Ascendis HEALTH

RMB MORGAN STANLEY OFF-PISTE CONFERENCE **2017**

PRESENTATION OUTLINE

Section	Presenter
Overview	Dr. Karsten Wellner
Financial review	Kieron Futter
Operational performance	Dr. Karsten Wellner
Outlook	Dr. Karsten Wellner

OVERVIEW

GLOBAL HEALTH AND CARE BUSINESS

Revenue	R6.4bn €434m*
Market capitalisation	R9.2bn €578m**
EBITDA generated outside SA	50%
Employees	3 721

* Using average R/€ rate for FY2017

** Using market cap and R/€ on 22/09/17

ASCENDIS TIMELINE

Ascendis HEALTH

2008

Ascendis Health founded by investment holding company Coast2Coast Capital

2011

Dr Karsten Wellner appointed CEO

ACQUISITIONS

- Efekto
- Chempure
- Sportron International

2012

ACQUISITION

- Avima

2013

Listed on JSE
22 November 2013
Market capitalisation
R2.5 billion

WDB Investment Holdings
MIC

Strategic empowerment shareholding transactions

ACQUISITIONS

- Atka Pharma
- Nimue Bioscience
- Bolus Distribution
- Pharmachem Pharmaceuticals
- Solal
- Evox Advanced Nutrition
- SSN
- Marltons Your Pet's Choice
- Swissgard

2014

Investment Analysts Society of South Africa (IASSA) Award

ACQUISITIONS

- Arctic Healthcare
- PharmaNatura
- RCA
- Surgical Innovations

R2 billion corporate bond programme

2015

ACQUISITIONS

- Farmalider Group — First international acquisition
- The Scientific Group

2016

IFC strategic investment - subsidiary of World Bank

ACQUISITIONS

- Remedica
- Scitec Nutrition
- AfriKelp — Nature in balance
- Akacia HealthCare
- Club M5

2017

Global business with revenue exceeding R6 billion

ACQUISITIONS

- Sun Wave Pharma
- Cipla Agrimed
- Cipla Vet

Investment Analysts Society of South Africa (IASSA) Award

BUSINESS MODEL

1 ACQUIRE AND BUILD STRONG HEALTH AND CARE BRANDS

Acquire
- Defensible
- Brand / IP
- Mature and profitable
- Strong management

Build
- Inject Ascendis best practice
  - Profitability
  - Innovation
  - Brand and product management
  - Process
  - Project teaming
  - Skills development

ACQUIRE
20% REVENUE GROWTH*

ORGANIC
10% REVENUE GROWTH*

2 ADD VALUE BY DRIVING SYNERGIES

- Through value chain
- Within and across divisions

SYNERGISTIC
5% PROFIT GROWTH*

3 PROVIDE HOLISTIC HEALTH SOLUTIONS FOR PEOPLE, ANIMALS AND PLANTS

** Average annual growth targets per medium-term strategy*

DIVISION: PHARMA-MED – SA

BUSINESS UNIT	BRANDS	STRENGTHS
Pharma	Reuterina, Sinuend, Biocort, Biosolin 30/70, Spectrapain, Sinucon, Nozer, Canex, Phlexy Mist Alba	▪ Trusted, long-established generic medicines ▪ Strong position in self-dispensing doctors' market ▪ Strong pipeline of new dossiers ▪ Leaders in cost effective generic and OTC brands in cold and flu (Sinucon & Sinuend) and anti-diarrhea probiotics (Reuterina, market-leader)
Medical Devices	Surgical Intensive Care Intensive Care and Respiratory Care Clinical Diagnostic Ortho-Xact-Orthopedic	▪ Medical equipment for surgery, ICU and trauma, diagnostics ▪ Exclusive agency agreements in place with respected international brands including Olympus, Maquet, Medrad, Applied Medical, Merit, CareFusion, Hill-Rom, Mindray, Fisher & Paykel ▪ Strong export footprint

DIVISION: INTERNATIONAL

COMPANIES	STRENGTHS
Farmalider	▪ Established Spanish pharmaceutical group, with mainly B2B business model ▪ Own GMP accredited manufacturing site ▪ Product offering includes generic drugs, OTC, ethical products, dermocosmeceuticals and dietary supplements
Remedica	▪ European-based pharma company, operating > 50 years, c80% of business in emerging markets ▪ 300 generics (including HIV, tuberculosis and oncology drugs) ▪ Active in 100 countries via agents, distributors and international aid organisations ▪ State-of-the-art 40 000m2 manufacturing facilities
Scitec	▪ No. 3 European sports nutrition company ▪ Selling in 90 countries worldwide with strong market positions all over Europe ▪ Over 280 products produced in GMP and FDA-approved facility
Sun Wave Pharma	▪ Leading OTC and nutraceuticals high growth business in Romania ▪ Sourcing, production and product development synergies

DIVISION: CONSUMER BRANDS – SA

BUSINESS UNIT	BRANDS	STRENGTHS
Wellness	SOLAL, VitaForce, Bettaway, Foodstate, Junglevites, Menacal7 and Chela-Preg	▪ Solal - established healthy ageing brand (>10 years) ▪ IP in 200 products, premium brands ▪ Targeted at mid-high income consumers ▪ Market-leading vitamin and mineral brand dossiers
Skin & Body	Nimue, SOLAL, Merz, PCA	▪ Nimue - established dermo-cosmeceutical brand in salons ▪ Premium brand, high LSM ▪ Sold in 28 countries ▪ Merz, global leader in Aesthetics and Neurotoxins
Sports Nutrition	Scitec,Evox, SSN, Muscletech & Supashape, Muscle Junkie	▪ Established sports nutrition brands (>15 years) ▪ Presence across main market categories ▪ Number 2 in SA market
Direct	Sportron & Swissgarde	▪ Established nutraceutical and personal care brands (>20 years) ▪ Direct selling networks in SA and Nigeria

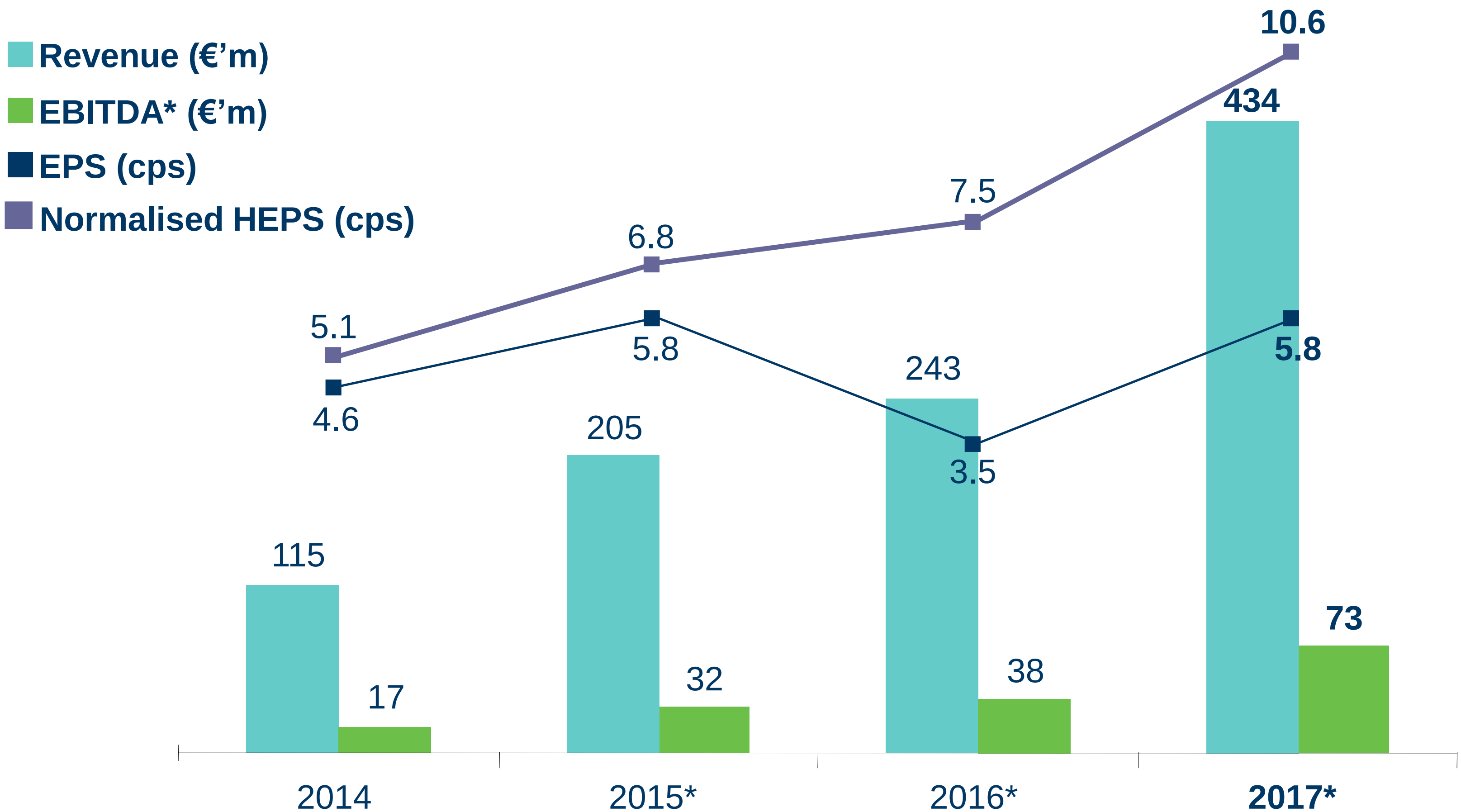
DIVISION: PHYTO-VET

BUSINESS UNIT	BRANDS	STRENGTHS
Biosciences	Efekto/Wonder	• Established home and garden protection business (>45 years) • IP in more than 800 products • Premium brands
	Afrikelp	• 1971 established seaweed processing business for production of natural growth stimulants for agriculture and horticulture; 80% exports to approx 70 countries; strong international growth
	Avima	• Agri-chemical business for crop protection and public health • 55% of sales to 21 other African countries • Vertical integration with Efekto
Animal Health	Fiprotec, Petcam ,GCS Joint care advanced, CalmEze Diomec, Triworm, Clavet, Efazol, Omepracote	• Established in 2004, focusing on production animals, offering a comprehensive range of scientifically advanced and affordable veterinary medicines • Products are distributed via co-ops, vet wholesalers and large scale intergrators

REVENUE AND EARNINGS GROWTH

3-year CAGR:

Revenue +58% p.a. EBITDA +64% p.a. EPS +10% p.a. nHEPS +30% p.a.

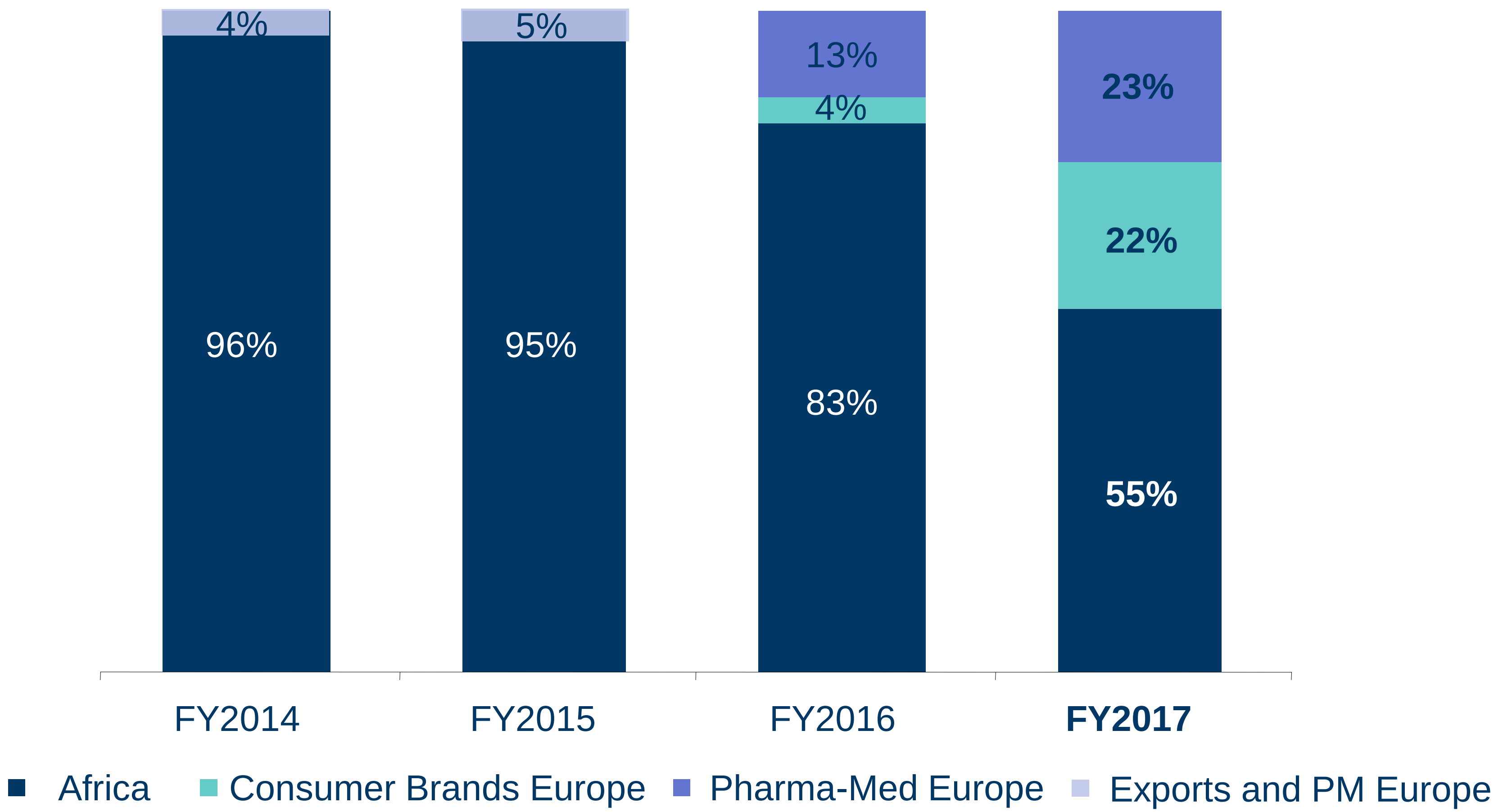


Numbers from continuing operations only

* Using normalised EBITDA (adjusted for once-off transaction-related costs)

GEOGRAPHIC SPLIT OF REVENUE

Ascendis brands are sold over **100** countries



* Normalised EBITDA from continuing operations – excluding head office

GLOBAL PRODUCTION FACILITIES

- **Our own production facilities across the world, all* GMP accredited**
- Project to consolidate two Pharma/Wellness plants in SA after loss of third party manufacturing contract
- 44% of cost of goods produced in our own plants

* excluding Bioscience facility, which has all relevant accreditations

INVESTMENT CASE

Attractive market positioning	▪ Health and care markets are growth sectors locally and internationally ▪ Resilient and defensive markets ▪ Significant barriers to entry into highly regulated markets
Market-leading brands	▪ Long-established and defensible brands, with a focus on owned brands ▪ Top three brands in relevant category
Diversification	▪ Revenue diversified across geographic regions, multiple health and care market segments and extensive brand portfolio ▪ No single client dependency across customer base
Acquisitions supporting organic growth	▪ Acquisition model: strong three-year profit growth; cash conversion rate of 60% - 100%; return on tangible net assets of 30% - 40%

INVESTMENT CASE continued

Creating efficiencies through synergistic growth	▪ Proven ability to integrate acquisitions and extract efficiencies ▪ Vertical integration within the value chain creates opportunities for margin expansion
Expanding international presence	▪ Offshore hard currency earnings provide natural hedge against Rand volatility ▪ Growth opportunities in Africa: currently export to 15 countries in Africa
Strong management team	▪ Strong and stable leadership team ▪ Blend of company and industry experience locally and internationally ▪ Innovative and entrepreneurial culture
Sustained value creation	▪ 81% compound growth in revenue since listing in 2013 ▪ 102% compound growth in EBITDA since 2013 ▪ Created R5.7bn/€381m in shareholder wealth since listing

ACQUISITION STRATEGY

Strong pipeline, with focus on complementary bolt-on acquisitions

Acquisition criteria

- Targeting average of 20% of revenue growth from acquisitions per year
- Market-leading brands
- High cash generation
- Earn-out model
- More complementary acquisitions in FY2018

Focus is on

- Central and eastern Europe
  - Higher growth economies
  - Fragmented market
- Europe
  - High growth segments e.g. OTC
- Australia
  - High growth segments e.g. sports nutrition, wellness
- Looking for further platforms (medium-term)

BUSINESS MODEL

1 **ACQUIRE AND BUILD STRONG HEALTH AND CARE BRANDS**

ACQUIRE
20% REVENUE GROWTH*

2 **ADD VALUE BY DRIVING SYNERGIES**

ORGANIC
10% REVENUE GROWTH*

3 **PROVIDE HOLISTIC HEALTH SOLUTIONS FOR PEOPLE, ANIMALS AND PLANTS**

SYNERGISTIC
5% PROFIT GROWTH*

** Average annual growth targets per medium-term strategy*

ORGANIC GROWTH DRIVERS

New geographies	▪ New geographies via exports (e.g. UK, USA, Canada, Australia) ▪ Expansion of Phyto-Vet and Medical Devices to rest of Africa ▪ Cross-selling across the group e.g. Scitec sports nutrition products via Ascendis channels in SA
Product development	▪ Increased investment in branded generics ▪ New first-to-market generic drugs e.g. epilepsy ▪ New agencies and branded range developed in Medical Devices ▪ Solal Wellness range adapted for Australia (launches soon) ▪ New Solal and Nimue products in Skincare ▪ Brand and packaging development e.g. Junglevites ▪ Strong NPD at Sun Wave Pharma and Sports Nutrition
Channel development	▪ Sales force effectiveness e.g. key account management ▪ Mass retail and online channel development ▪ Improved in-fill rates ▪ Increasing retailer penetration in Skincare

KEY SYNERGY PROJECTS

Division	Key synergy projects	EBITDA benefit expected in next 18 months
Pharma-Med	• Medical Devices Division integration • SA Pharma optimisation (product rationalisation, operational improvement)	R10 – 16m / €0.7 - 1.1m
Consumer Brands	• Sports Nutrition synergies • Production in-sourcing and optimisation • SOLAL exports (Australia and Remedica)	R6 – 11m / €0.4 - 0.7m
Head Office	• Insurance consolidation • HR centralisation (payroll, BBBEE, etc.) • IT and Treasury efficiencies • Expanded Legal and Marketing shared services	R3 – 4m / €0.2 - 0.3m
Total EBITDA impact		**R19 – 31m / €1.3 – 2.1m**
Total after-tax synergy benefit to earnings		**R15 – 24m / €1.0 – 1.6m**

SYNERGY PROJECTS – NEW PROJECT

SUPPLY CHAIN OPTIMISATION

Currently in "diagnostic" phase – not included in FY2018 targets

CURRENTLY UNDER INVESTIGATION

Decreasing priority / urgency

South Africa manufacturing
- Optimise local manufacturing model *(geographic location, outsource vs in-source mix)*
- Expand in-house labs and stability testing capacity

Procurement
- Optimise global procurement model *(finished goods, raw materials / APIs, packaging, equipment)*

Global manufacturing
- Optimise global manufacturing model *(geographic location, outsource vs in-source mix)*

Rest of the supply chain
- Optimise warehousing and distribution
- R&D / NPD collaboration
- Best practice sharing - systems / processes / expertise

RECENT ACQUISITION – PHARMA-MED

Remedica
FOR A HEALTHIER WORLD

European pharmaceutical company, with majority of sales in high growth emerging markets

PERFORMANCE

- Successful integration
- Implemented monthly reporting, changed auditors
- Management aligned
- Value creation projects started: cross-selling, regulatory, procurement, R&D, NPD, production
- Double digit profit growth, and close to 30% EBITDA margin
- Positive outlook for FY2018

RECENT ACQUISITIONS – CONSUMER BRANDS

SCITEC NUTRITION	Sun Wave Pharma – Making Tomorrow Healthier
Leading European sports nutrition brand PERFORMANCE ▪ Unable to pass on increase in whey protein raw material price and sales impacted by drop in discounts as a result ▪ Sales impacted by lack of participation in mass and online channels in CEE ▪ Measures taken: new MD appointed, opex savings, new sales focus, new marketing dept, new geographies, strong NPD pipeline ▪ Improved outlook for FY2018 (esp H2)	Leading OTC and nutraceuticals high-growth business in Romania STRATEGIC RATIONALE ▪ Entry into high-growth Romanian market ▪ Sourcing, production and R&D synergies ▪ Replicate model in E Europe ▪ Cross-selling opportunities PERFORMANCE ▪ Strong double-digit sales and profit growth in first two months (June & July) ▪ Close to 20% EBITDA margin

RECENT ACQUISITION – PHYTO-VET

Animal medicines business in South Africa

STRATEGIC RATIONALE

- High margin products in strong growth segment
- Internationalisation potential
- Medium-term synergy potential with Ascendis SA pet and biosciences retail presence

PERFORMANCE

- Cipla Animal Health integration on track
- Sales and profits in line with expectations
- Close to 20% EBITDA margin

CREATING A FOUNDATION FOR FY2018

STRONG RESULTS

- Revenue +64%
- EBITDA* +78% to R1.1bn / €73m
- EBITDA* margin up from 15.6% to 16.9%
- EPS +50% to 86c / 5.8c

FOCUS AREAS AND SYNERGIES

- Focus areas: new geographies, brand, channel development
- Plans to improve performance of Consumer Brands division
- A further R19 – 31m / €1.3 - 2.1m EBITDA targeted in next 18 months through synergies

TRANSFORMATION INTO GLOBAL HEALTHCARE BUSINESS

- 50% of EBITDA* from outside SA (19% in FY2016)
- Strengthened by acquisition of Sun Wave Pharma in Romania and Cipla Animal Health (big export opportunities)
- Strong bolt-on acquisition pipeline

* Normalised EBITDA from continuing operations

STRONG LEADERSHIP TEAM

CEO
Dr. Karsten Wellner

CFO
Kieron Futter

COO, Head of Europe
Thomas Thomsen

MD – South Africa
Cliff Sampson

PHARMA-MED

CEO – Remedica
Charalambos Pattihis

CEO – Farmalider
José Luis Berenguer

MD – Pharma
Jaco Smit

MD – Medical Devices
Tony Lowther

CONSUMER BRANDS

CEO – Sun Wave Pharma
Yogish Agarwal

CEO – Scitec
Andras Gyenes

MD – Wellness
Justin Korte

MD – Skin & Body
Lee-Ann Herbst

MD – Sports Nutrition
John Kettlewell

MD – Direct
Cornélle van Graan

PHYTO-VET

Divisional Head
Jayen Pather

LEADERSHIP – NEW EUROPE APPOINTMENTS

Thomas Thomsen

COO, Head of Europe

- London-based
- Senior executive positions at Johnson & Johnson Consumer (MD CEE region), Reckitt Benckiser (head of global consumer healthcare) and Novartis Consumer Healthcare (head of global consumer health category)
- Recently board member of mostly pharma-related private and listed companies

Andras Gyenes

CEO – Scitec

- Extensive experience in FMCG industry – Unilever for 22 years, serving as MD of Unilever in the east European region
- Previously COO of Magyar Telekom (subsidiary of Deutsche Telekom)
- Has been on the management team of businesses in several eastern European markets

Ascendis HEALTH

FINANCIAL REVIEW

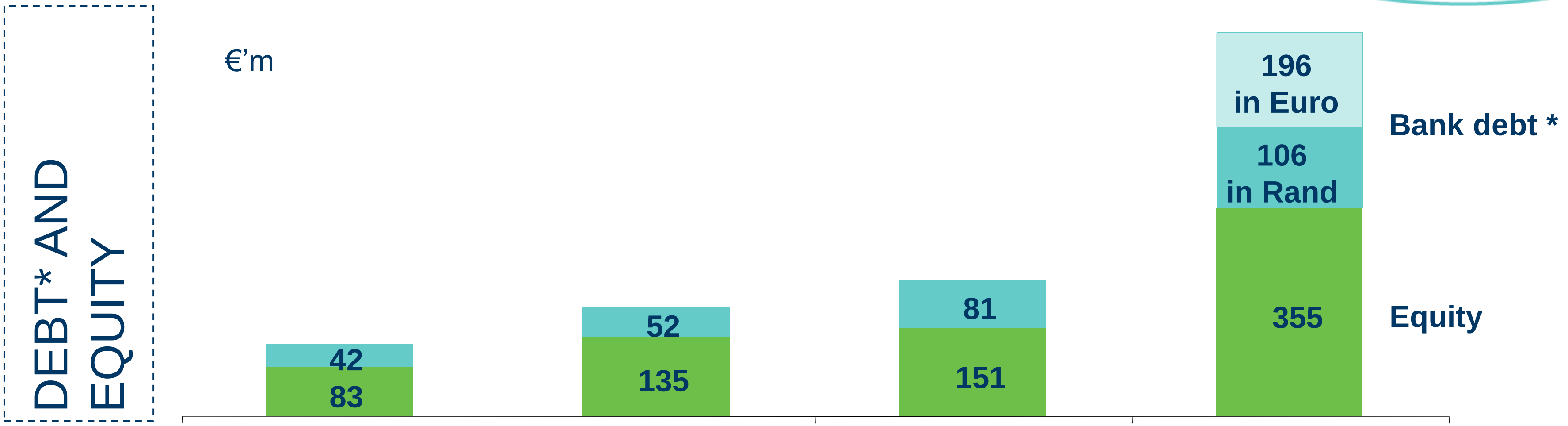
FINANCIAL HIGHLIGHTS FOR THE YEAR

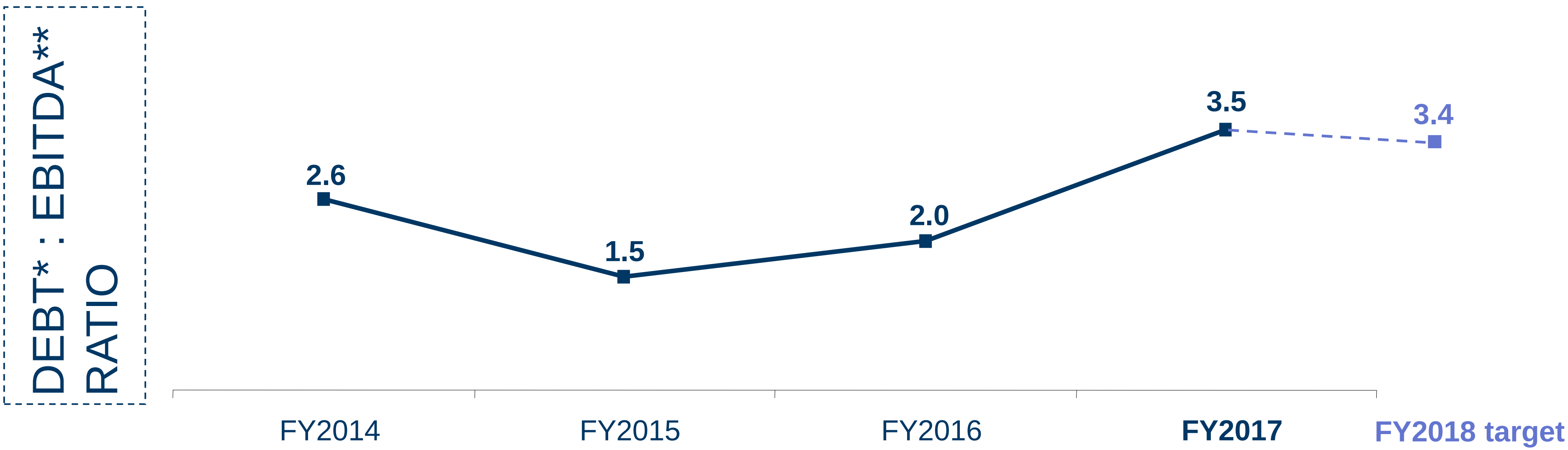
- Revenue **+64%** to R6.4bn / €434m
- Normalised EBITDA **+78%** to R1.1bn / €73m (margin up 130 bps to **16.9%**)
- Cash flow from operating activities of R787m / €53m; **73%** conversion rate
- Normalised headline earnings **+92%** to R645m / €43m
- EPS **+50%** to 85.9 cps / 5.8 cps
- Normalised HEPS **+29%** to 156.4cps / 10.6 cps
- Discontinued operations
  - Consolidation of manufacturing operations in SA
- No final dividend declared – cash to be retained for acquisitions

Notes:

1. Results of continuing operations only
2. Normalised numbers are adjusted for once-off transaction-related costs

GEARING





* Bank debt net of cash

** Normalised EBITDA from continuing operations – annualised for 12 months

KEY RATIOS

	Jun 2017	Jun 2016	Jun 2015
Annualised sales* (€'m)	**505**	266	237
Annualised EBITDA* (€'m)	**86**	40	33
Interest cover (times)	**3.6**	4.4	4.8
Net debt to EBITDA (times)*	**3.5**	2.3	1.8
Net working capital days*	**147**	131	101
Inventory days	**138**	128	112
Debtor days	**80**	65	58
Creditor days	**(71)**	(62)	(69)
ROTNA** (%)	**27.5%**	35.1%	37.2%
ROE*** (%)	**14.3%**	14.3%	15.9%

* Income statement measures use a full twelve months of results for all companies in the group, irrespective of the actual date of consolidation. This provides more meaningful ratio analysis.

** Excludes goodwill and intangibles

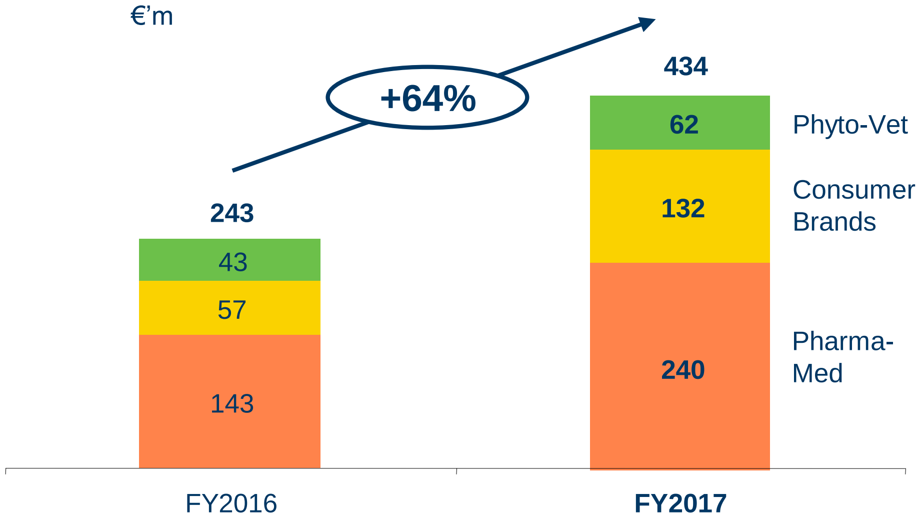
*** Adjusted for average equity

OPERATIONAL PERFORMANCE

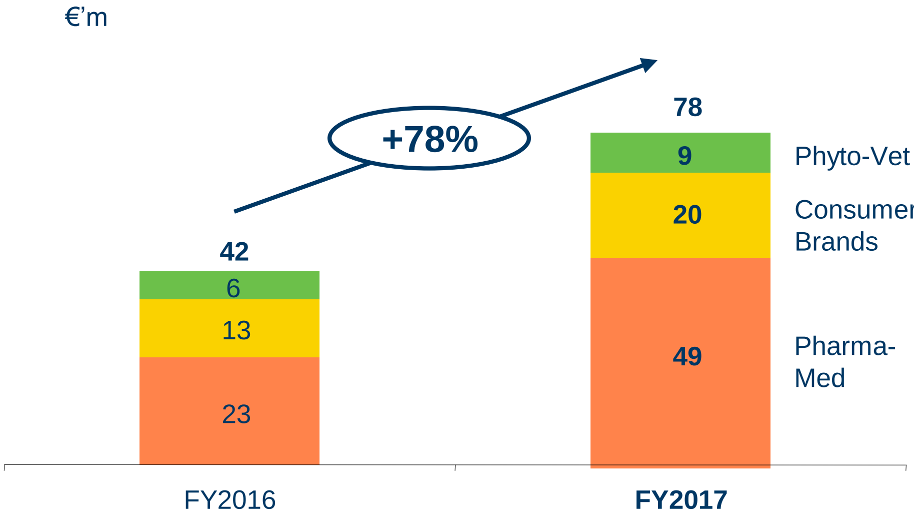
Ascendis HEALTH

A diversified healthcare business

Revenue



EBITDA*



	Division	FY2016	FY2017
Share of revenue	Pharma-Med	59%	56%
	Consumer Brands	23%	30%
	Phyto-Vet	18%	14%

	Division	FY2016	FY2017
Share of EBITDA*	Pharma-Med	56%	63%
	Consumer Brands	30%	25%
	Phyto-Vet	14%	12%

* Normalised EBITDA from continuing operations

PHARMA-MED

€'m	% ch 2017 vs 2016	Jun 2017	Jun 2016	Jun 2015	Jun 2014
Revenue	55.0%	240	143	91	29
EBITDA	97.7%	49	23	17	7
EBITDA margin		20.5%	16.1%	18.7%	25.1%

Performance in FY2017

- Double-digit turnover and EBITDA growth in Remedica and Medical Devices
- Rand strength put pressure on margins in SA, given hedging policy – offset by:
  - Farmalider focus on high margin sales
  - R3.6m EBITDA impact (annualised) from key synergy projects (Medical Division integration and SA Pharma optimisation)

Priorities for FY2018

- Continuation of key synergy projects:
  - Medical Devices integration
  - SA Pharma optimisation

  R10-16m of EBITDA targeted in next 18 months through synergies
- NPD in Remedica and Farmalider
- SA registration of European pharma dossiers
- New agencies, own brand and geographies for Medical Devices

CONSUMER BRANDS

€'m	%ch 2017 vs 2016	Jun 2017	Jun 2016	Jun 2015	Jun 2014
Revenue	112.8%	132	57	69	47
EBITDA*	41.9%	20	13	12	8
EBITDA* margin		14.8%	22.3%	17.3%	17.1%

Performance in FY2017

- Turnover boosted by acquisitions of Scitec and Sun Wave Pharma (in for 1 month)
- Management initiatives drove double-digit growth in key Wellness brands
- Other sub-divisions impacted by external factors:
  - Direct : challenges in Nigeria
  - Sports Nutrition: impact from whey protein price increase (Scitec EBITDA margin down 4.0% to 12.3%)
- R3.9m EBITDA impact (annualised) from synergy projects (largely in Sports Nutrition)

Priorities for FY2018

- Scitec: new management team in place
- Investment in NPD, brands and new channels
- Entry into new geographic markets
- Key synergy projects:
  - Sports Nutrition
  - Product in-sourcing and optimisation (e.g. whey protein)

  R6-11m of EBITDA targeted in next 18 months through synergies
- Focus on organic growth

* Normalised EBITDA from continuing operations

PHYTO-VET

€'m	%ch 2017 vs 2016	Jun 2017	Jun 2016	Jun 2015	Jun 2014
Revenue	31.7%	62	43	45	39
EBITDA	46.1%	9	6	6	3
EBITDA margin		15.2%	13.7%	13.2%	8.9%

Performance in FY2017

- Double-digit organic growth in Biosciences supported by further expansion of Afrikelp brand into international markets
- Turnover boosted by Cipla Animal Health acquisitions (in for 1 month)

Priorities for FY2018

- Integration of Animal Health
- Capitalise on improved weather conditions (except for Western Cape)
- Further push on exports e.g. Afrikelp in California, Avima into east Africa
- Marketing investment
- Ongoing double-digit organic growth and margin improvements

OUTLOOK


Ibuprofeno B. Braun 600 mg
Ibuprofeno B. Braun 400 mg
Alfoxan 500
Mefenamic Acid
Sinucon
Symptomatic relief of
Colds & Flu | Hay Fever | Sinus Congestion
20 Tablets / Tablette
Akacia
BagoVital
Inmune
BagoVital
Digest
Probióticos
Bagó

KEY PRIORITIES FOR NEXT 12 MONTHS

1 Execute organic growth plans

- Organic growth of c10%
- International c60% of earnings

2 Deliver the synergies and value add

- Synergistic growth c5% of earnings

3 Focus on operations

- Build on good performance in Pharma-Med
- Drive cost savings in Consumer Brands, particularly input costs in Sports Nutrition
- Continued new product development and launches
- Ongoing double-digit organic growth in Phyto-Vet

KEY PRIORITIES continued

4 Make complementary acquisitions

- Acquisitive growth from complementary, bolt-on acquisitions

5 Focus on free cash generation and reducing gearing levels

- Net working capital days of 125
- Cash conversion target of 75%
- Gearing of 3.4 net debt : EBITDA

6 Ensure improved profitability

- EBITDA margin target 17 – 18% over the next 12 to 18 months

Leading Health and Care Brands Company

Healthy Home.
Healthy You.
Healthy Life.

ADDITIONAL INFORMATION

MARKET-LEADING BRANDS

Ascendis HEALTH

CONSUMER BRANDS	Wellness	▪ Number 1 high income brand – Solal (IRI - Vitamin, Mineral and Supplements Market In South Africa) ▪ 3rd biggest Multi Vitamins & Minerals supplier in South Africa (IMS SA - Total Private Market, Anatomical Therapeutic Class 3) ▪ Number 2 manufacturer of Iron Supplements in South Africa (IMS SA - Total Private Market, Anatomical Therapeutic Class 3) ▪ 2nd biggest supplier of Calcium supplements in South Africa (IMS SA - Total Private Market, Anatomical Therapeutic Class 3) ▪ Leading Nutraceutical company in Romania (Management Estimate)
	Skin & Body	▪ Major player in Professional Skincare in South Africa and active in Europe (Mordor Intelligence)
	Sports Nutrition	▪ 2nd biggest supplier in the Sports Nutrition category in South Africa (Euromonitor) ▪ Number 3 supplier of Sports Nutrition in Europe (Management Estimate)
	Direct	▪ One of the top direct selling Nutraceutical companies in Africa (Management Estimate)
PHARMA-MED	Pharma	▪ Number 1 Probiotic Range in South Africa (IMS - Total Private Market Anatomical Therapeutic Class 3) ▪ Ranked 3rd in South African Colds and Flu market (IMS - Total Private Market Anatomical Therapeutic Class 3) ▪ Leading business to business supplier in pain management in Spain (Management Estimate)
	Medical Devices	▪ Leading distributor of surgical consumables and equipment for hospitals in South Africa (Management Estimate) ▪ One of the top providers of respiratory care (infants and adults) in South Africa (Management Estimate) ▪ Active player in the orthopaedic market in South Africa (Management Estimate) ▪ Leading supplier in in-vitro diagnostic solutions in Africa (Management Estimate)
PHYTO-VET	Biosciences	▪ Efekto and Wonder: Number 1 brand in Garden & Home (IRI - Defined Supermarkets in SA) ▪ 2nd largest manufacturer in the Garden & Home category in South Africa (IRI - Defined Supermarkets in SA) ▪ One of the largest suppliers of Agricultural plant growth stimulants (Management Estimate)
	Animal Health	▪ Number 2 supplier in the Pet Complementary category (IRI - Defined Supermarkets in SA) ▪ Large share of the Production Animal Health category in South Africa (SAAHA)

INCOME STATEMENT

Continuing operations €'m*	Jun 2017	Jun 2016	% change
Revenue	**434**	**243**	**64.4**
Cost of sales	244	146	**54.0**
Gross profit	**190**	**97**	**80.0**
Gross profit margin	**43.7%**	**39.9%**	
Other income	3	5	**(51.0)**
Operating expenses (excl D&A, impairments and once-off costs)	120	64	**70.6**
Normalised EBITDA	**73**	**38**	**77.7**
EBITDA margin	**16.9%**	**15.6%**	
Depreciation	6	2	**210.3**
Amortisation and impairments	9	3	**140.4**
Normalised operating profit	**58**	**33**	**59.9**
Operating profit margin (excl amort & imp)	**15.4%**	**14.8%**	

* Translated using average R/€ rate for FY2017/FY2016

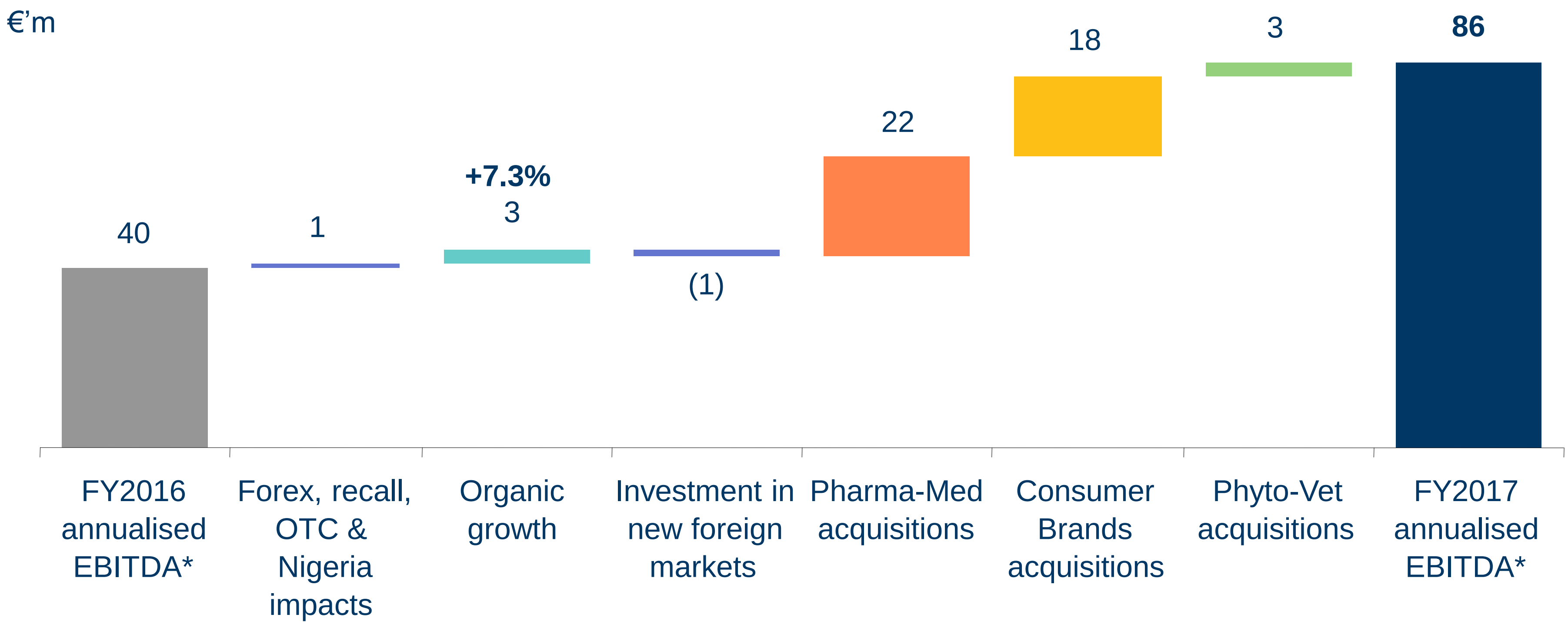
INCOME STATEMENT continued

Continuing operations €'m*	Jun 2017	Jun 2016	% change
Normalised operating profit	**58**	**33**	59.9
Net finance costs	21	7	147.2
Normalised profit before tax	37	26	33.5
Taxation	5	5	(8.2)
Normalised profit after tax	**32**	**21**	42.8
Less: non-controlling interest	(1)	(2)	(13.3)
Attributable normalised profit after tax	**31**	**19**	47.9
Profit/loss on sale of PPE & investment and goodwill & intangible asset impairment	1	-	
Add back: once-off finance costs	5	-	
Add back: amortisation (net of tax)	6	2	
Normalised headline earnings	**43**	**216**	91.6
Normalised HEPS (c)	**10.6**	**7.5**	29.1

* Translated using average R/€ rate for FY2017/FY2016

EBITDA GROWTH

15.6%	EBITDA margin	**16.9%**



- Organic revenue growth +3.0% – Consumer Brands impacted by weak consumer sentiment in SA, especially lower to middle income consumers – will counter in FY2018 with increased focus on international markets; marketing investments; white label products; NPD

* Normalised EBITDA from continuing operations – annualised for full 12 months

IMPACT OF FOREX ON EBITDA

Exchange rate sensitivity ▪ Annual impact of R1 weakening in R/€ exchange rate – Transaction effect (if not hedged) – Translation effect	 **(R80m) / (€5m)** **R43m / €3m**
Transaction effect in FY2017 ▪ EBITDA lower as hedging policy in place for full year, so couldn’t take advantage of strengthening Rand as quickly as other players	**(R23m) / (€2m)**
Translation effect in FY2017 ▪ EBITDA lower due to Rand strengthening vs Euro on average for FY2017 vs FY2016	**(R92m) / (€6m)**

BALANCE SHEET – ASSETS

€'m*	Group Jun 2017	Businesses acquired in FY2017 Jun 2017	Group excl businesses acquired Jun 2017	Jun 2016	% ch excl businesses acquired
Non-current assets	**682**	**453**	**229**	**212**	(1.6)
Property, plant & equipment	66	48	18	21	(21.7)
Intangible assets & goodwill	611	405	206	186	1.0
Other non-current assets	5	-	5	5	(15.4)
Current assets	**289**	**109**	**180**	**139**	19.4
Inventories	107	39	68	58	8.2
Trade and other receivables	126	50	76	65	8.4
Cash and cash equivalents	43	18	25	12	86.0
Other current assets	13	2	11	4	168.0
Total assets	**971**	**562**	**409**	**351**	6.6

* Translated using closing R/€ rate for FY2017/FY2016

BALANCE SHEET – EQUITY AND LIABILITIES

€'m*	Group Jun 2017	Businesses acquired in FY2017 Jun 2017	Group excl businesses acquired Jun 2017	Jun 2016	% ch excl businesses acquired
Equity	**355**	**156**	**199**	**150**	**21.0**
Non-current liabilities	**406**	**304**	**102**	**95**	**(0.8)**
Borrowings	268	188	80	64	**14.2**
Deferred vendor liabilities	96	96	-	13	**(98.7)**
Other non-current liabilities	42	20	22	18	**15.2**
Current liabilities	**210**	**102**	**108**	**106**	**(7.0)**
Trade and other payables	84	23	61	52	**6.9**
Borrowings	69	44	25	23	**(2.3)**
Deferred vendor liabilities	43	34	9	14	**(37.1)**
Bank overdraft	7	-	7	13	**(51.4)**
Other current liabilities	7	1	6	4	**41.1**
Total liabilities	**616**	**406**	**210**	**201**	**(4.1)**
Total equity and liabilities	**971**	**562**	**409**	**351**	**6.6**

* Translated using closing R/€ rate for FY2017/FY2016

CASH GENERATION

€'m*	Jun 2017	Jun 2016
Normalised operating profit	58	33
Adjustment for depreciation, amortisation and other non-cash items	4	8
Working capital changes (inventory, trade debtors, trade creditors)	(11)	(16)
Other working capital changes	3	2
Cash flow from operating activities	**54**	**27**
Cash conversion ratio**	**72.5%**	**71.8%**
Net interest paid	(17)	(8)
Tax paid	(11)	(6)
Cash generated by operations	**26**	**13**

* Translated using average R/€ rate for FY2017/FY2016

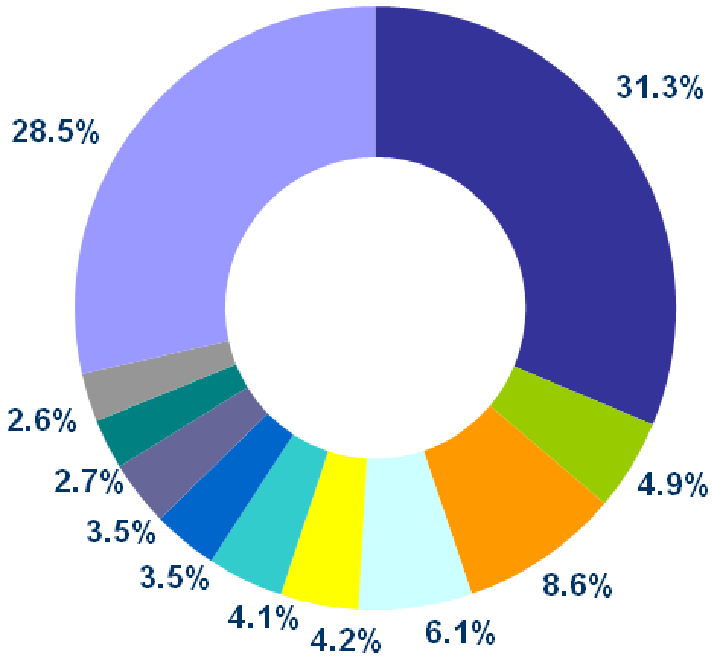
** Cash flow from operating activities as % of normalised EBITDA

CASH UTILISATION

€'m*	Jun 2017	Jun 2016
Cash generated by operations	26	13
Dividends paid	(8)	(4)
Acquisitions of tangible and intangible assets	(408)	(81)
Proceeds of share issues net of share repurchases	194	35
Net increase in borrowings	234	28
Net increase/(decrease) in cash	**38**	**(9)**

* Translated using average R/€ rate for FY2017/FY2016

SHAREHOLDING STRUCTURE



Holdings at 30 June 2017

Coast2Coast and staff	31.3%
Ascendis management	4.9%
Government Employees Pension Fund	8.6%
Kefolile Health Investments	6.1%
International Finance Corporation	4.2%
WBD Investment Holdings	4.1%
Mineworkers Investment Company	3.5%
Blakeney	3.5%
GIC Private Limited	2.7%
Old Mutual	2.6%
Other shareholders	28.5%

- 20.7% international holding (16.3% at June 2016)
- 28.2% BEE holding (26.7% at June 2016), including 11.2% black female ownership

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