9. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and to assess their performance.

The Group's segments are aligned to those business units that are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance.

In southern Africa, the hospitals and complementary services segment comprises all the acute hospitals and complementary services which include mental health, acute rehabilitation, renal dialysis and oncology. The healthcare services segment comprises Life Esidimeni and Life Employee Health Solutions.

International comprises diagnostic services (AMG) across Europe and the UK. The international healthcare services (Scanmed) segment was sold effective from 26 March 2021. The segment information that follows does not include any amounts for Scanmed, which is treated as a discontinued operation. Information about this discontinued segment is provided in note 27.

Growth initiatives include the new outpatient business model, developing the imaging services opportunity, investing in data analytics and clinical quality products within South Africa and product development (LMI) internationally.

The corporate segment is a non-operating segment.

The operating businesses have been aggregated into different segments based on the similar nature of products and services, similar economic characteristics, similar type of customers and operating in a similar regulatory environment.

Inter-segment revenue of R27 million (2020: R5 million) is eliminated of which R6 million relates to revenue between Life Employee Health Solutions and the southern Africa business and R21 million between LMI and AMG.

Refer to note 2 for a split of the major revenue streams.

	2021 R'm	2020 R'm
Revenue[1]		
Southern Africa		
Hospitals and complementary services	**17 567**	15 899
Healthcare services	**1 456**	1 346
International		
Diagnostic services	**7 474**	6 286
Growth initiatives	**388**	320
	26 885	23 851

[1] Revenue of approximately 33% (2020: 31%) is derived from two (2020: two) external customers. The revenue is attributed to the southern Africa segment.

9. SEGMENT INFORMATION continued

	2021 R'm	2020 R'm
Normalised EBITDA[1, 3]		
Southern Africa		
Hospitals and complementary services	**2 743**	2 583
Healthcare services	**195**	135
International		
Diagnostic services	**1 812**	1 311
Growth initiatives	**(19)**	(60)
Corporate		
Recoveries	**1 330**	1 205
Corporate costs	**(1 010)**	(1 019)
	5 051	4 155
Depreciation		
Southern Africa		
Hospitals and complementary services	**(663)**	(636)
Healthcare services	**(23)**	(24)
International		
Diagnostic services	**(784)**	(732)
Growth initiatives	**(15)**	(17)
Corporate	**(86)**	(67)
	(1 571)	(1 476)
EBITA[2, 3]		
Southern Africa		
Hospitals and complementary services	**2 080**	1 947
Healthcare services	**172**	111
International		
Diagnostic services	**1 028**	579
Growth initiatives	**(34)**	(77)
Corporate	**234**	119
	3 480	2 679
Amortisation of intangible assets		
Southern Africa		
Hospitals and complementary services	**(20)**	(64)
International		
Diagnostic services	**(449)**	(466)
Growth initiatives	**(20)**	(20)
Corporate	**(44)**	(40)
	(533)	(590)

[1] *Normalised EBITDA is defined as operating profit before depreciation on property, plant and equipment, amortisation of intangible assets and non-trading-related costs or income. Normalised EBITDA of the discontinued operation was excluded. Refer to note 27.*
[2] *EBITA is defined as normalised EBITDA less depreciation.*
[3] *Non-IFRS measures.*

Notes to consolidated annual financial statements continued

for the year ended 30 September 2021

9. SEGMENT INFORMATION continued

	2021 R'm	2020 R'm
Operating profit before retirement benefit asset and post-employment medical aid income[1]		
Southern Africa		
Hospitals and complementary services	**2 060**	1 883
Healthcare services	**172**	111
International		
Diagnostic services	**579**	113
Growth initiatives	**(54)**	(97)
Corporate	**190**	79
	2 947	2 089
Retirement benefit asset and post-employment medical aid income	**33**	32
Operating profit before items below	**2 980**	2 121
Fair value gain/(loss) on financial instruments	**32**	(5)
Gain on derecognition of lease asset and liability	**–**	75
Impairment of assets and investments (refer note 11 and 12)	**(14)**	(5)
Profit on remeasuring previously held interest in associate to fair value	**28**	–
Loss on disposal of property, plant and equipment	**(17)**	(6)
Transaction costs relating to acquisitions and disposals	**(3)**	(8)
Finance income	**169**	85
Finance cost	**(791)**	(878)
Share of associates' and joint ventures' net profit after tax	**25**	14
Profit before tax	**2 409**	1 393

[1] *Operating profit before retirement benefit asset and post-employment medical aid includes the segment's share of shared services and rental costs. These costs are all at market-related rates.*

9. SEGMENT INFORMATION continued

	2021 R'm	2020 R'm
Total assets before items detailed below		
Southern Africa (including growth initiatives)	**16 308**	14 659
International (including growth initiatives)	**22 306**	24 265
Discontinued operation	**–**	2 067
	38 614	40 991
Employee benefit assets	**418**	379
Deferred tax assets	**1 698**	1 162
Derivative financial assets (included in other assets)	**4**	–
Income tax receivable	**47**	173
Total assets per the balance sheet	**40 781**	42 705
Net debt[1, 2]		
Southern Africa (including growth initiatives)	**3 299**	5 366
International (including growth initiatives)	**7 079**	7 975
Discontinued operation	**–**	775
	10 378	14 116
Cash and cash equivalents (net of bank overdrafts)		
Southern Africa (including growth initiatives)	**1 344**	(1 463)
International (including growth initiatives)	**1 003**	1 398
Discontinued operation	**–**	163
	2 347	98

[1] *Net debt is a key measure for the Group, which comprises all interest-bearing borrowings, overdraft balances and cash and cash equivalents.*
[2] *Non-IFRS measure.*

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets excluding employee benefit assets and deferred tax assets) by geographical locations are:

	Revenue from external customers		Non-current assets	
	2021 R'm	2020 R'm	2021 R'm	2020 R'm
Southern Africa	**19 023**	17 245	**11 568**	10 595
International	**7 474**	6 286	**18 981**	20 763
UK	**3 918**	3 278	**15 939**	17 572
Italy	**2 120**	1 823	**2 076**	2 240
Ireland	**765**	562	**407**	419
Other	**671**	623	**559**	532
Growth initiatives	**388**	320	**702**	784
Southern Africa	**1**	1	**5**	9
UK	**30**	43	**669**	743
Italy	**5**	5	**–**	–
Other	**352**	271	**28**	32
Total – continuing operations	**26 885**	23 851	**31 251**	32 142
Employee benefit assets			**418**	379
Deferred tax assets			**1 698**	1 162
Discontinued operation			**–**	1 645
Total as per income statement and balance sheet	**26 885**	23 851	**33 367**	35 328