with the Group's internal reporting, the chief operating decision maker, being the EXCO, views the Group's operating results as a single segment and makes the decisions about resources to be allocated and assesses performance accordingly. The IFRS 8 required information about the group as a single segment for profit or loss, including specified revenues and expenses, and assets and liabilities have already been discussed elsewhere in these interim results.

Notes to interim financial statements

3. Basis of preparation

An analysis of revenue is as follows:

	Unaudited six months ended 31 August 2025
Non-tariff	871 524
Tariff	1 990 506
Total revenue	**2 862 030**

There were no outstanding performance obligations at year end.

4. Events after the reporting date

The directors are not aware of any other matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Group other than described above.

Company information

Country of incorporation
South Africa

Nature of business
The provision of private patient healthcare, through management and ownership of hospitals and other related health services

Executive directors
- Mr P Devchand
- Mr A Devchand
- Mr F J Meiring

Non-executive Directors
- Ms N V Simamane *(lead independent)*
- Ms B Harie *(independent)*
- Mr V Firman *(independent)*
- Prof B D Goolab
- Dr G Goolab *(independent)*

Registered address
2nd Floor Fountainview House, Constantia Office Park, Corner 14th Avenue and Hendrik Potgieter Road, Constantia Kloof, **Johannesburg**, 1709

Postal address
PO Box 855, Lenasia, **Johannesburg**, 1820

Auditors
PKF Durban, Chartered Accountants (SA)

Registered Auditors
Practice number – 906352E
2nd Floor, 12 on Palm Boulevard Gateway, **KwaZulu-Natal**, 4319

Company secretary
Mr W Somerville
Fernridge Office Park, Block 4, First Floor, 5 Hunter Street, **Randburg**, 2194

Registration number
1980/003108/06

Bankers
Rand Merchant Bank
ABSA Bank

Transfer secretary
Singular Systems (Pty) Ltd t/a Equity Express, 25 Scott Street, Waverly, **Johannesburg**, 2090

Our hospitals

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K43 Highway, Extension 8, Lenasia, **Gauteng**
T +27 87 087 0642 • F +27 11 852 8910

Beira Private Hospital
Estrada Carlos Pereira, Estoril, **Beira**
T +258 8614 44453

Bokamoso Private Hospital
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T +267 369 4000 • F +267 369 4140

Daleside Day Hospital
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T +27(0) 18 464 1009

Daxina Private Hospital
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Ethekwini Hospital and Heart Centre and Lenmed Ethekweni Rehabilitation Centre
11 Riverhorse Drive, Riverhorse Valley Business Estate, Queen Nandi Drive, Durban, **KwaZulu-Natal**
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Howick Private Hospital
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T +27 33 330 2456

Kathu Private Hospital
Frikkie Meyer Street, **Kathu**
T +27 87 158 2700

La Verna Private Hospital
1 Convent Road, Ladysmith, **KwaZulu-Natal**
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Maputo Private Hospital
Rua do Rio Inhamiara, Sommerschield II, Maputo, **Mozambique**
T +258 84 303 0967-9 • F +258 21 49 3680

Mooimed Private Hospital
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Parkmed Neuro Clinic
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Randfontein Private Hospital
Lister Road, Lower Ward Street Extension, **Randfontein**
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Royal Hospital and Heart Centre
Corner Welgevonden and Jacobus Smit Street, Royldene, **Kimberley**
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Shifa Private Hospital
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12 Van Ryneveld Street, Wilkoppies, **Klerksdorp**
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