LIFE HEALTHCARE GROUP HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2003/002733/06)
ISIN: ZAE000145892
JSE and A2X share Code: LHC
("Life Healthcare" or "the Group" or "the Company")

LIFE HEALTHCARE FUNDING LIMITED
(Incorporated in the Republic of South Africa with limited liability)
(Registration number 2016/273566/06)
LEI: 3789SJPQJZF8ZYXTZ394
Bond company code: LHFI

TRADING UPDATE AND TRADING STATEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2025

Life Healthcare provides shareholders with a trading update and trading statement covering the six-month period from 1 October 2024 to 31 March 2025 ("the current period" or "H1-FY2025"). Reference is also made to the six-month period 1 October 2023 to 31 March 2024 ("prior period" or "H1-FY2024") and the twelve-month period 1 October 2023 to 30 September 2024 ("FY2024").

Commentary relates to the results for the current period and comparisons are to the prior period, unless otherwise stated.

Following the announcement on the Stock Exchange News Service of the JSE Limited on 13 January 2025 of the proposed disposal of Life Molecular Imaging (LMI) to Lantheus Holdings Inc. (Lantheus), LMI has been classified as an asset held for sale in terms of IFRS Accounting Standards as issued by the International Accounting Standards Board. Consequently, the financial information contained in this announcement refers to continuing operations, consisting of our southern African operations and to discontinued operations, which comprises the LMI and Alliance Medical Group's (AMG) operations. The trading update specifically refers only to continuing operations.

Details of the LMI disposal and the pro forma financial effects on the Group were included in the circular to Life Healthcare shareholders distributed on 27 February 2025.

Trading update

Trading highlights

The southern African business experienced good underlying activity growth for the period H1-FY2025 compared to the prior period. Overall paid patient days (PPDs) increased by c.2%[1] with overall occupancies improving to 68.6% (H1-FY2024: 66.6%). Acute hospitals PPDs increased by c.2%[1] with the acute hospitals' occupancy improving to 68.3% (H1-FY2024: 66.2%). Complementary services PPDs grew by c.2% with occupancies improving to 71.6% (H1-FY2024: 70.4%). The southern African business has benefited in the current period from the timing of the Easter holidays falling in April 2025 vs in March in FY2024.

Revenue per PPD has increased by c.6.1% due to a changing case mix and a tariff increase of 5.1%. This has resulted in revenue growth of between 8.0% and 9.0%.

The southern African business is in line to meet it's 2025 outlook guidance of:

Growth:

- 79 additional beds and commencement of the construction and development of a new 140 bed hospital
- Additional imaging transactions and PET-CT sites

Drive:

- Improving occupancies to 70%

Optimise:

- Focus on operational efficiencies and embedding the FMC renal business
- Expanding the roll-out of the renal dialysis integrated care programme

Capex spend for H2-FY2025 is expected to approximate R1.2 billion.

1 On a like-for-like basis as it excludes PPDs of facility sold in the current period.

Update on proposed disposal of LMI

The proposed disposal of LMI is on track and is expected to be completed during H2-FY2025, with shareholders having overwhelmingly approved the transaction on 2 April 2025. The impact of the transaction does cause some accounting anomalies where the associated liabilities need to be recognised in this reporting period but the profit on disposal will only be accounted for in the reporting period in which the transaction closes.

Further details of the expected impact of the proposed disposal on the H1-FY2025 results are provided in the trading statement below.

Trading statement

In terms of paragraph 3.4 (b) of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it is satisfied to a reasonable degree of certainty that the financial results for the period to be reported upon next will differ by at least 20% from those of the previous corresponding period.

The table below summarises our expected earnings for the current period and the significant impact of the adjustments to the LMI associated liabilities.

NEPS, which excludes non-trading related items, provides the actual performance of the southern African underlying business and therefore excludes discontinued operations as well as the adjustments to the LMI associated liabilities included as part of continuing operations.

Earnings per share (cents)	H1-FY2025 (expected)	Once-off items in H1-FY2025 (note 2)	H1-FY2025 proforma (expected) (note 3)	H1-FY2024 (reported)	% change H1-FY2025 (expected) vs H1-FY2024	% change H1-FY2025 proforma (expected) vs H1-FY2024	Notes
From continuing and discontinued operations							
EPS	-140.2 to -169.3	224.0	+54.7 to +83.8	242.8	>-100	-65.5 to -77.5	1, 2
HEPS	-150.9 to -158.7	224.0	+65.3 to +73.1	65.2	>-100	+0.2 to +12.1	1, 2
From continuing operations							
EPS	-147.0 to -153.2	203.0	+49.8 to +56.0	51.4*	>-100	-3.2 to +8.9	2
HEPS	-148.0 to -154.2	203.0	+48.8 to +55.0	51.4*	>-100	-5.0 to +7.1	2
NEPS	+45.0 to +50.4	-	+45.0 to +50.4	44.9*	+0.2 to +12.3	+0.2 to +12.3	2

*Restated in terms of IFRS 5 as LMI is disclosed as a discontinued operation

1. Sale of AMG
   - The sale of AMG was concluded in H1-FY2024 and a R2.8 billion profit on disposal was recognised as part of profit from discontinued operations.
   - This once-off gain, in isolation, equated to 195.7 cents per share in H1-FY2024.

- This gain mainly impacted earnings per share (EPS) from continuing and discontinued operations.
- R3.2 billion (included as part of the R2.8 billion profit on disposal) related to an exchange gain which was excluded from headline earnings per share (HEPS) from continuing and discontinued operations.
- The above had no impact on EPS, HEPS or NEPS from continuing operations.

2. Proposed sale of LMI

   The proposed disposal of LMI is expected to be completed in H2-FY2025.

   The profit on disposal of the sale will only be recognised on completion of the transaction, expected in H2-FY2025. However, there were adjustments to the liabilities relating to LMI as described below.

   Transaction costs of c. R75 million were recognised in H1-FY2025, which will only impact on EPS and HEPS from continuing and discontinued operations.

2.1 Piramal contingent consideration

- A contingent consideration payable exists relating to an amount payable to the previous owners of LMI, Piramal Enterprises Limited (Piramal).
- The Piramal contingent consideration is a pre-existing liability, measured at fair value, and will therefore be accounted for as part of continuing operations.
- The fair value adjustment is estimated to be R2.9 billion. This loss will have a substantial impact on the current period's earnings.
- This fair value loss, in isolation, equates to a reduction of c. 203 cents per share.
- This loss will impact EPS and HEPS from continuing and discontinued operations. Furthermore, due to the pre-existing nature of the Piramal liability, which will remain with the Group, the loss will also impact EPS and HEPS from continuing operations. The fair value loss is excluded from NEPS.

2.2 LMI management incentive scheme

- LMI’s senior management team participates in a management incentive scheme.
- In accordance with the terms of the LMI Management Scheme, an estimated payment of $18 million will be payable to LMI management from the Upfront Payment post Completion.
- The additional employee charge is estimated to be R303 million.
- This charge, in isolation, equates to a reduction of c. 21 cents per share.
- This charge will impact only EPS and HEPS from continuing and discontinued operations.

3. Pro forma information

To provide a more meaningful assessment of the Group's performance for the period, pro forma information has been included in this announcement. The H1-FY2025 pro forma (expected) numbers are derived from deducting the fair value loss relating to the Piramal contingent consideration and the LMI management incentive scheme charge from the H1-FY2025 unaudited results.

The directors are responsible for the pro forma financial information, as detailed in paragraphs 8.15 to 8.34 of the Listings Requirements of the JSE Limited and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria). The pro forma information does not constitute financial information fairly presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The pro forma information has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group's financial position, changes in equity, results of operations and cash flows. The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies in place for the period ended 31 March 2025.

The Group's H1-FY2025 results are still in the process of being finalised. Life Healthcare expects to release its results for the six months to 31 March 2025 on or about 22 May 2025.

This trading update and trading statement is the responsibility of the directors and is based on financial information which represents the Group's latest financial estimates and has not been reviewed, or reported on, by Life Healthcare's external auditors.

For further information, please email:
Investor.Relations@lifehealthcare.co.za

Dunkeld
10 April 2025

Equity Sponsor
Rand Merchant Bank (a division of FirstRand Bank Limited)

Debt Sponsor
Questco Corporate Advisory