

**LIFE HEALTHCARE
PRE-CLOSE INVESTOR
CALL**

**SHREY VIRANNA -
GROUP CEO
PIETER VAN DER WESTHUIZEN -
GROUP CFO**

27 MARCH 2018



OUTLOOK AS PER 2017 ANNUAL RESULTS

SHREY VIRANNA
GROUP CEO



Southern Africa:

- Return to positive PPD growth of c. 1%
- Addition of 120 acute hospital beds

Alliance Medical:

- Continued growth in underlying diagnostic business in the UK, although pricing pressure being experienced in the mobile division. Opening of the first Community Diagnostic Centre (CDC)
- Completion of roll-out of the PET-CT programme and continued growth in underlying PET-CT volume
- Continued focus on executing selected clinic acquisitions in Italy

Poland (Scanmed):

- Complete the contracting with the NFZ governing the remaining 15% of the business with a continued focus on improving efficiencies

India (Max Healthcare):

- Focus on improving occupancies and optimising the channel mix
- Continued focus on managing costs



**OPERATIONAL
UPDATE –
H1 2018**

**SHREY VIRANNA
GROUP CEO**



	Estimated Range 31 Mar 2018	30 Sept 2017	31 Mar 2017
PPD growth	1.5% – 2.2%	(1.7%)	(1.0%)
Occupancy	68.5% to 70.0%	70.0%	68.4%
Additional beds	c. 90	133	82

- **PPD Growth:**
 - Return to positive PPD growth
 - Exceeding our end of FY2017 expectations
- **Occupancies:**
 - Occupancies improving with higher PPD growth. Expect full year occupancies to be > 70%
- **Additional capacity:**
 - The business added c. 90 beds through brownfield expansions in select acute hospital facilities

- 2018 Price increase:
 - c. 5.3%
- 2018 Average Salary Increase:
 - c. 6.5%
- Complementary Services:
 - Continued good revenue growth across all complementary business lines (> 10%)
- Healthcare Services:
 - Strong revenue growth in the context of a lower margin
- Health Market Inquiry:
 - We expect the provisional report to be released towards the end of April 2018
 - In a better position to provide context and comment at the interim results presentation

Alliance Medical:

- Good overall operational performance across the different territories
- UK (c. 50% of revenue):
 - Continue to see strong PET-CT volume growth
 - Roll-out of the PET-CT static programme continued during H1
 - Opened the first UK Community Diagnostic Centre in March 2018. Now have 10 contracts signed
 - Increased competition in the mobile business with additional capacity being added to the market resulting in increased pricing pressure within this market segment
- Italy (c. 30% of revenue):
 - Continue to focus on growing the Clinic business with the acquisition of 6 small clinics to be completed end March 2018
- Ireland (c. 10% of revenue) continues to show solid growth
- Northern Europe (c. 10% of revenue):
 - has shown good revenue growth on the back of the Eckert & Ziegler acquisition (Re-branded Life Radiopharmacy). Acquisition created the largest European integrated radiotracer supply and Imaging organization, extending Alliance Medical's molecular imaging presence in Northern Europe
 - This growth though is within the context of a lower margin

Poland (Scanmed):

- Strong operational performance
- 4 year NFZ contracts signed covering 95% of the Scanmed business at generally better average pricing of 4%
- Improved integration and efficiency programmes have resulted in an improved EBITDA margin

India (Max Healthcare):

- Released a Cautionary in February 2018 stating that LHC has initiated preliminary discussions to explore the possibility of Max India acquiring Life Healthcare's equity interest in Max Healthcare
- These discussions are ongoing and are occurring within the ambit of the LHC / Max India shareholder agreement
- The Max Healthcare business has been impacted by the Shalimar Bagh incident and continued regulatory pressure.
- A number of cost savings measures have been introduced to mitigate this impact

**FINANCIAL
UPDATE -
H1 2018**

**PIETER VAN DER
WESTHUIZEN
GROUP CFO**

REJESTRACJA

SCONMED
SCIENTIFIC CONSTRUCTION
MATERIALS



	Estimated Range 31 Mar 2018	30 Sept 2017	31 Mar 2017
Revenue % growth	8.0% to 10.0%	4.3%	4.7%
Normalised EBITDA margin %	24.5% to 25.5%	25.5%	26.0%

- Revenue:

- Price increase for 2018 of c. 5.3%
- Return to positive PPD growth
- Complementary Services continues to show good growth of > 10%
- Healthcare Services revenue has shown strong growth of > 25%

- Normalised EBITDA

- Margins impacted by Easter (in 2017 Easter was in H2), funder discounts granted in 2017, slower ramp-up on beds added in 2017 and Healthcare Services growth which occurs within the context of lower margins
- Positive impact resulting from mix and slight benefit due to operational leverage.

	Estimated Range 31 Mar 2018	30 Sept 2017	31 Mar 2017
Alliance Medical: (£)			
Revenue % growth	7.0% to 9.0%	12.0%	5.0%
Normalised EBITDA margin %	21.0% to 23.0%	23.8%	27.7%
Scanmed: (PLN)			
Revenue % growth	4.0% to 6.0%	-6.7%	- 7.3%
Normalised EBITDA margin %	7.5% to 9.0%	4.0%	5.1%

- **Alliance Medical:**

- Continues to show good revenue growth driven by PET-CT volumes, Northern Europe expansion and solid underlying performance in Italy and Ireland
- EBITDA margins impacted by upfront costs on PET-CT, increased competition price in the UK mobile market and faster growth in Northern Europe which comes off a lower margin
- The guidance provided is based on 6 month AMG numbers in £. The revenue increase in the LHC numbers will be higher due to the 6 months in the 2018 H1 vs 5 months in H1 2017

- **Scanmed:**

- Good financial performance with revenue growing on the back of the 4 year NFZ contracts and EBITDA margins improving through continued integration and efficiency enhancements

	Estimated Range 31 Mar 2018	30 Sept 2017	31 Mar 2017
Revenue % growth	16.5% to 18.5%	26.8%	22.6%
Normalised EBITDA margin %	23.3% to 23.9%	24.0%	25.1%
Average exchange rates – ZAR/GBP	17.4 – 17.7	16.93	16.72
Average exchange rates – ZAR/Zloty	3.65 – 3.80	3.44	3.35
EPS (Previously reported)	>20% growth	62.2cps	13.7 cps
HEPS (Previously reported)	> 20% growth	77.4 cps	26.7 cps
Shares in issue (million)	1 464.0	1 449.4	1 073.6
Weighted number of shares (Previously reported)	1 422.5	1 309.7	1 054.4
Adjusted Weighted number of shares	1 422.5	1 309.7	1 133.4

Event	Date
Interim Results - SENS	07:00 (CAT), 1 June 2018
Interim Results	10:00 (CAT), 1 June 2018
Investor Road show - CALGEMS	5 / 6 June 2018
Investor road show - London	8 June 2018
Investor road show – Johannesburg	12 June 2018
Investor road show – Cape Town	13 June 2018



THANK YOU

THIS UPDATE IS PROVIDED PRIOR TO RECEIVING THE MARCH 2018 OPERATIONAL AND FINANCIAL RESULTS. AS SUCH THE GUIDANCE PROVIDED MAY CHANGE AND SHOULD BE TREATED WITH THE NECESSARY CAUTION