

LIFE HEALTHCARE GROUP HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2003/002733/06)
ISIN: ZAE000145892
Share Code: LHC
("Life Healthcare" or "the Group" or "the Company")

CONDENSED UNAUDITED GROUP INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2022 AND CASH DIVIDEND DECLARATION

Group highlights:

- Revenue from continuing operations: +4.2% to R13.5 billion
- Improved performance in SA with PPDs up 2.1% and theatre minutes up 11.3%
- Strong underlying growth in AMG with PET-CT and MRI scan volumes up 13.7% and 11.7% respectively
- Strong financial position with net debt to normalised EBITDA of 2.03 times
- Interim cash dividend declaration of 15.0 cents per share

	<u>2022</u>	2021	% chg 2022-21
Revenue from continuing operations [^] (R'm)	13 544	13 004	4.2%
Normalised EBITDA [*] from continuing operations (R'm)	2 371	2 418	-1.9%
Weighted average number of shares (million)	1 452	1 454	-0.1%
Earnings per share (EPS) (cents)	41.5	55.9	-25.8%
Headline earnings per share (HEPS) (cents)	41.4	47.4	-12.7%
Normalised earnings per share [*] (NEPS) (cents)	44.1	55.7	-20.8%
NEPS from continuing operations [^] (cents)	44.1	52.8	-16.5%
Dividend per share (DPS) (cents)	15.0	-	n/a

Life Healthcare had a good trading performance for the six-month period ended 31 March 2022 (H1-2022, or the current period) driven by a strong performance in southern Africa and a good underlying business performance in Alliance Medical Group (AMG).

Group revenue from continuing operations increased by 4.2% to R13.5 billion (H1-2021: R13.0 billion) consisting of a 4.5% increase in southern African revenue to R9.5 billion (H1-2021: R9.1 billion), a 1.8% increase in international revenue from continuing operations to R3.8 billion (H1-2021: R3.7 billion) and R232 million revenue contribution from growth initiatives (H1-2021: R170 million).

Normalised EBITDA from continuing operations decreased by 1.9% to R2.4 billion (H1-2021: R2.4 billion). This decline in normalised EBITDA was largely driven by our international operations which saw normalised EBITDA decline by 13.3% to R806 million (H1-2021: R930 million) due to the ending of COVID-19-related support services, while our southern African operations saw normalised EBITDA growth of 7.5% to R1.6 billion (H1-2021: R1.5 billion).

The Group announced the sale of Scanned S.A. (Scanned) in Poland in November 2020 and this process was finally concluded on 26 March 2021. Scanned was presented as a discontinued operation for the period ended 31 March 2021 (H1-2021 or prior period). As a result, the prior period results have been re-presented.

EPS, HEPS and NEPS

EPS from continuing operations decreased by 16.8% to 41.5 cents (H1-2021: 49.9 cents) while EPS from continuing and discontinued operations decreased to 41.5 cents (H1-2021: 55.9 cents). This decline in EPS can be attributed to two positive contributors during the H1-2021 period which have not recurred in the current period, namely the disposal of Scanmed and the ending of some COVID-19-related support services AMG provided in the UK and Italy. In addition, our operational investments into both AMG and LMI have negatively impacted the margins for these businesses during the current period. The profit from Scanmed of R87 million (net of tax) positively impacted earnings during the prior period, increasing EPS by 6.0 cents.

Financial position and liquidity

The Group is in a strong financial position with net debt to normalised EBITDA as at 31 March 2022 of 2.03 times compared to the 1.82 times reported at 30 September 2021 and 2.78 times reported at 31 March 2021.

Given the ongoing uncertainty around COVID-19 and the future impact that this may have on the Group, Life Healthcare has kept in place some banking facilities that were put in place during 2020. The available undrawn facilities as at 31 March 2022 amounted to R4.8 billion (down from R6.6 billion at the end of the FY2021 period).

Distribution

The Board approved an interim gross cash dividend of 15.0 cents per ordinary share for the six months ended 31 March 2022. The dividend has been declared from income reserves. The dividend is subject to South African dividend withholding tax of 20%, which will be applicable to all shareholders not exempt therefrom, after deduction of which the net cash dividend is 12.00000 cents per share.

The Company's total number of issued ordinary shares is 1 467 349 162 as at 26 May 2022. The Company's income tax reference number is 9387/307/15/1.

In compliance with the requirements of the JSE, the following salient dates are applicable:

Last date to trade cum dividend	Monday, 13 June 2022
Shares trade ex the dividend	Tuesday, 14 June 2022
Record date	Friday, 17 June 2022
Payment date	Monday, 20 June 2022

Share certificates may not be dematerialised or rematerialised between Tuesday, 14 June 2022 and Friday, 17 June 2022, both days inclusive.

H2-2022 Outlook

Our people and infrastructure have been significantly tested over recent years and have shown their resilience. We have learnt from these challenges, made structural changes and invested in infrastructure, IT systems, talent and processes.

The diminishing disruptions from recent COVID-19 waves and signs of normality returning, have driven an encouraging recovery in healthcare demand, which is reflected in these results. The continuation of these trends would make us more optimistic on the outlook for our business.

For our southern African operations we currently anticipate that we should be able to deliver increased activities, higher occupancies and improvement in normalised EBITDA margin for H2-2022.

International Governments' drive to reduce diagnostic waiting lists is expected to increase the demand for AMG's services. Real evidence of increased demand for existing and new isotopes is encouraging for our radiopharmacy business.

Changes to the board of directors

Shareholders are referred to the announcement in December 2021 and confirm that Ms Hess did not offer herself for election as a director at the AGM held on 26 January 2022. Cindy was appointed to the Board on 1 September 2021 and for the short period she served in the role, has made a valuable and meaningful contribution.

* Life Healthcare defines normalised EBITDA as operating profit before depreciation on property, plant and equipment, amortisation of intangible assets and non-trading related costs and income. Normalised EBITDA and NEPS are non-IFRS measures.

^ Reflects revenue and NEPS excluding Scanned.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is a summary of the information in the detailed interim results announcement published on 26 May 2022 and does not contain full or complete details. The full announcement is available on Life Healthcare's website (www.lifehealthcare.co.za) or can be downloaded from <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/LHC/Interim22.pdf>. Any investment decision should be based on consideration of the full announcement and shareholders and/or investors are encouraged to review the full announcement.

The full announcement is also available, at no charge, for inspection at the registered office of Life Healthcare and at the office of the sponsor, during office hours. Copies of the full announcement may also be requested directly from the Company Secretary, Joshila Ranchhod (joshilar@life.co.za).

The contents of this short-form announcement are the responsibility of Life Healthcare's board of directors.

Date: 26 May 2022

Executive directors: Mr PG Wharton-Hood (Group Chief Executive), Mr PP van der Westhuizen (Group Chief Financial Officer).

Non-executive directors: Dr VL Litlhakanyane (Chairman), Mr PJ Golesworthy, Ms C Henry, Prof ME Jacobs, Ms AM Mothupi, Mr JK Netshitenzhe, Dr MP Ngatane, Adv M Sello, Mr GC Solomon and Mr RT Vice

Company Secretary: Ms J Ranchhod

Registered Office: Building 2, Oxford Parks, 203 Oxford Road (cnr Eastwood and Oxford Roads), Dunkeld 2196. Private Bag X13, Northlands 2116.

Sponsor: Rand Merchant Bank, a division of FirstRand Bank Limited. 1 Merchant Place, cnr Fredman Drive and Rivonia Road, Sandton.

Note regarding forward-looking statements: Any forward-looking statements or projections made by the Company, including those made in this announcement, are subject to risk and uncertainties that may cause actual results to differ materially from those projected, and have not been reviewed or reported on by the Group's external auditors.