

LIFE HEALTHCARE GROUP HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 2003/002733/06
Income tax number: 9387/307/15/1
ISIN: ZAE000145892
Share code: LHC
("Life Healthcare" or "the Company" or "the Group")

PRELIMINARY CONDENSED GROUP RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | 2020 | % | 2019 |
|--|--------|-------|--------|
| Revenue (R'm) | 25 386 | -1.1 | 25 672 |
| Normalised EBITDA (R'm) | 4 346 | -24.1 | 5 727 |
| Cash generated from operations (R'm) | 4 562 | -23.0 | 5 927 |
| Weighted average number of shares (million) | 1 455 | -0.1 | 1 456 |
| Earnings per share (EPS) (cents) | -6.4 | >-100 | 176.4 |
| Headline earnings per share (HEPS) (cents) | 48.7 | -45.1 | 88.7 |
| Normalised earnings per share (NEPS) (cents) | 61.0 | -47.6 | 116.4 |
| Final dividend per share (DPS) (cents) | - | -100 | 53 |

Life Healthcare's 2020 financial year was a year of vastly different halves. The Group delivered an excellent performance during H1 FY2020 but trading was significantly impacted in H2 FY2020 by the COVID-19 pandemic (the pandemic). The primary focus of the Group in H2 FY2020 was to manage the impact of the pandemic. A number of actions were taken over the period since the outbreak of the pandemic to ensure that we continued to deliver a safe environment providing quality care to our patients, protected the health, safety and job security of our employees in the short term and preserved liquidity. While there is still a high degree of uncertainty regarding the future progression of the pandemic, the Group is pleased with its response to the challenges that arose during H2 FY2020 and we are confident that the lessons learned will enable us to respond effectively to future COVID-19-related challenges.

Revenue for the year ended 30 September 2020 (year under review) decreased by 1.1% against last year and Group normalised EBITDA is 24.1% down against last year. The H2 FY2020 performance was significantly impacted by the pandemic. Normalised EBITDA was impacted to a greater extent, due to additional costs associated with the pandemic and lower activity levels, resulting in negative operational leverage.

The H2 FY2020 attributable loss included the following items:

- Impairment of Scanmed investment of R793 million
- Deferred tax charge on the unrecognised exchange gain on a loan with Scanmed of R133 million
- Provision for additional expected credit losses of R186 million

The Group's efficiency programmes contributed R125 million in the year under review.

The Group successfully refinanced its term debt in the international operations during March 2020 and thereby extended the debt maturities that were due in November 2020 out to 2023 and 2025. Given the significant uncertainty caused by the pandemic, the Group pre-emptively negotiated amended bank covenants for the period up to 31 March 2021. In addition, banking facilities have been increased and the Group's committed undrawn bank facilities as at 30 September 2020 are R6.3 billion.

EPS, HEPS and NEPS

EPS, HEPS and NEPS for the year ended 30 September 2020 include the impact of IFRS 16 (2019: no impact).

The impairment of R793 million relating to Scanmed reduced EPS by 54.5 cps.

Earnings in the prior year included a non-recurring profit on the disposal of our equity investment in Max Healthcare (net profit on the disposal in FY2019 of 68.5 cps). The earnings in the year under review have been positively impacted (+9.3 cps) by the reduction in post-tax interest cost of R135 million as a result of the repayment of debt in Q4 FY2019, following the disposal.

Earnings were negatively impacted by the pandemic.

DISTRIBUTION POLICY

The Group agreed not to pay dividends without lender approval as part of the covenant amendment terms. The board of directors has decided, considering the current trading conditions and in order to preserve cash, not to pay a final dividend for the year. This position will be reviewed in the new financial year.

New accounting standards

The Group adopted IFRS 16 from 1 October 2019 and has changed its accounting policies accordingly. The Group has elected the modified retrospective approach, with no restatement to comparative periods. There was no impact on retained earnings on 1 October 2019.

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.

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

Non-executive directors: MA Brey (Chairman), PJ Golesworthy, ME Jacobs, VL Litlhakanyane, AM Mothupi, JK Netshitenzhe, MP Ngatane, M Sello, GC Solomon, RT Vice

Group Company secretary: A Parboosing

Registered office: Oxford Manor, 21 Chaplin Road, Illovo. 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

Date: 19 November 2020

SHORT FORM ANNOUNCEMENT

Shareholders are advised that this short form announcement represents a summary of the information contained in the reviewed full announcement but is itself not reviewed or audited by the Group's auditors. The full announcement is available for viewing at <https://senspdf.jse.co.za/documents/2020/JSE/ISSE/LHC/Final20.pdf> and on Life Healthcare's website (www.lifehealthcare.co.za). This short form announcement does not contain full or complete details. Any investment decision should be based on a consideration of the full announcement and shareholders and/or investors are encouraged to review the full announcement. The full announcement is also available for inspection, at no charge, at the registered office of Life Healthcare and at the offices of the Company's sponsor, during office hours.

Copies of the full announcement may also be requested directly from the Group Company Secretary, Avanthi Parboosing (avanthip@life.co.za).

The contents of this short form announcement are the responsibility of the board of Life Healthcare.