Life HEALTHCARE Group

GROUP RESULTS

FOR THE YEAR ENDED
30 SEPTEMBER 2019,
CASH DIVIDEND DECLARATION
AND TRADING STATEMENT

Group Overview

Excellent revenue growth and investments in programmes to target sustainable future margins

Revenue	Normalised EBITDA	Cash from operations	Final dividend
+9.3%	**+3.5%**	**+7.7%**	**+6.0%**
to R25.7 billion	to R5.7 billion	to R5.9 billion	to 53.0 cps

Max Healthcare Institute Limited (Max) disposal completed
Net proceeds of R3.8 billion utilised to reduce debt levels

Strong H2 FY2019 operational performance in southern Africa (SA)

Good progress on imaging expansion into SA

3.2% of normalised EBITDA invested in growth initiatives

Our Vision

To be a market-leading, international, diversified healthcare provider

1 **Global healthcare provider with a dual strategy** offering an integrated healthcare model in southern Africa and diagnostic imaging internationally

2 **Diversified offering** with a growing share of revenue and earnings from non-acute sources

3 Focus on **clinical excellence** and build an **analytics-led, technologically driven** group, across all markets and businesses

GROWTH	Continue to grow our southern Africa business while establishing a sizeable international business, and diversify our sources of revenue
EFFICIENCY	Deliver cost-effective care through efficient, optimal utilisation of processes, information, technology, research, innovation and other resources
QUALITY	Deliver market-leading quality care
SUSTAINABILITY	Effectively engage with our stakeholders to ensure our long-term sustainability

2019 | Group Overview

Solid operational performance

Life Healthcare SA

- Strong growth in revenue across acute, complementary and healthcare services businesses
- Revenue growth largely driven by:
  - good paid patient days (PPDs) growth in H2 FY2019: 1.8%
  - positive case mix change, resulting in a revenue/PPD: 5.8%
- Invested R124 million in operational efficiency programmes that started to deliver benefits in FY2019 with further benefits to accrue in FY2020 onwards
- Excellent cost management in H2 FY2019 assisted in maintaining margins
- Consistent quality scores with an improvement in patient safety adverse events

Alliance Medical Group Limited (Alliance Medical)

- Margin improvement in PET-CT wave 1 due to operational leverage
- Implementation plans for PET-CT wave 2 on track
- Short-term supply issues in radiopharmacy division negatively impacted normalised EBITDA by approximately GBP3.5 million in FY2019
- Italy and Ireland delivering excellent results

2019 | Group Overview

Solid operational performance

Scanmed

- The Group is exploring strategic options to potentially exit the business

Growth initiatives

- Build out of a diagnostic imaging services business in SA is progressing according to plan
- Expansion across the continuum of care is progressing well, highlighted by the launch of a partnership with a large retailer to test the outpatient model in some of their stores
- Life Molecular Imaging (LMI) delivered a solid performance and progress is being made on growing the sales pipeline. Positive outlook following Biogen announcement of the success with a disease modifying drug and the filing with FDA for approval
- The establishment of an advanced data analytic environment and capability is moving forward

Max

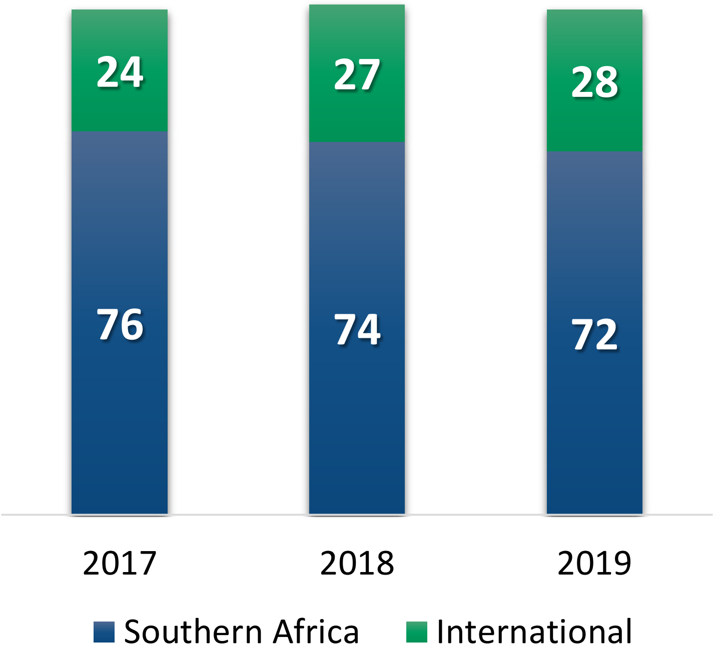
- Transaction closed in mid-June and net proceeds of R3.8 billion utilised to reduce debt levels

2019 | Group Overview

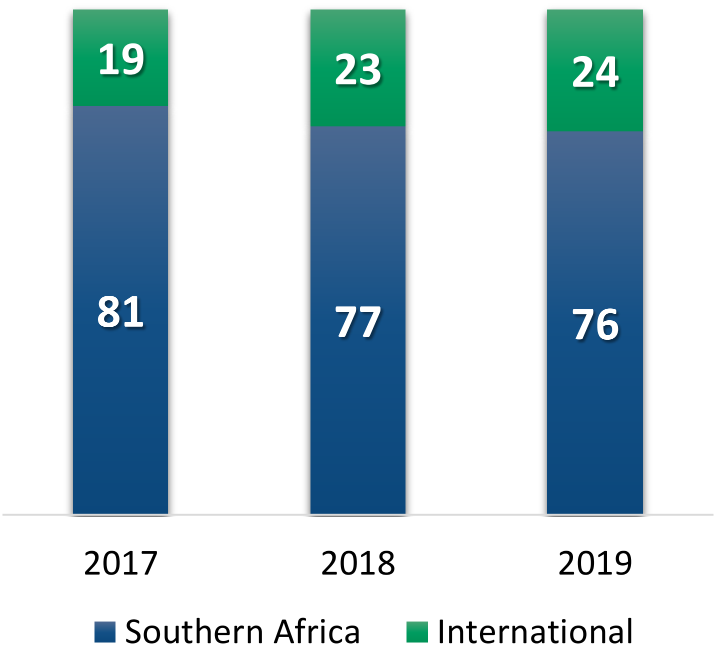
Group diversification

Continued progress made on the implementation of diversifying across business lines and territories

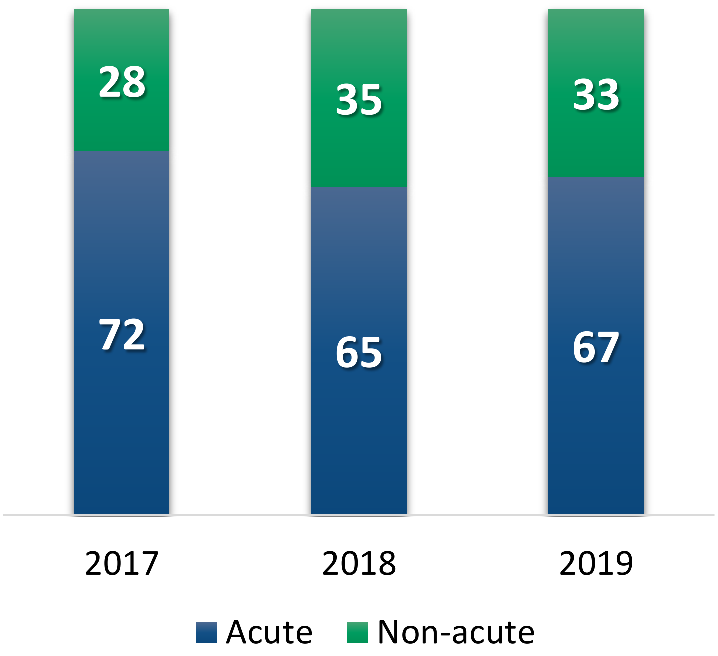
Revenue (%)



Normalised EBITDA (%)



Acute vs non-acute revenue (%)



2019 | Group Overview

Operational excellence

International

Operational excellence

- Investment in analytics and management information supporting a number of multi-site cost initiatives including staffing models, cost management and capacity improvements

Integration

- Move towards shared services within northern Europe (NE)
- Financial services moving to one common platform
- Standardisation of operational processes

People

- Standardisation of human resource processes in line with Group
- Performance and talent management launched

Procurement

- Multi-year Group procurement launched, commencing with high value products
- Asset utilisation programme

HIGHLIGHTS TO DATE

Southern Africa

DOMINO: sustainable clinical excellence

- Launched end of FY2018 - focus on delivering sustainable clinical excellence
- DOMINO works along five integrated dimensions: nursing excellence, quality efficient care, capital investments, hospitality services and IT

Nursing excellence

- Aims to deliver continuous improvement in nursing cost management
- Initiative was launched in February 2019 contributing to improved nursing efficiency in H2 FY2019

Quality efficient care

- Our quality efficient care initiative focuses on reducing the cost per event through formulary compliance and utilisation management

Capital investments

- This initiative focuses on optimising capex spend over the useful life of our asset portfolio

2019 | Group Overview

Focus on future growth

		MARKET SIZE
Southern Africa	Insured market	8.9 million lives
	Uninsured market	11 million to 13 million employed but uninsured lives

GROWTH OPPORTUNITY

Complementary services

- Fastest growing segment of the SA business – 14.7% CAGR over past four years
- Future growth through the geographic expansion of acute rehabilitation, renal dialysis and select mental health facilities
- FY2019 - 80 mental health beds and 11 renal stations added. Acute rehabilitation occupancies at 81%

Imaging

- Opportunity to share in R8.5 billion of private sector spend for imaging services – initially targeting R2 billion – R2.5 billion of radiology spend in Life Healthcare facilities over the next three to four years
- Well positioned due to Alliance Medical expertise, scale in procurement, best practice clinical protocols and operational efficiency

New outpatient models

- Excellent learnings from pilot site, with proven ability to operate a low cost, efficient, high-quality service
- Roll-out of retail partnership pilot to facilitate geographic expansion

Imaging

- Exploring opportunities to provide imaging service to the public sector

THE GROUP WILL INVEST FURTHER INTO ITS GROWTH INITIATIVES

Life HEALTHCARE Group

Operational Review

Southern Africa

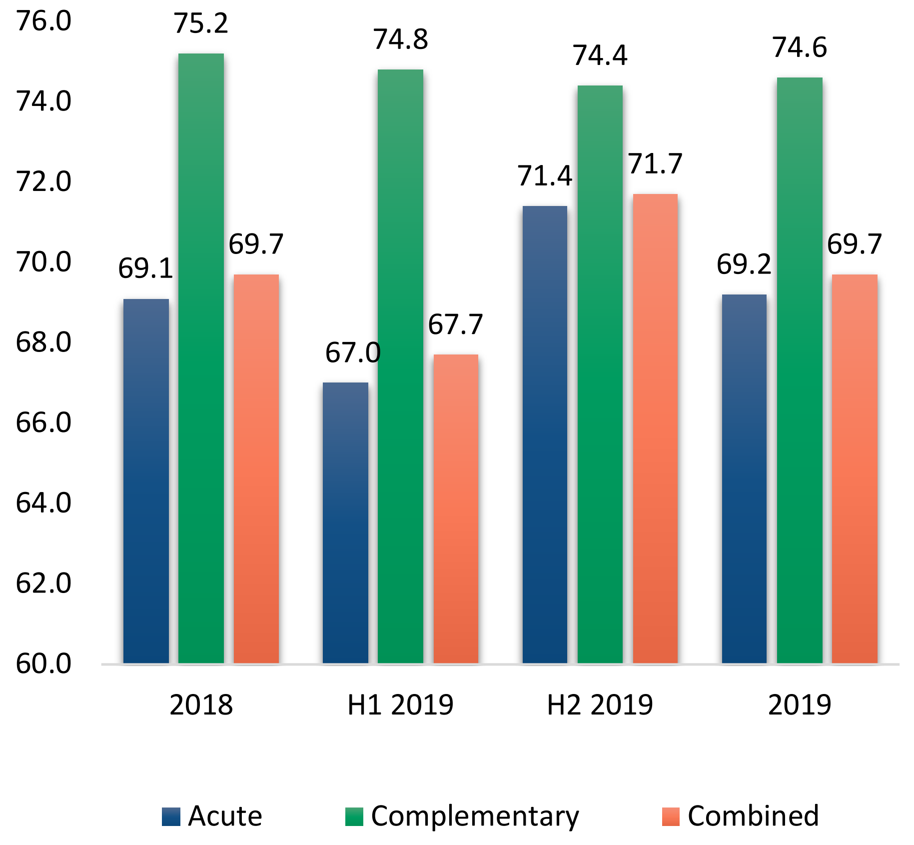
Shrey Viranna | Group CEO

Southern Africa

Business overview

	Acute hospitals	Complementary services	Healthcare services
Proportion of SA revenue	**R16 152 million** **87.4%**	**R1 061 million** **5.8%**	**R1 259 million** **6.8%**
Four-year revenue CAGR	**6.6%**	**14.7%**	**9.8%**
Facility overview	**49 acute hospitals** 8 225 beds 588 000 admissions 2 035 854 PPDs 316 000 theatre cases 30 500 births 15 600 cathlab cases	16 500 admissions 233 902 PPDs **7 acute rehabilitation units** 319 beds **9 mental health units** 592 beds **26 renal dialysis units** 329 stations **5 oncology units**	**10 PPP facilities** 3 119 beds 1 054 000 PPDs **310 occupational health sites** 211 000 lives **81 wellness sites** 383 000 lives
Capacity growth year-on-year	**+ 49** active beds	**+80** mental health active beds **+11** renal dialysis stations	**+9** occupational health sites **+1** wellness site

Occupancy (%)



Southern Africa

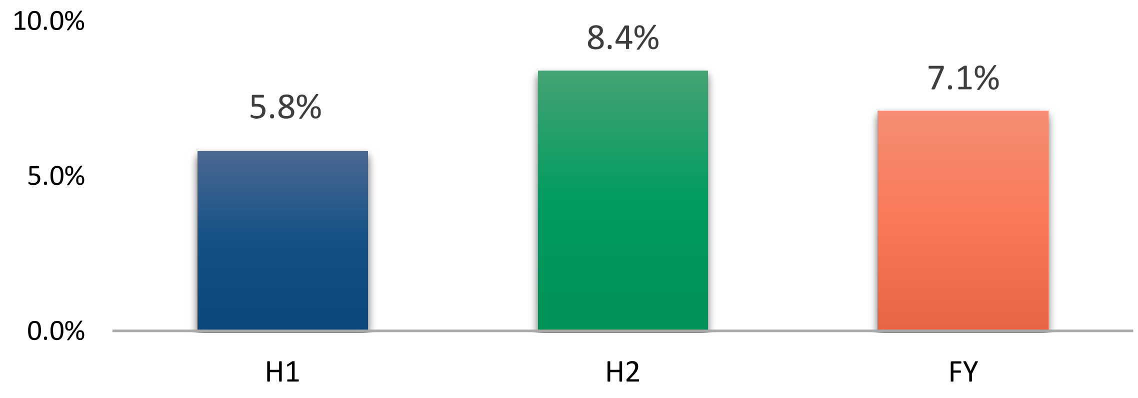
Business review: good overall performance on the back of an excellent H2

	2019	2018	% change
PPD growth	**0.8%**	1.1%	
Revenue (R'm)	**18 472**	17 240	7.1
Normalised EBITDA (R'm)	**4 402**	4 289	2.6
Operations EBITDA (R'm)	**5 373**	5 052	6.4
Corporate costs (R'm)	**(971)**	(763)	(27.3)
Normalised EBITDA margin	**23.8%**	24.9%	

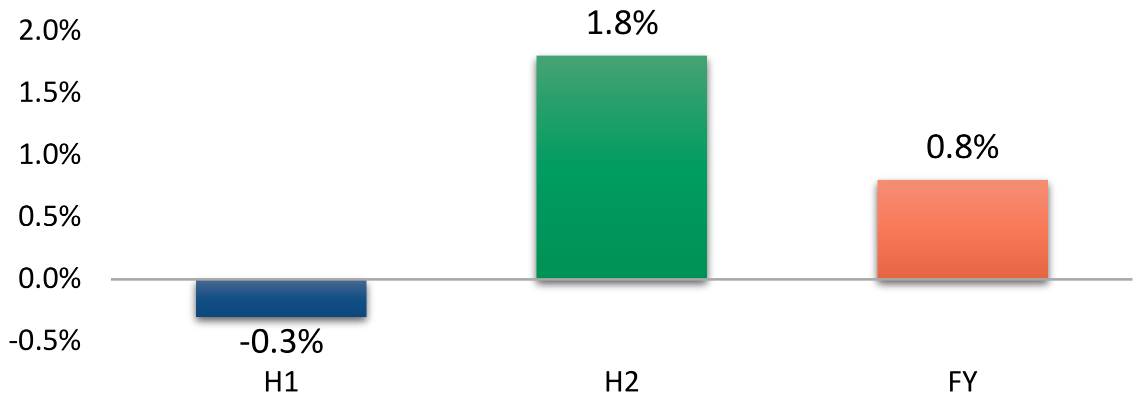
- PPD growth driven by strong growth in H2 FY2019 of 1.8%
- Good revenue per PPD growth of 5.8% driven by:
  - a 4.8% tariff increase
  - a positive 1.0% case mix shift. The positive case mix shift was driven by increased surgical acuity and solid growth in cathlab cases and births
- Operations EBITDA margin increased to 29.5% in H2 FY2019 (H2 FY2018: 29.3%)
- Corporate consists of head office costs and central support services. Included in the current financial year are investments in efficiency programmes of R124 million. Excluding these investments, the normalised EBITDA margin for the year was 24.5% and the growth in corporate on last year was 11.0%

Southern Africa
Business review: operational trends

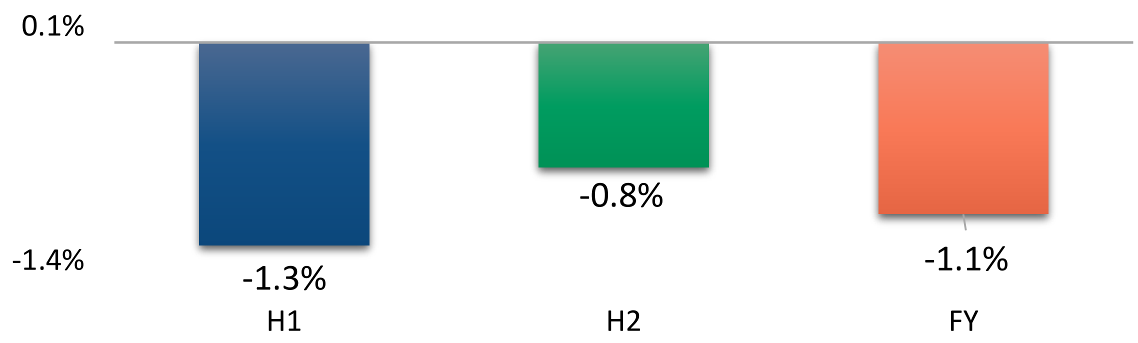
Revenue growth rate: 2018 - 2019



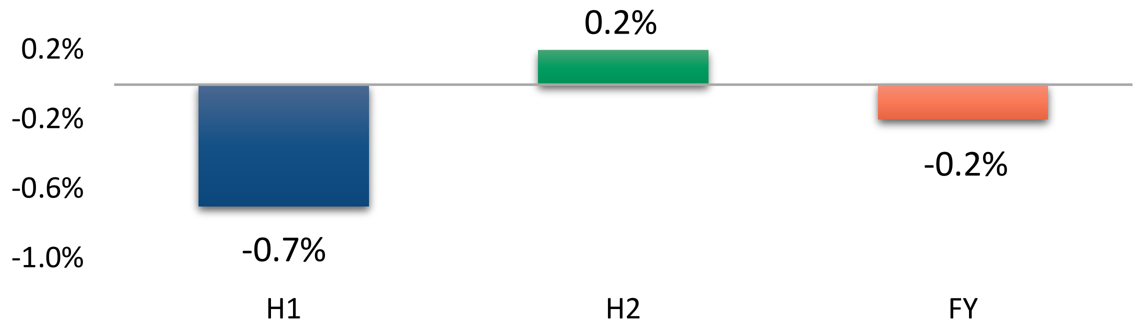
PPD growth rate:2018 - 2019



Normalised EBITDA margin: 2019 - 2018



Normalised operations EBITDA* margin: 2019 - 2018

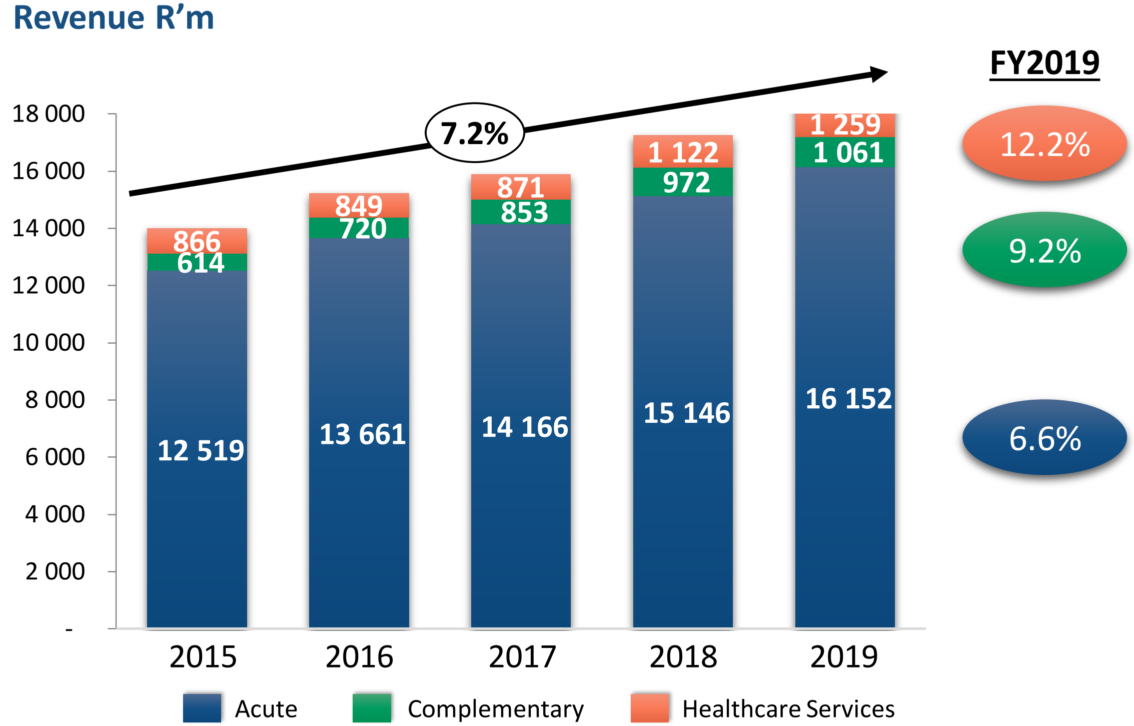


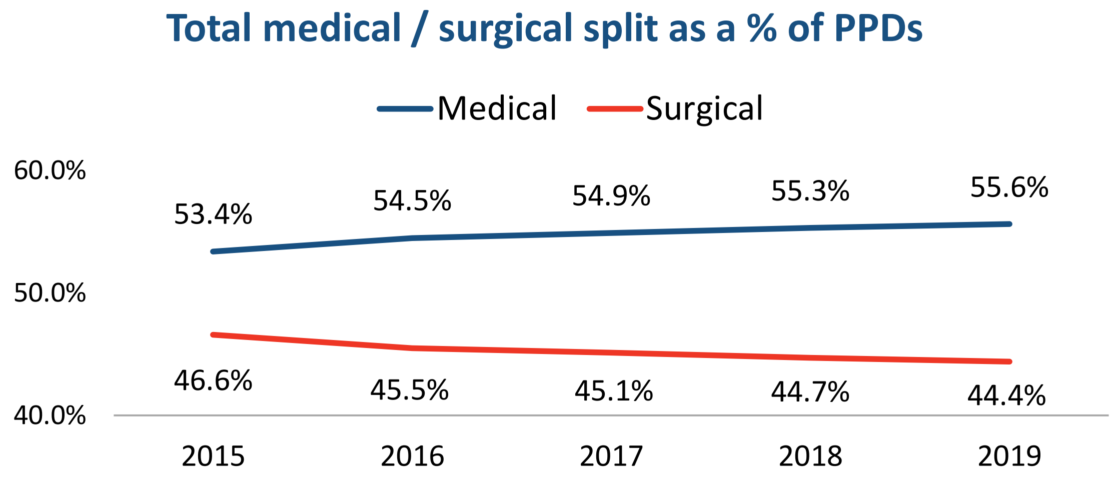
H1 2019: 28.6% **H2 2019: 29.5%** **FY 2019: 29.1%**

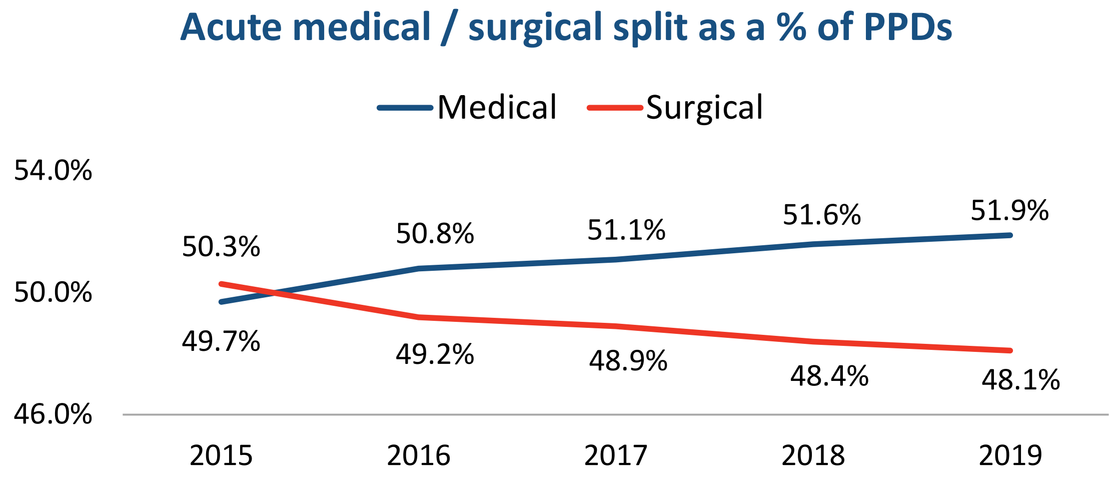
* Normalised operations EBITDA excludes corporate costs

Southern Africa

Business review: medical / surgical trend







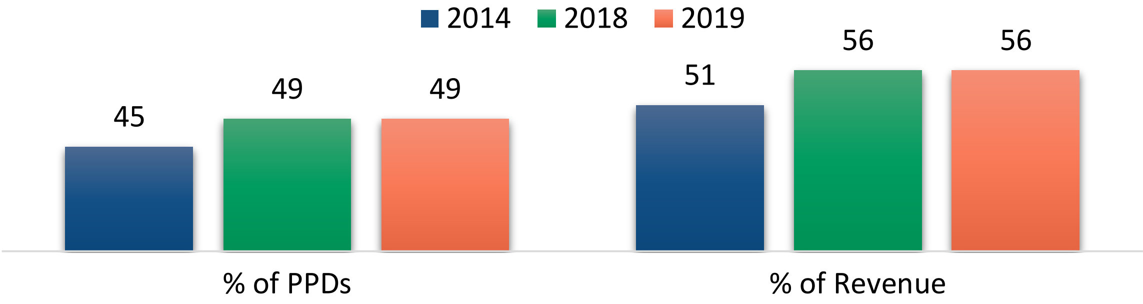
- 14.7% CAGR in complementary services over past four years
- Continued growth in medical cases on the back of complementary growth and growth within the acute business

Southern Africa

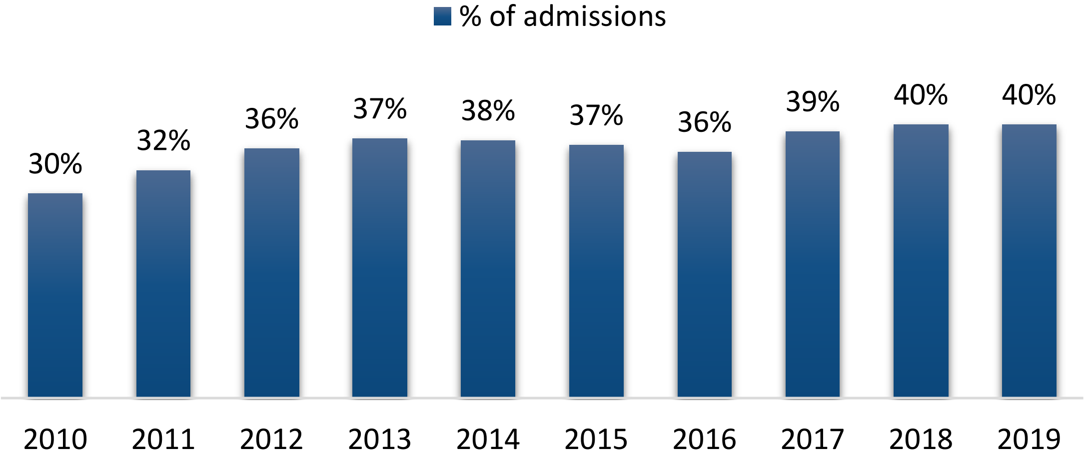
Market dynamics frame the opportunity for growth in our acute business

Ageing

% PPDs/revenue from patients aged 50+



Chronic disease



Implications

- Increasing proportion of PPDs and revenue come from patients above 50 years of age

	% Difference
LOS differential patients >50 years vs <50 years	**+40%**
Revenue / admission differential patients >50 years vs <50 years	**+80%**

- The increasing proportion of admissions that come from patients with chronic diseases have reached a stable level over the recent years

	2019	2018	2014
% of admissions: chronic	**40%**	40%	38%
% of revenue: chronic	**55%**	55%	53%

Life HEALTHCARE Group

Southern Africa

Business review: capex

R'm	2019	2018	2017
Total SA capex	**1 008**	**1 278**	**1 296**
Growth	**279**	411	609
Property acquisitions	**-**	166	-
Maintenance	**729**	701	687
Maintenance capex as % of revenue	***3.9%***	*4.1%*	*4.3%*

Quality

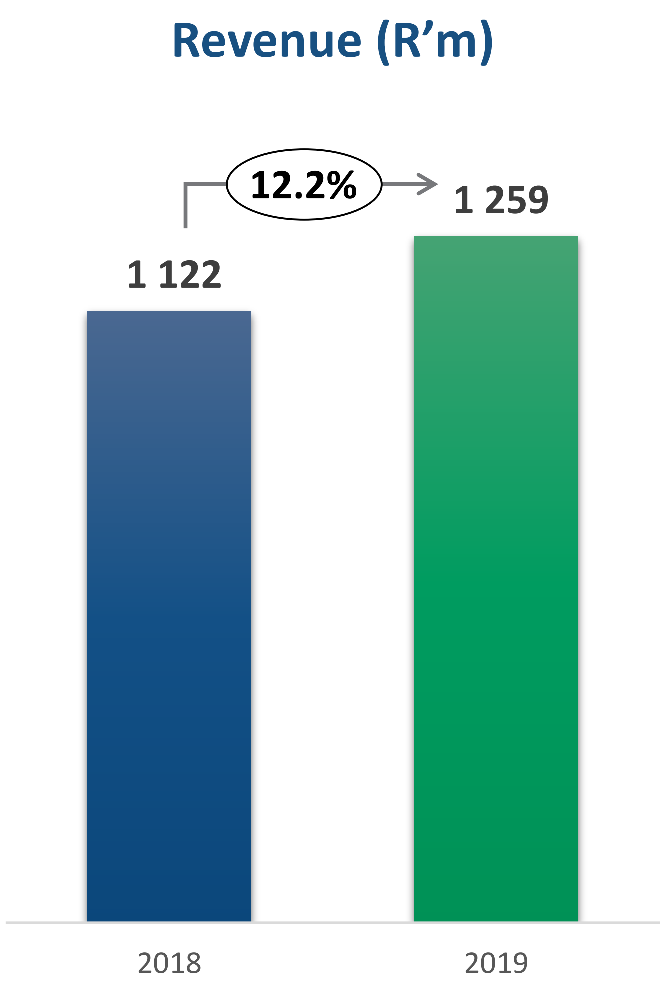
Continued focus on quality outcomes and patient experience

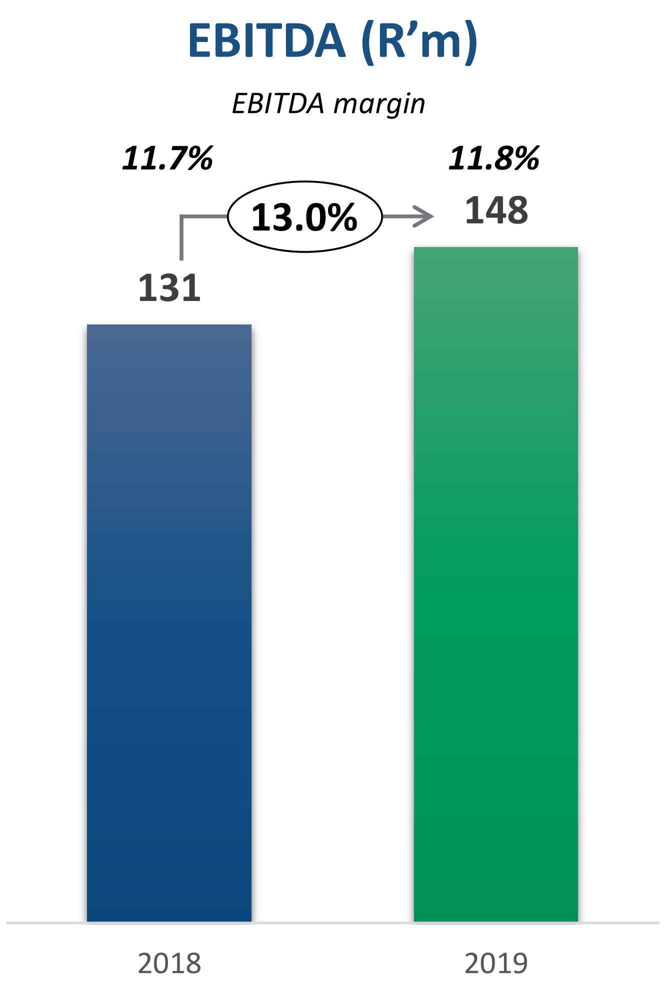
	2019	2018	Measure
Patient experience - inpatient	**8.4**	8.4	
Healthcare associated infection (HAI)	**0.41**	0.41	Per 1 000 PPDs
Patient safety adverse events	**2.44**	2.68	Per 1 000 PPDs
Rehabilitation outcome measures	**0.84**	0.90	Standardised assessment of 18 metrics widely used in rehabilitation
Mental health outcome measures	**2.35**	2.20	Average gain/PPD

- Consistent patient experience and HAI scores
- Good improvement in patient safety adverse events scores

Healthcare services

Revenue and normalised EBITDA





- Secured contracts for Life Esidimeni
- Good growth in both Life Esidimeni and Life Employee Health Solutions revenue
- Good management of costs to ensure stable EBITDA margins

Life HEALTHCARE Group

Operational Review

International

Shrey Viranna | Group CEO

International: Alliance Medical

Overview

United Kingdom (UK)

- DI static sites 33
- PET-CT national contract sites 36
- Mobiles 44

- Revenue (%) 44
- Revenue (£'million) 137

Number of machines

- MRI 69
- CT 17
- PET-CT 36
- Cyclotrons 4

- MRI / CT / other (%) 43
- PET-CT / Radiopharmacy (%) 57
- Public / Private (%) 85 / 15

Italy

- Owned clinics 34
- Static sites 8

- Revenue (%) 29
- Revenue (£'million) 92

Number of machines

- MRI 43
- CT 20
- PET-CT 4
- Cyclotron 1

- MRI / CT / other (%) 97
- PET-CT / Radiopharmacy (%) 3
- Public / Private (%) 62 / 38

Ireland

- Operating sites 27

- Revenue (%) 11
- Revenue (£'million) 33

Number of machines

- MRI 30
- CT 7
- PET-CT 1

- MRI / CT / other (%) 94
- PET-CT (%) 6
- Public / Private (%) 39 / 61

Other geographies

Spain, Netherlands, Germany, Finland, Bulgaria, Norway, Switzerland, Austria, US, Poland

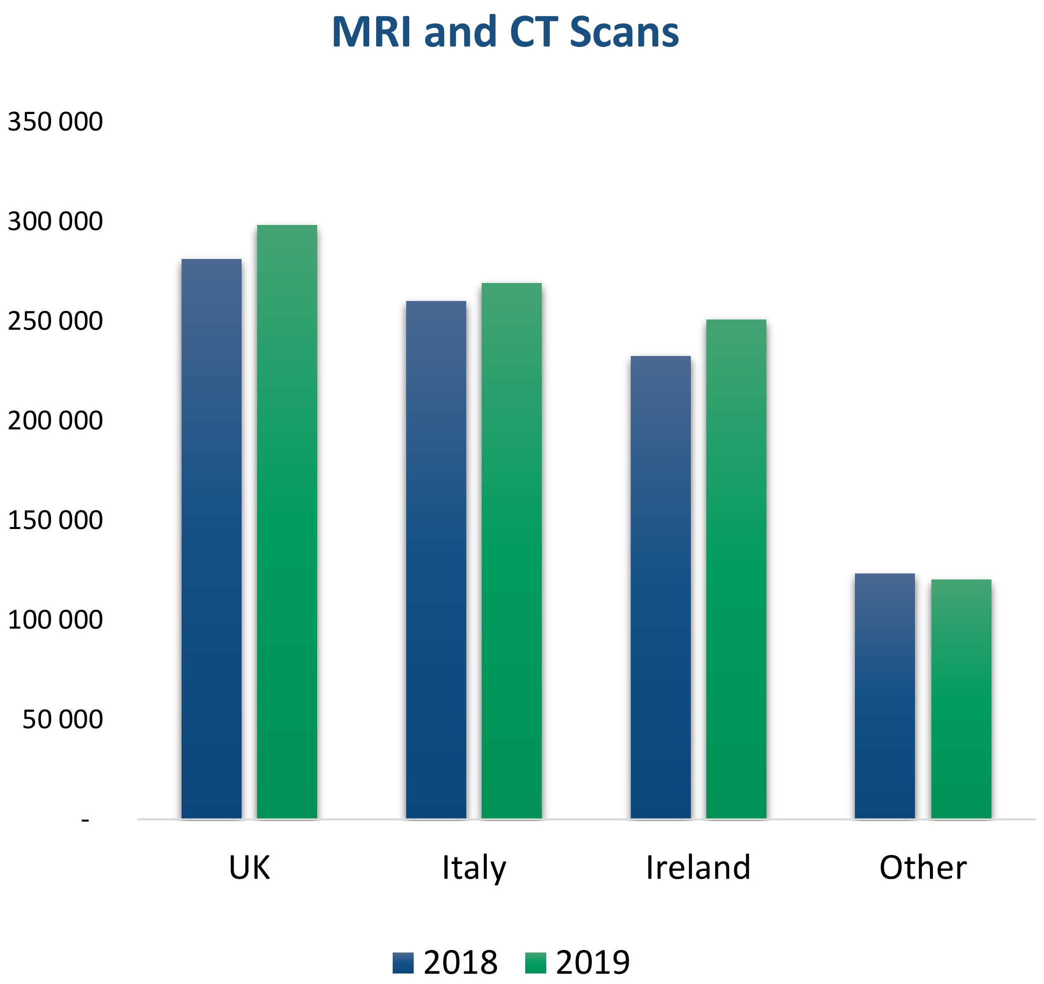
- Operating sites (Spain) 11
- Mobile and relocatable buildings (NE) 18
- MRI 13
- CT 7
- PET-CT 7
- Cyclotrons 4

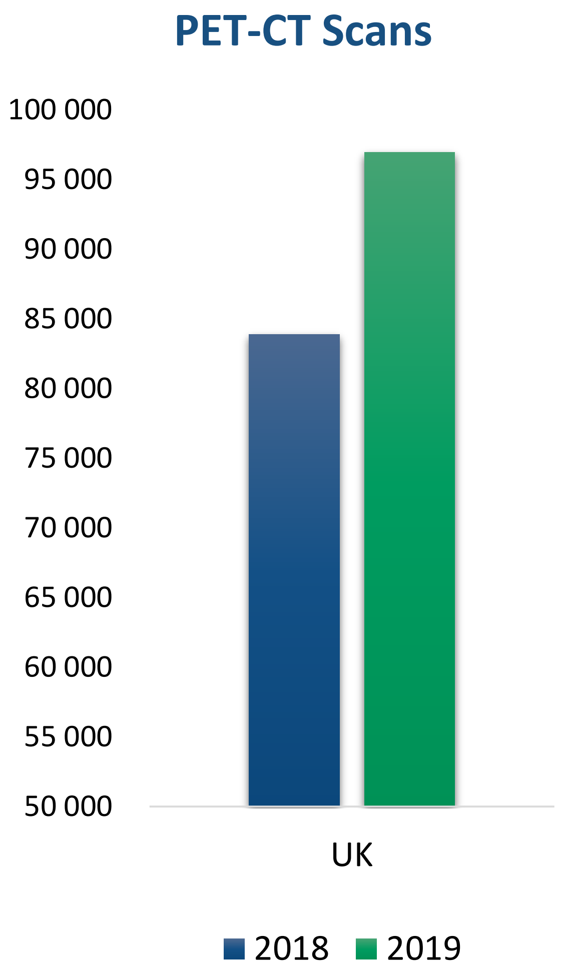
- Revenue (%) 16
- Revenue (£ 'million) 49

- MRI / CT / other (%) 24
- PET-CT / Radiopharmacy (%) 76

International: Alliance Medical

Strong growth in scan volumes





- 8.9% increase in overall scan volumes (excl. mobiles) across Alliance Medical
- 15.9% increase in PET-CT scans

International: Alliance Medical

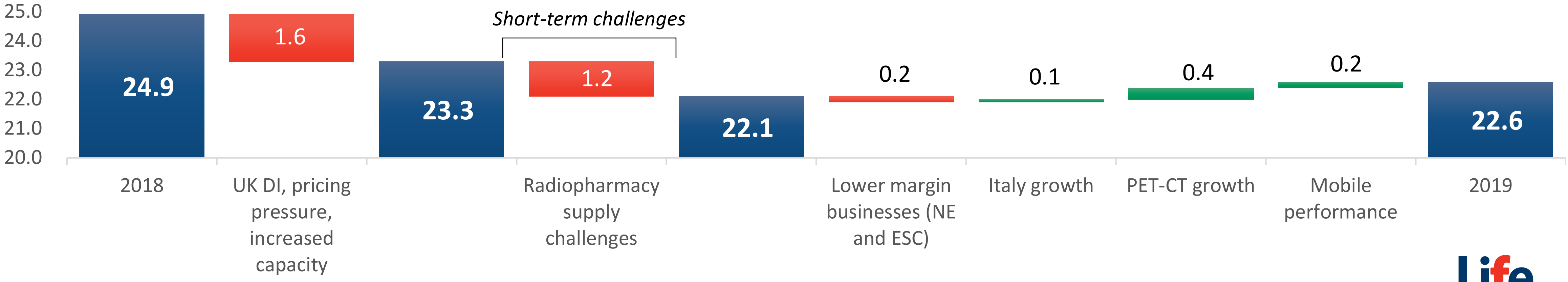
Stable overall performance

	2019	2018	Change %
Revenue (£'m)	**304.4**	279.6	8.9
Normalised EBITDA (£'m)	**68.9**	69.6	(1.0)
Normalised EBITDA margin	**22.6%**	24.9%	

Excludes LMI as this is included as part of growth initiatives

- Good revenue growth compared to FY2018 mostly driven by:
  - growth in PET-CT scan volumes in the UK
  - the Italian and UK acquisitions
  - a good showing from the mobile business in the UK
- UK diagnostic imaging experienced good volume growth, with pricing pressure impacting the normalised EBITDA margin
- Radiopharmacy supply challenges will conclude in FY2020 on completion of refurbishment programme
- Overheads impacted by increased cost pressure and included investment in efficiency initiatives with benefits expected in FY2020 and onward

Normalised EBITDA margin (%)



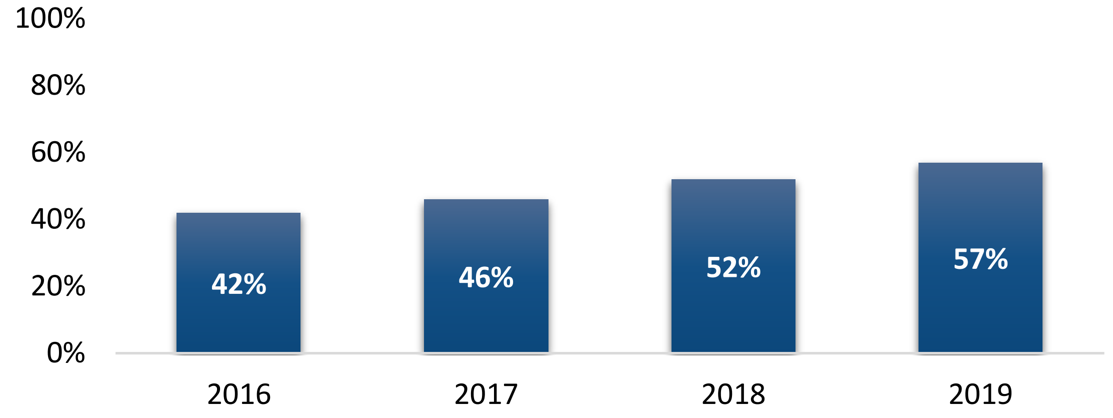
International: Alliance Medical

UK

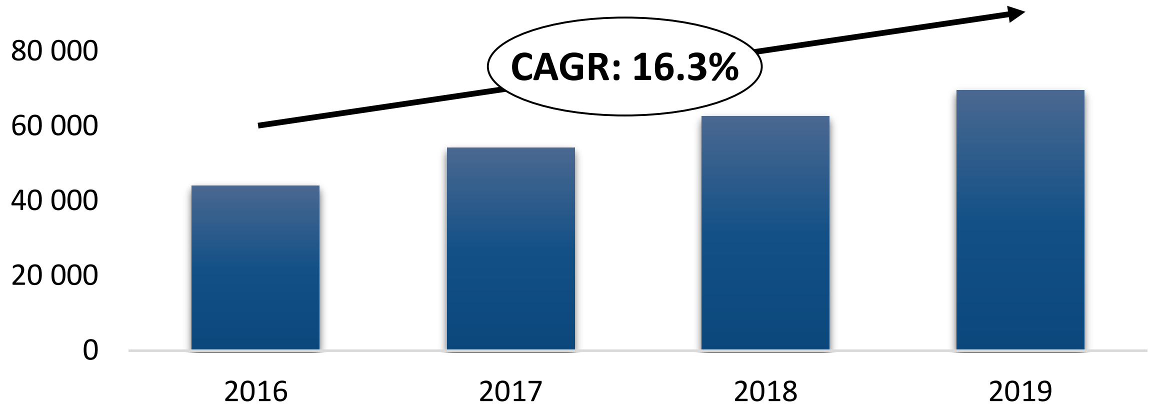
Molecular Imaging (MI)

- PET-CT wave 1
  - MI growth underpinned by 10-year PET wave 1 contract
  - Pricing certainty until December 2025
- PET-CT wave 2
  - Successful with all four PET wave 2 contracts we tendered for
  - Fixed price contracts with seven-year term with a three-year option
  - Roll-out of PET wave 2 commenced, first site live July 2019
  - Will have a short-term impact on margins when fully operational
- Continued strong PET-CT volume growth of 15.9% against FY2018

MI as a % of UK revenue



PET-CT wave 1 contract scan volumes



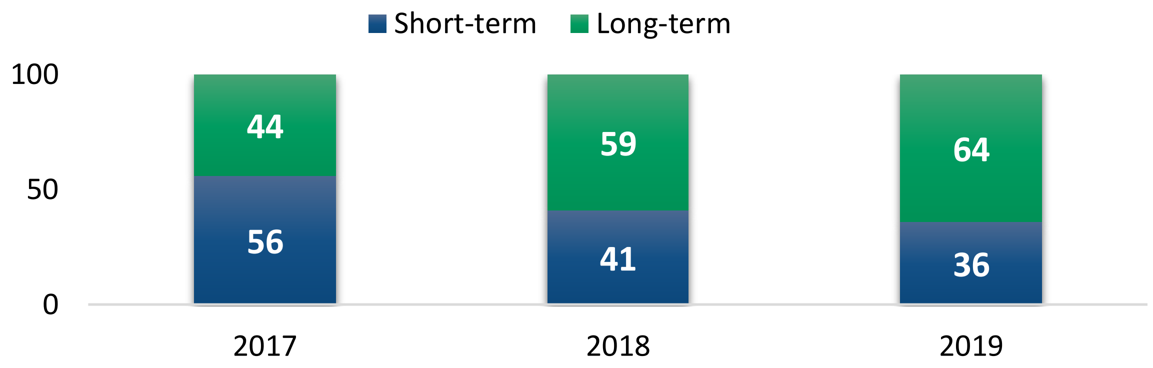
International: Alliance Medical

UK

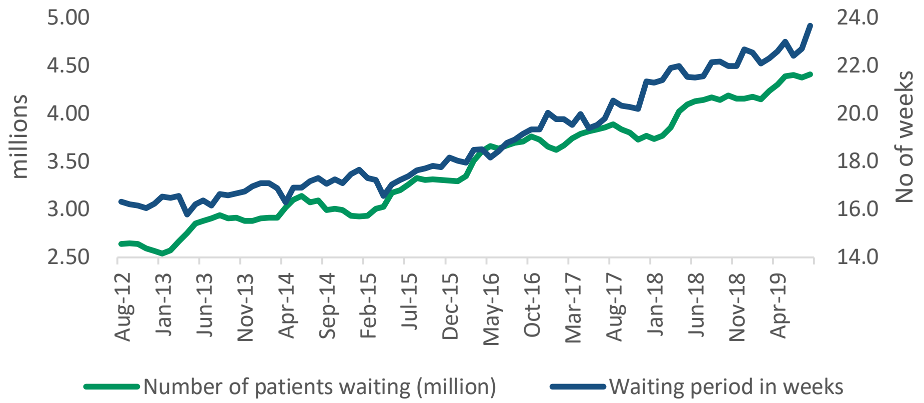
Diagnostic Imaging (DI)

- Strategic focus continues to be partnership solutions with hospital trusts
- UK DI impacted by lower-volume growth compared to recent trend
- Alliance Medical UK benefitted from the move away from mobile infrastructure, short-term or spot contracts to longer-term contracts for static facilities
- An acquisition of three high-end scanning facilities in the UK during the year (European Scanning Centre Limited) targeting private patients

Growth in longer-term contracts



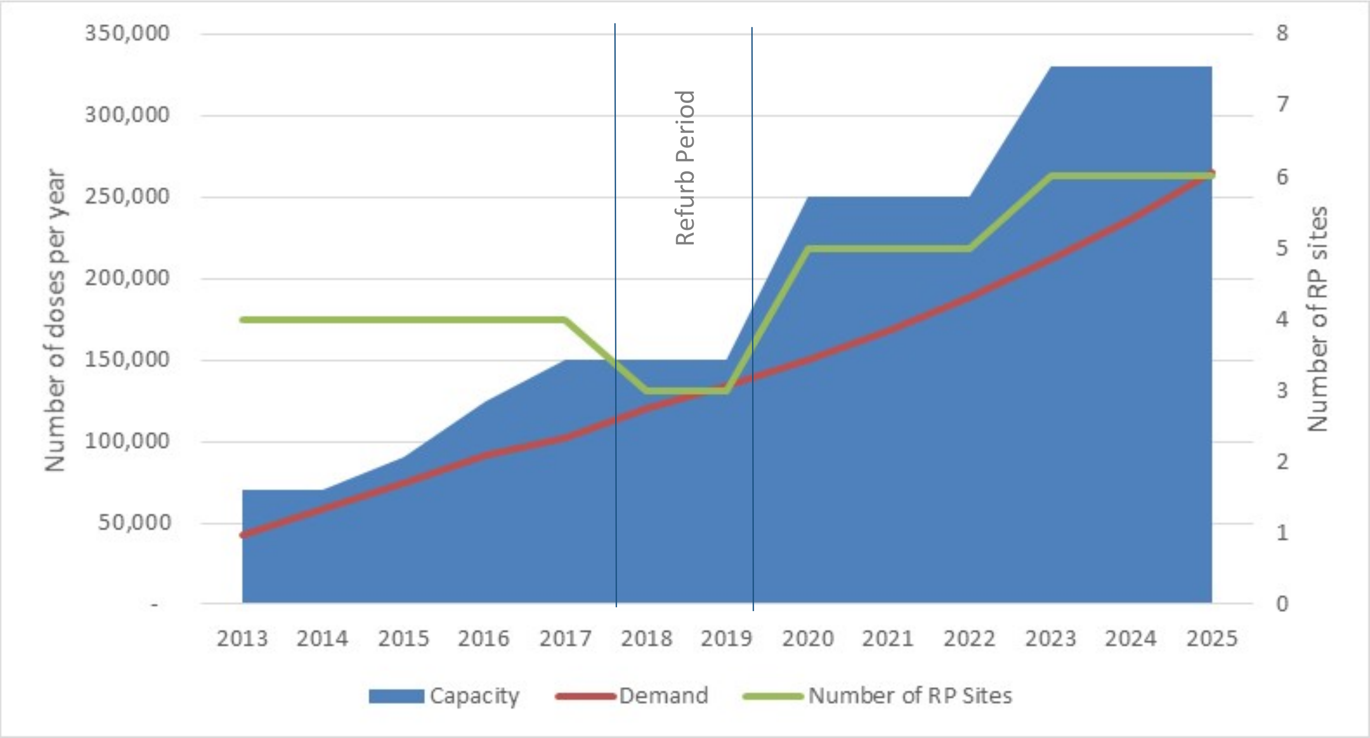
NHS referral to treatment (RTT waiting times)



International: UK Radiopharmacy

Future proofing

- With strong growth in PET-CT the planned refurbishment plan has resulted in operational challenges whilst the business has operated three of the four cyclotron sites
- Limiting capacity during this period has negatively impacted costs. The impact for FY2019 has been approximately GBP 3.5 million additional costs. This is a short-term impact
- Substantial additional production capacity is being introduced early FY2020 to cater for the continued growth in PET-CT. In FY2020 five sites will be operational



International: Alliance Medical - other key markets

Italy and Ireland

Italy

- Strong revenue growth at 10.1% on the back of increasing volumes and acquisitions
- Growth in clinics enables growth in private volumes
- Strong growth in insurance revenues
- Acquisition of clinics during FY2018 performed well
- Continuing consolidation of activities within regions to reduce cost base
- Lower margin static contracts were exited

Ireland

- Continues to show solid volume growth in clinics and statics due to strong activity and sales stimulation, with revenue growth of 19.0%
- Increased level of contracts for overflow work for public customers seen during the year

Life HEALTHCARE Group

Operational Review

Growth initiatives

Shrey Viranna | Group CEO

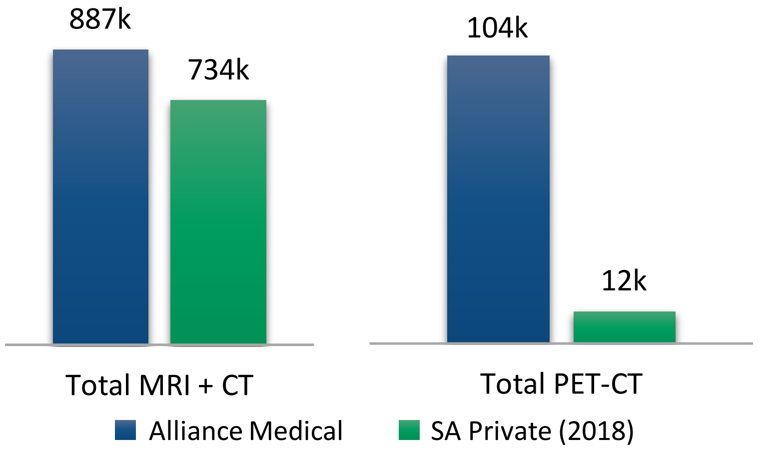
Imaging services in SA

- The market is R8.5 billion revenue with 28% coming from Life Healthcare hospitals. This excludes the public sector opportunity
- Key pillar of future growth to provide imaging services in our SA hospitals
- Aim to create a national imaging footprint across SA
- Develop an accretive return on capital model
- Using the experience of our Alliance Medical team with the support of local radiologists to build an imaging services business
- Operations expected to commence during H2 FY2020

Delivering imaging services in SA

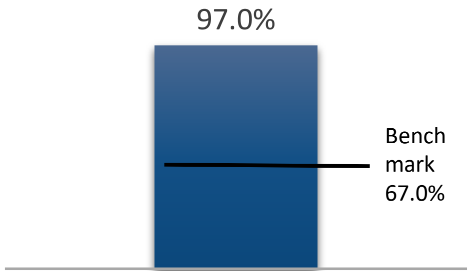
Leveraging Alliance Medical's world class capability

Imaging services provision at scale



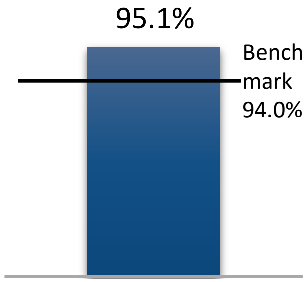
Focus on clinical excellence

Percent of sites rated good or higher for quality of outpatient and diagnostic imaging services

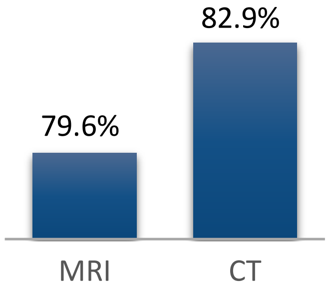


Exceptional patient experience

% of patients recommending services to a friend or family member



Turnaround time from referral to report:
Benchmark = 100%



Strategic collabo-rations

The Christie
TOWARDS A FUTURE WITHOUT CANCER

NCIMI
National Consortium of Intelligent Medical Imaging

UNIVERSITY OF SURREY

Life HEALTHCARE Group

LMI

- Current established product:
  - Focus on driving sales of Neuraceq – radioactive tracer used to identify Amyloid plaques in the brain in order to diagnose Alzheimer's disease
  - Biogen recently announced plans to submit a regulatory filing for Aducanumab, a DMD drug with the FDA
  - Successful filing and reimbursement for Neuraceq estimates a market size of EUR1 billion
  - LMI expects a third of the market globally

- Strong pipeline of products at various stages of development, with a phase 2 study for Tau tracer commencing in the year

Outpatient care

Strategy review

- Our myLife offering is geared to deliver convenient, high-quality, nurse led, tech-enabled care to the employed and uninsured population in SA
- Delivered two standalone clinics servicing more than 4 200 cash-paying customers with 96% patient satisfaction score
- We are simultaneously building the offering to cater for existing Life Healthcare patients (insured market)
- We continue to implement (standalone and partnered) pilot clinics and build out our digital platform
- Our outpatient business includes our Life Employee Health Solutions business, which delivers first-line care and risk management solutions to corporate clients

mylife
HEALTHCARE
CENTRE

Time matters
and so do you
Medical care in minutes

Life HEALTHCARE Group

Financial Review

Pieter van der Westhuizen | Group CFO

Highlights

Revenue	Normalised EBITDA	Final dividend
+9.3% to R25.7 billion	**+3.5%** to R5.7 billion	**+6.0%** to 53.0 cps
Strong revenue growth	Investments of R124 million in efficiency programmes starting to deliver	Strong working capital management resulted in cash generated of R5.9 billon

Financial statutory results

Group

	2019 R'm	2018 R'm	% change
Revenue	**25 672**	23 488	9.3
Normalised EBITDA	**5 727**	5 535	3.5
Normalised EBITDA margin (%)	**22.3%**	23.6%	
EBITA	**4 491**	4 402	2.0
Amortisation	**(586)**	(537)	9.1
Retirement benefit and severance payment	**39**	(17)	>100
Operating profit	**3 944**	3 848	2.5
Non-operating income	**742**	56	>100
Net finance costs	**(998)**	(962)	3.7
Associates and joint ventures	**18**	(105)	
Profit before tax	**3 706**	2 837	30.6
Tax	**(835)**	(923)	(9.5)
Non-controlling interest	**(302)**	(339)	(10.9)
Attributable profit	**2 569**	1 575	63.1

- Normalised EBITDA impacted by:
  - investment in new growth initiatives
  - investment in operational efficiency programmes
  - operational challenges within radiopharmacy in the UK
- Amortisation of intangibles increased due to acquisitions
- Non-operating income includes:
  - profit on disposal of Max – R1.5 billion (before withholding tax)
  - mark-to-market loss on the Max option contracts of R406 million (before tax)
  - transaction costs of R148 million
  - impairments relating to SA and Poland of R164 million

Life HEALTHCARE Group

Financial results

Group

	Constant currency %	2019 R'm	2018 R'm	%
Revenue	8.1	25 672	23 488	9.3
Southern Africa	7.1	18 472	17 240	7.1
International	7.7	6 931	6 182	12.1
Growth initiatives[1]		269	66	>100
Normalised EBITDA	2.5	5 727	5 535	3.5
Southern Africa	6.4	4 081	3 834	6.4
International	0.5	1 350	1 291	4.6
Corporate		321	455	(29.5)
Growth initiatives[1]		(25)	(45)	44.4
Normalised EBITDA margin (%)		22.3	23.6	
Southern Africa (including corporate)		23.8	24.9	
Southern Africa (excluding corporate)		22.1	22.2	
International		19.5	20.9	

	2019 R'm	2018 R'm	%
Corporate	321	455	(29.5)
Recoveries	1 292	1 218	6.1
Costs	(971)	(763)	27.3

Corporate costs include costs related to capacity created at Group level and establishing operational efficiency programmes

	2019 %	H1 2019 %	2018 %
International	19.5	19.7	20.9
Diagnostic services	22.4	22.9	24.5
Healthcare services	7.2	6.3	6.7

[1] Growth initiatives comprises new outpatient models and establishing imaging in southern Africa / LMI internationally

1GBP = ZAR18.34 (2019)
1GBP = ZAR17.60 (2018)

1PLN = ZAR3.77 (2019)
1PLN = ZAR3.66 (2018)

Financial results

Group

Max

- Sale concluded during H2 FY2019 and funds received in June 2019
- Gross proceeds of R4.3 billion and net proceeds of R3.8 billion (after payment of costs and taxes)
- Attributable profit on disposal of R1.0 billion
  - Gross proceeds R4.3 billion
  - Book value of investment R2.8 billion
  - Costs associated with disposal
    - Transaction costs R118 million
    - Hedging costs (net of deferred tax) R292 million
    - Withholding tax paid R94 million
- Net cash was utilised to repay debt

Financial results

Group

	2019 R'm	2018 R'm	% change
Weighted average number of shares (million)	**1 456**	1 451	0.3
EPS (cents)	**176.4**	108.6	62.4
Impairment of assets and investments	**9.6**	2.3	
Profit on disposals (investments and PPE)	**(97.3)**	(2.1)	
HEPS (cents)	**88.7**	**108.8**	**(18.5)**
Fair value loss on Max option contracts	**20.1**	(1.2)	
Adjustments to contingent consideration	**2.9**	1.2	
Transaction costs relating to acquisitions and disposals	**10.2**	2.6	
Deferred tax raised on historical losses	**(5.5)**	-	
Other (net)	**-**	(1.2)	
Normalised EPS (cents)	**116.4**	110.2	5.6
Normalised EPS excluding amortisation (cents)	**148.1**	139.3	6.3

- Normalised EPS impacted by:
  - investments in growth initiatives (net loss of R31 million)
  - increased human resource capacity at Group level
  - investment in efficiency programmes
- Normalised EPS excluding the current losses on these initiatives is 118.5 cents compared to 110.2 cents in FY2018 (increase of 7.5%)

Consolidated statement of financial position

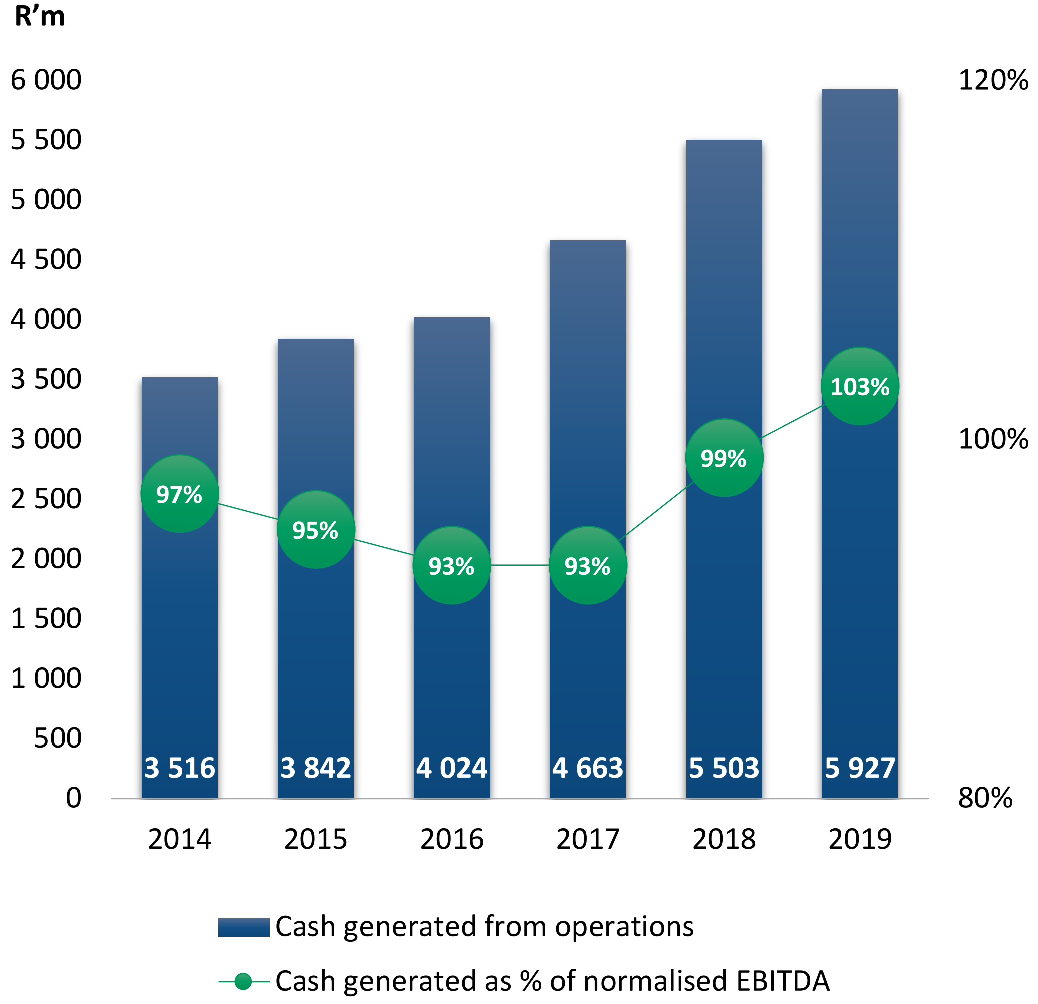
Group

	2019 R'm	2018 R'm
Non-current assets	**31 588**	30 558
Property, plant and equipment	**12 929**	12 243
Goodwill	**13 140**	12 991
Intangible assets	**3 829**	4 093
Other	**1 690**	1 231
Current assets (excluding cash and asset classified as held for sale)	**4 434**	4 249
Asset classified as held for sale	**-**	2 841
Cash	**1 544**	1 494
Total assets	**37 566**	39 142
Total shareholders' equity	**17 491**	16 202
Non-current liabilities	**11 632**	14 764
Interest-bearing borrowings	**9 399**	12 870
Other non-current liabilities	**2 233**	1 894
Current liabilities (excluding interest-bearing borrowings)	**5 847**	5 090
Interest-bearing borrowings	**2 596**	3 086
Total equity and liabilities	**37 566**	39 142
Net debt	**11 318**	14 950
Net debt to normalised EBITDA (covenant 3.5 times)	**1.96**	2.73

Cash flow

Group

	2019 R'm	2018 R'm	% change
Cash generated from operations	5 927	5 503	7.7
Net interest paid (excl. interest on finance leases)	(809)	(863)	
Interest paid on finance leases	(115)	(136)	
Tax paid	(1 185)	(1 065)	
Maintenance capex	(1 166)	(878)	
Minority distributions	(238)	(252)	
Staff schemes	(72)	(72)	
Free cash flow before transaction costs	2 342	2 237	4.7
Transaction costs paid	(147)	(38)	
Growth capex	(894)	(1 366)	
Investments, net of cash (including contingent considerations paid)	(269)	(1 131)	
Disposals	4 395	-	
Premium paid relating to Max option contracts	(322)	(61)	
Net cash flow after capex, investments and disposals	5 105	(359)	>100
Free cash per share (before transaction costs)	160.9	154.2	4.3



Distribution

Group

Distributions	Cents / share	R'm
Interim 2018	**38**	556
Final 2018	**50**	734
Total 2018	**88**	1 290
Interim 2019	**40**	587
Final 2019	**53**	778
Total 2019	**93**	1 365

- Declared a final cash dividend of 53 cps

The Group's dividend policy is to pay a progressive dividend that takes into account the underlying earnings and available funding of the Group both in southern Africa and internationally, while retaining sufficient capital to fund ongoing operations and growth projects as well as manage gearing to acceptable levels

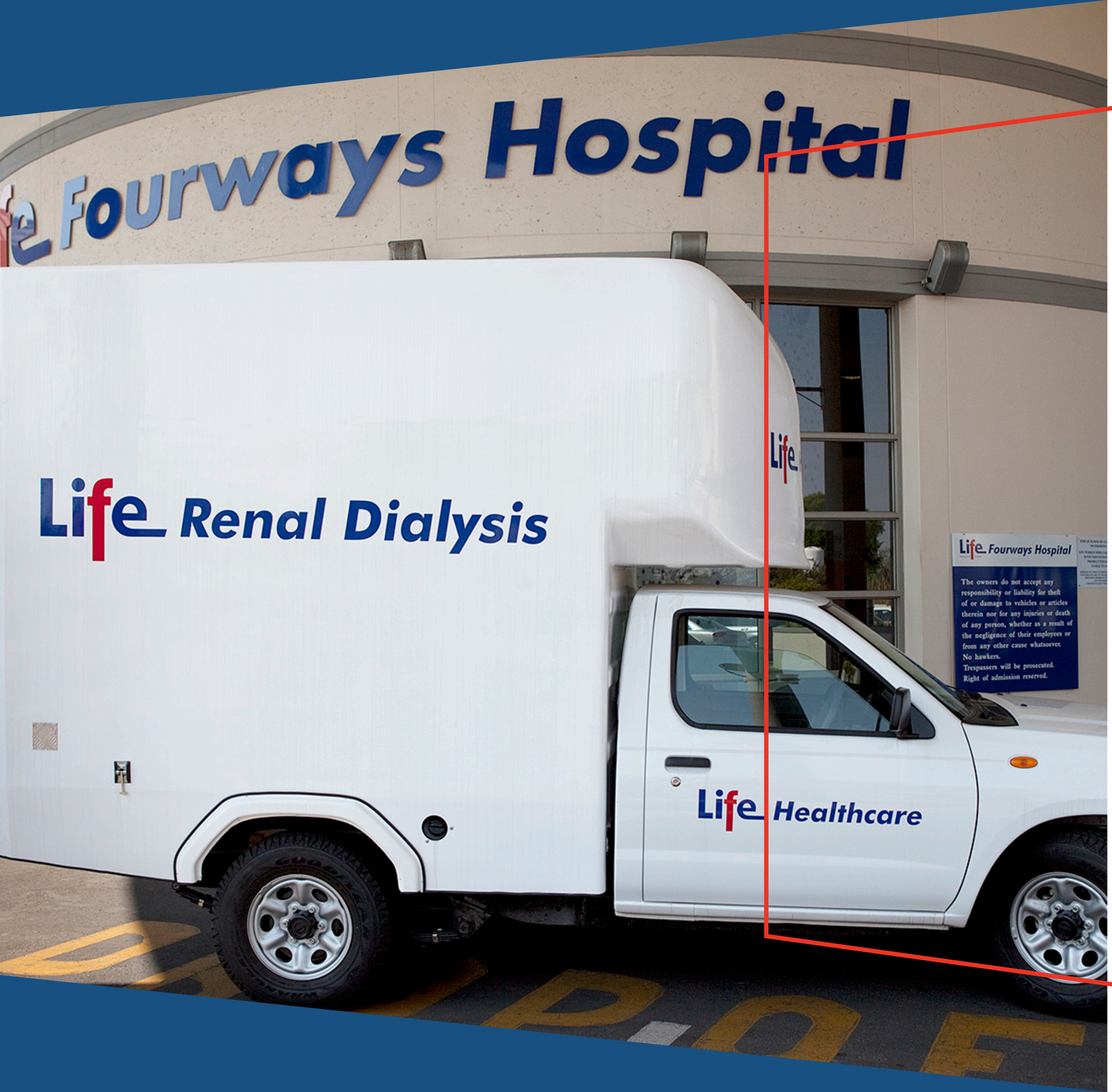
Impact of IFRS 16 - Leases

Group

	Impact on FY2020
Increase in normalised EBITDA	R220 million - R250 million
Increase in depreciation	R210 million - R240 million
Increase in interest	R40 million - R60 million
Decrease in deferred tax	R5 million - R10 million
Decrease in profit after tax	R25 million - R40 million
Increase in PPE at implementation	R950 million - R1 billion
Increase in interest-bearing borrowings at implementation	R950 million - R1 billion
Effect on net debt:EBITDA (times)	Increase from 1.96 times to 2.05 times

- Impact calculated based on current available information and exchange rates

Life HEALTHCARE Group



Life HEALTHCARE Group

FY2020 Outlook

Shrey Viranna | Group CEO

Group Overview

Outlook for FY2020

SA

- Flat PPDs in a market of increased network arrangements
- Stable normalised EBITDA margins through delivery on plans put in place in FY2019
- Capex spend of approximately R1.3 billion for the full year
- Approximately 50 brownfield beds and 65 renal stations to be added

International

- Complete refurbishment programmes of radiopharmacy facilities
- Normalised EBITDA margin improvement
- Investment in PET-CT wave 2
- Completion of Poland review

Growth Initiatives

- SA imaging: progressing SA imaging market with operations expected to commence during H2 FY2020
- SA outpatient: continue to drive the outpatient model and explore partnership opportunities to facilitate geographic expansion and scaled rollout
- LMI: strong pipeline of products at various stages of development, with a phase 2 study for Tau tracer commencing

Questions