Ascendis HEALTH

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

PRESENTATION OUTLINE

Section	Presenter
Overview	Dr. Karsten Wellner
Financial review	Kieron Futter
Operational review	
- South Africa	Dr. Karsten Wellner
- International	Thomas Thomsen
Group synergies and strategy	Thomas Thomsen
Outlook	Thomas Thomsen

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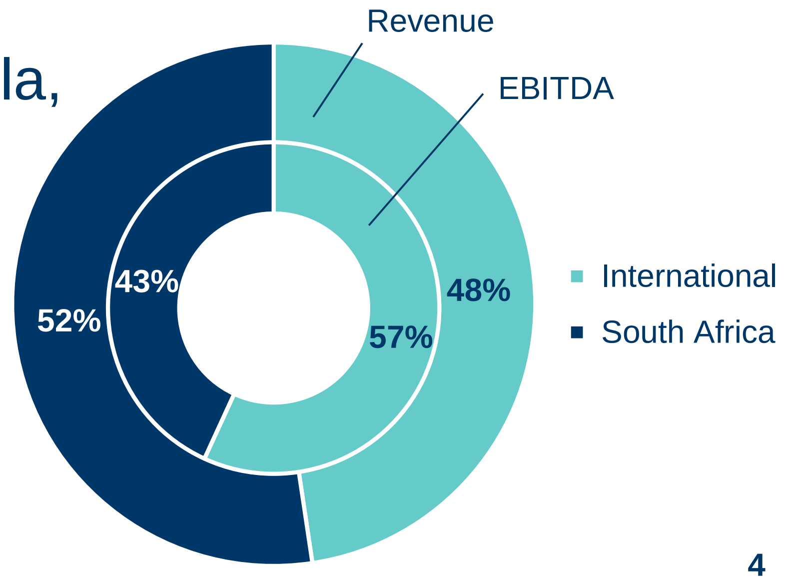
OVERVIEW

OVERVIEW OF THE SIX MONTHS

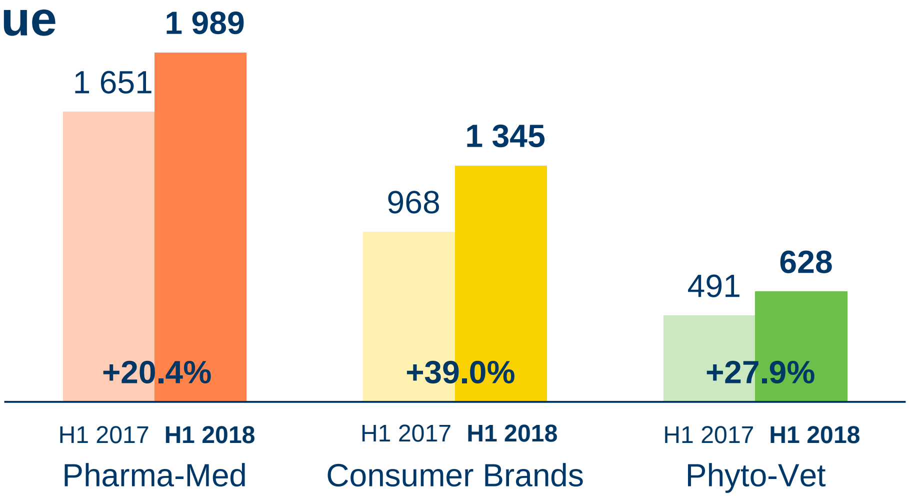
- Comparable **organic*** **revenue** growth of **7%** and comparable **organic*** **EBITDA** growth of **5%**
  - Strong revenue and EBITDA growth in two biggest businesses – Remedica and Medical Devices
  - Sports Nutrition businesses impacted by whey protein costs and in-fill rates in SA – recovery plan being implemented
- Earnings per share +24% to 52.8 cps
- **New acquisitions**, Sun Wave and Cipla, growing strongly
- Strengthened **balance sheet** – R1 billion vendor debt settled



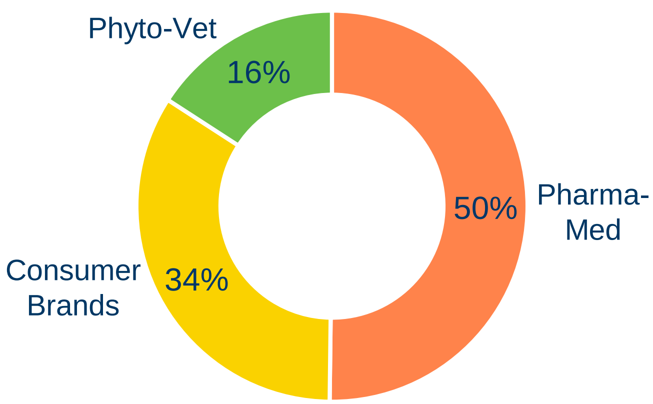
* Comparable organic growth is the performance of the businesses vs a full six months in the prior period

STRONG GROWTH IN EVERY SEGMENT

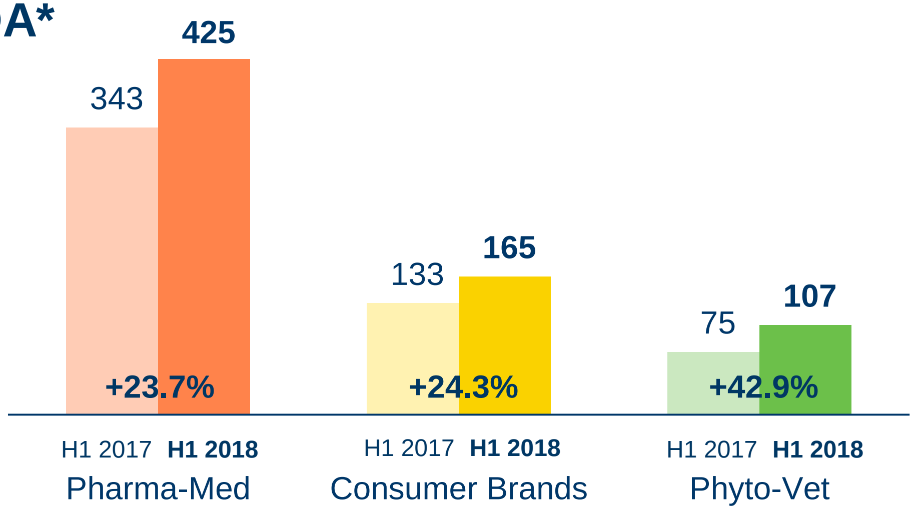
Revenue
R'm

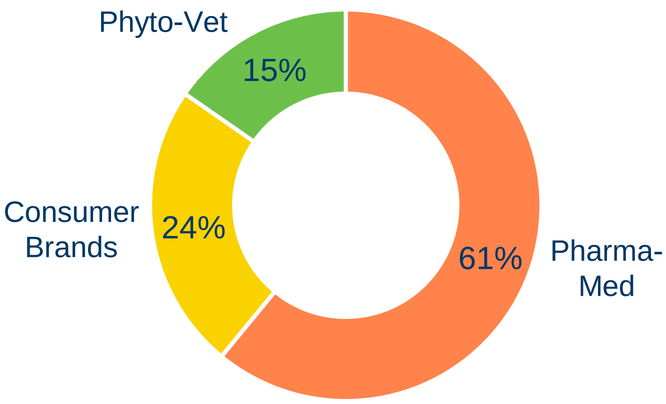


H1 2018



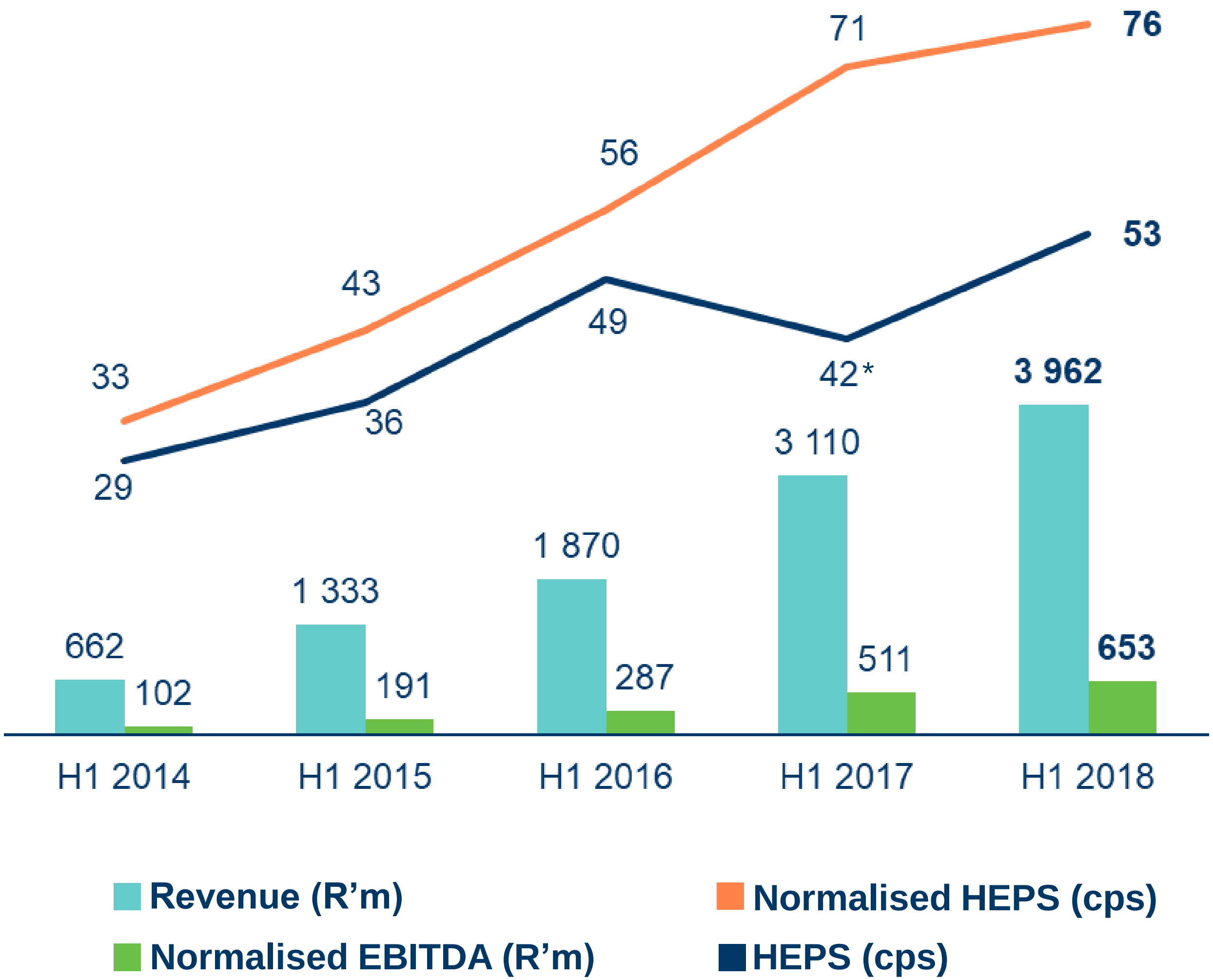
EBITDA*
R'm





* Normalised EBITDA (excluding head office) – H1 2017 restated

CONSISTENT REVENUE & EARNINGS GROWTH



4-year CAGR:

HEPS

+16% p.a.

nHEPS

+23% p.a.

Revenue

+56% p.a.

EBITDA

+59% p.a.

* Impacted by once-off deal costs for Remedica and Scitec transactions

Numbers from continuing operations; H1 2017 restated

FINANCIAL REVIEW

FINANCIAL METRICS FOR THE SIX MONTHS

- Revenue **+27%** to R4.0bn (**+7%** comparable organic*)
- Normalised EBITDA **+28%** to R653m (**+5%** comparable organic*)
- EBITDA margin increased from 16.4% to **16.5%**
- Normalised headline earnings **+20%** to R353m
- Normalised HEPS **+7%** to 75.8 cps (EPS **+24%** to 52.8 cps)
- Cash flow from operating activities of R327m; **50%** conversion rate
- No interim dividend declared

* Comparable organic growth is the performance of the businesses vs a full six months in the prior period

Notes:

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

REVENUE ANALYSIS BY BUSINESS

Continuing operations	Reported 6 months to Dec 2017	Comparable 6 months to Dec 2016*	Comparable % change vs Dec 2016*	Reported 6 months to Dec 2016**
INTERNATIONAL (€'m)				
Remedica	40.9	35.1	16.5	28.6
Sun Wave Pharma	17.0	13.2	29.9	-
Scitec	39.7	43.1	(7.8)	35.2
Farmalider	17.4	13.7	26.3	13.7
Other Consumer Brands	4.9	4.5	8.5	4.5
Total International - €'m	**119.9**	**109.6**	**9.4**	**82.0**
Total International - R'm	**1 887**	**1 686**	**11.9**	**1 261**
SOUTH AFRICA (R'm)				
Pharma-Med	1 162	1 064	9.3	1 014
Consumer Brands (excl Sports Nutrition)	428	415	3.2	415
Sports Nutrition	62	77	(19.5)	77
Phyto-Vet (excl Cipla)	490	512	(4.3)	512
Cipla	153	129	17.9	-
Intercompany elimination	(220)	(169)		(169)
Total South Africa - R'm	**2 075**	**2 028**	**2.3**	**1 849**
Total group - R'm	**3 962**	**3 714**	**6.7**	**3 110**

* Full six months for Remedica and Scitec (acquired Aug 2016), and prior revenue for Sun Wave & Cipla (June 2017) and Ortho-Xact (April 2017)

EBITDA ANALYSIS BY BUSINESS

Continuing operations	Reported 6 months to Dec 2017	Comparable 6 months to Dec 2016*	Comparable % change vs Dec 2016*	Reported 6 months to Dec 2016**
INTERNATIONAL (€'m)				
Remedica	13.1	11.4	14.3	10.6
Sun Wave Pharma	5.8	2.9	97.7	-
Scitec	2.9	5.3	(44.5)	4.5
Farmalider	3.1	2.0	55.0	2.0
Other Consumer Brands	(0.5)	0.2	(370.5)	0.2
Total International - €'m	**24.4**	**21.8**	**11.8**	**17.3**
Total International - R'm	**384**	**335**	**14.4**	**266**
SOUTH AFRICA (R'm)				
Pharma-Med	170	164	4.1	149
Consumer Brands (excl Sports Nutrition)	61	57	7.7	57
Sports Nutrition	(26)	4	(735.4)	4
Phyto-Vet (excl Cipla)	76	75	2.1	75
Cipla	31	27	12.4	-
Total South Africa - R'm	**312**	**327**	**(4.2)**	**285**
Group head office costs – R'm	(43)	(40)	10.6	(40)
Total group - R'm	**653**	**622**	**4.9**	**511**

* Full six months for Remedica and Scitec (acquired Aug 2016), and prior earnings for Sun Wave & Cipla (June 2017) and Ortho-Xact (April 2017)

INCOME STATEMENT

Continuing operations R'm	6 months to Dec 2017	6 months to Dec 2016*	% change
Revenue	**3 962**	**3 110**	27.4
Cost of sales	2 212	1 786	23.8
Gross profit	**1 750**	**1 324**	32.2
Gross profit margin	44.2%	42.6%	
Other income	9	21	
Operating expenses	1 106	834	32.6
Total expenses	1 282	990	
Less: depn, amortisation and impairments	(147)	(95)	
Less: once-off costs	(29)	(61)	
Normalised EBITDA	**653**	**511**	27.7
EBITDA margin	16.5%	16.4%	

* Restated

INCOME STATEMENT continued

Continuing operations R'm	6 months to Dec 2017 Basic earnings	6 months to Dec 2017 Normalised headline earnings	6 months to Dec 2016* Normalised headline earnings	% change
EBITDA	**624**	**653**	**511**	**27.7**
Depreciation	51	51	40	28.2
Amortisation and impairments	96	-	-	
Operating profit	**477**	**602**	**471**	**27.7**
Net finance costs	178	178	113	58.3
Taxation	37	58	36	58.5
Profit after tax	**262**	**366**	**322**	**13.5**
Loss/profit on sale of PPE	-	3	(2)	
Non-controlling interest	(16)	(16)	(26)	
Attributable profit after tax	**246**	**353**	**294**	**19.7**
WANS ('m)	464.8	464.8	413.8	12.3
EPS (c)	**52.8**	**75.8**	**71.2**	**6.5**
Discontinued operations				
Attributable profit after tax	(29)	(29)	(3)	
EPS (c)	(6.2)	(6.2)	(0.8)	

* Restated

CASH GENERATION

R'm	6 months to Dec 2017	6 months to Dec 2016*
Normalised operating profit	602	471
Adjustment for non-cash items	81	95
Working capital changes	(356)	(160)
Increase in inventories	(156)	(44)
(Increase)/decrease in accounts receivable	(142)	18
Decrease in accounts payable	(58)	(134)
Cash flow from operating activities	**327**	**406**
Cash conversion ratio**	**50.1%**	**79.5%**
Net interest paid	(170)	(120)
Tax paid	(63)	(86)
Cash generated by operations	**94**	**200**

* Restated

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

CASH UTILISATION

R'm	6 months to Dec 2017	6 months to Dec 2016
Cash generated by operations	94	200
Dividends paid	-	(52)
Acquisitions of tangible and intangible assets	(185)	(4 672)
Net share issues, sales and repurchases	1 102	2 829
Net (repayment of)/increase in borrowings	(1 187)	2 142
Repayment of deferred vendor liabilities	(1 093)	
Other net repayments	(94)	
Net (decrease)/increase in cash	**(176)**	**447**

WORKING CAPITAL DAYS

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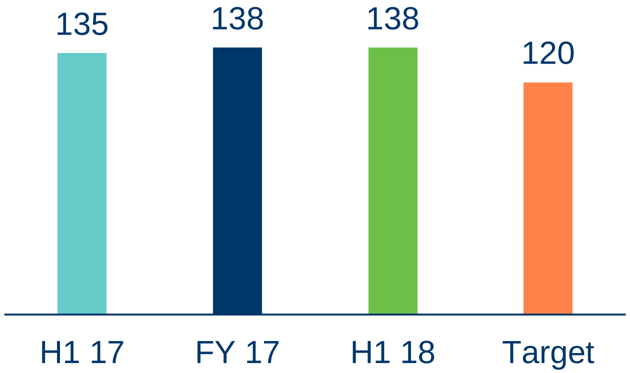
Working capital movements

INVENTORIES



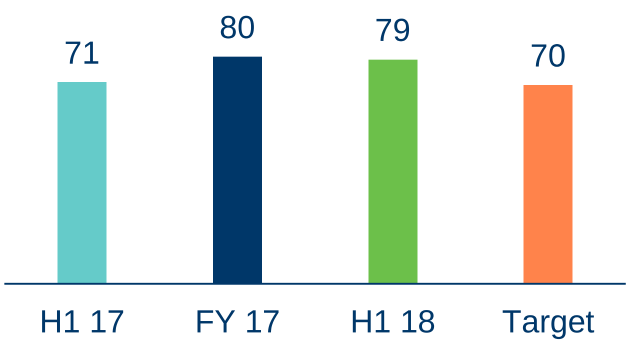
H1 2018 vs FY2017

- Medical Devices tender stock build (R73m)
- Phyto-Vet security stock build (R10m)

Actions to improve

- Scitec SKU rationalisation (R20m in 6 months)
- Medical Devices stock optimisation (R60m in 12 months)

TRADE DEBTORS



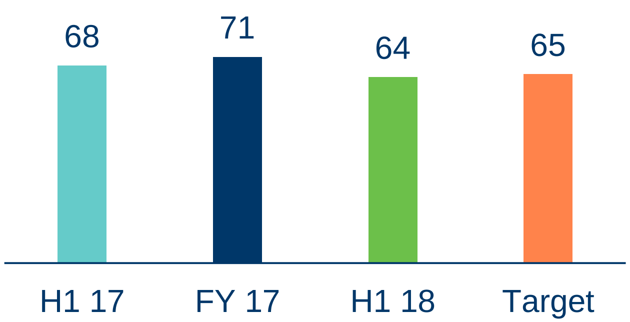
H1 2018 vs FY2017

- Government debtors in SA Pharma-Med (R100m over 90 days)
- Phyto-Vet Africa debtors (R20m)

Actions to improve

- Remedica credit terms reduction (R50m in 12 months)
- Government debt collection improvement (R100m in 6 months)

TRADE CREDITORS



H1 2018 vs FY2017

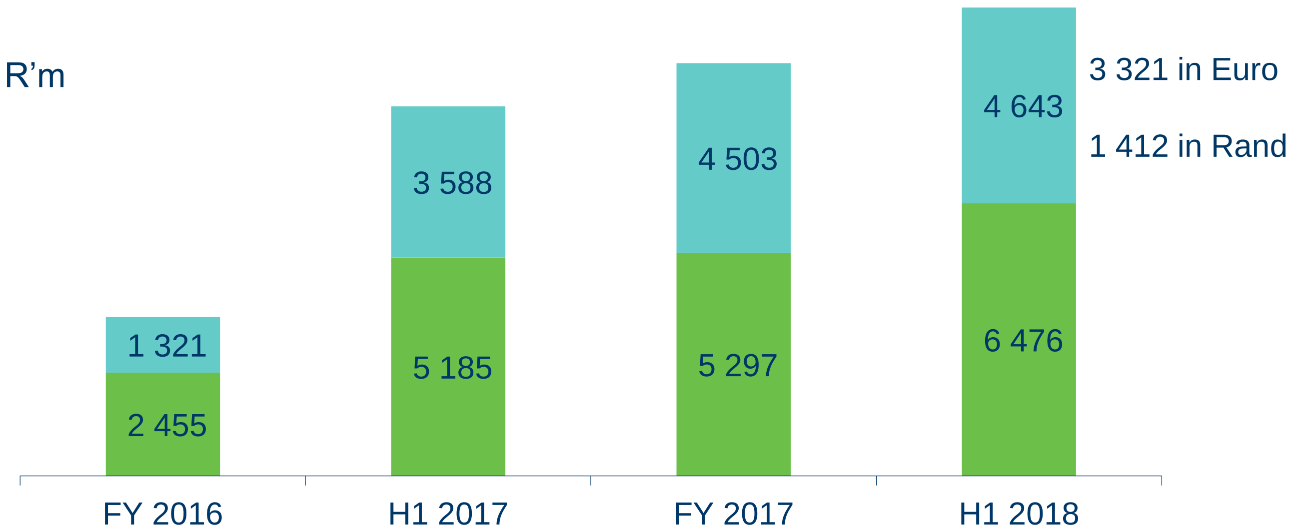
- Normalisation of SA Pharma creditor payment terms (R53m)

Actions to improve

- Continue to maintain target

GEARING

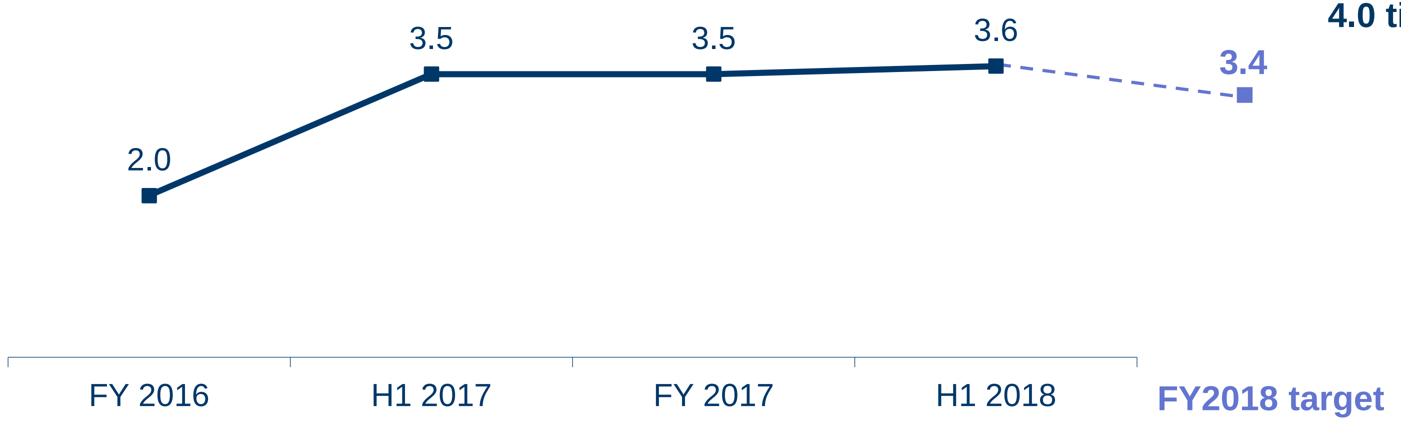
DEBT* AND EQUITY



Bank debt *

Equity

DEBT* : EBITDA** RATIO



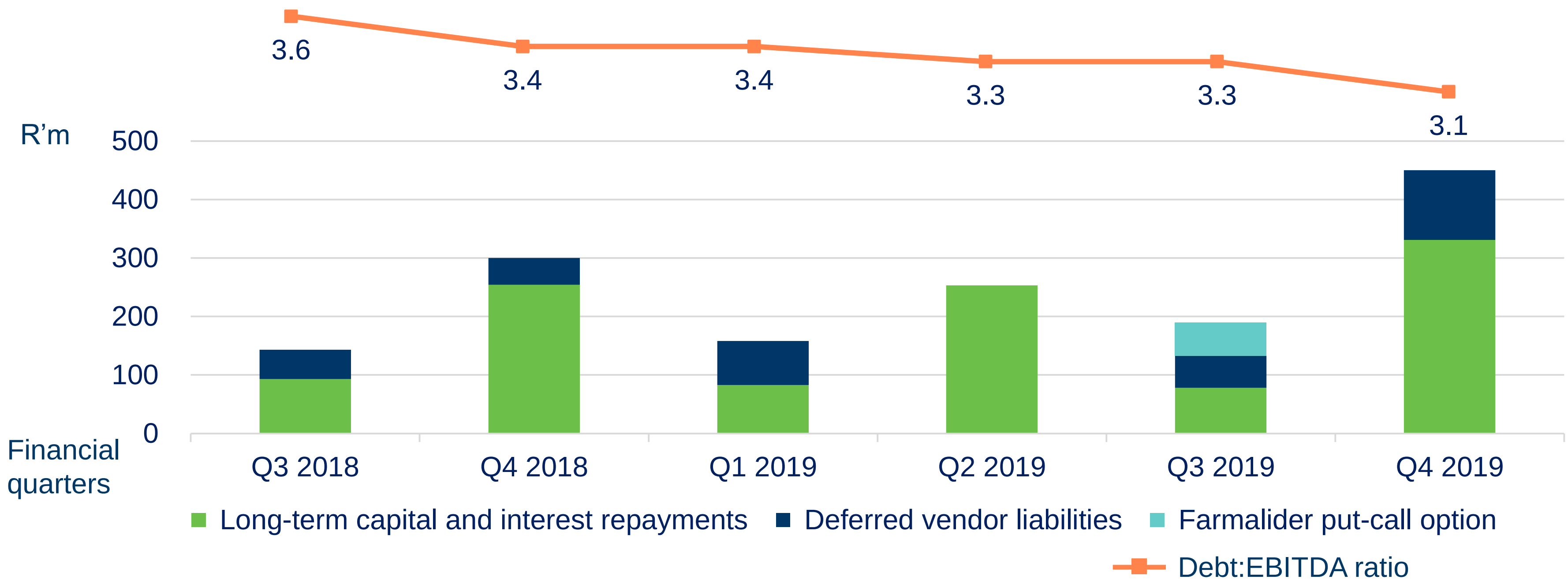
Bank covenant: 4.0 times

* Bank debt net of cash

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

CASH FLOW PLANNING

Committed cash obligations over next 18 months



- Future cash requirements to be serviced by
  - a) Cash generated by operations (75% of EBITDA)
  - b) Improvements in working capital
    1. More efficient inventory levels - 120 days
    2. Better debtors collection – 65 days
- No acquisitions planned in next 12 months
- Debt refinancing options as Debt:EBITDA improves

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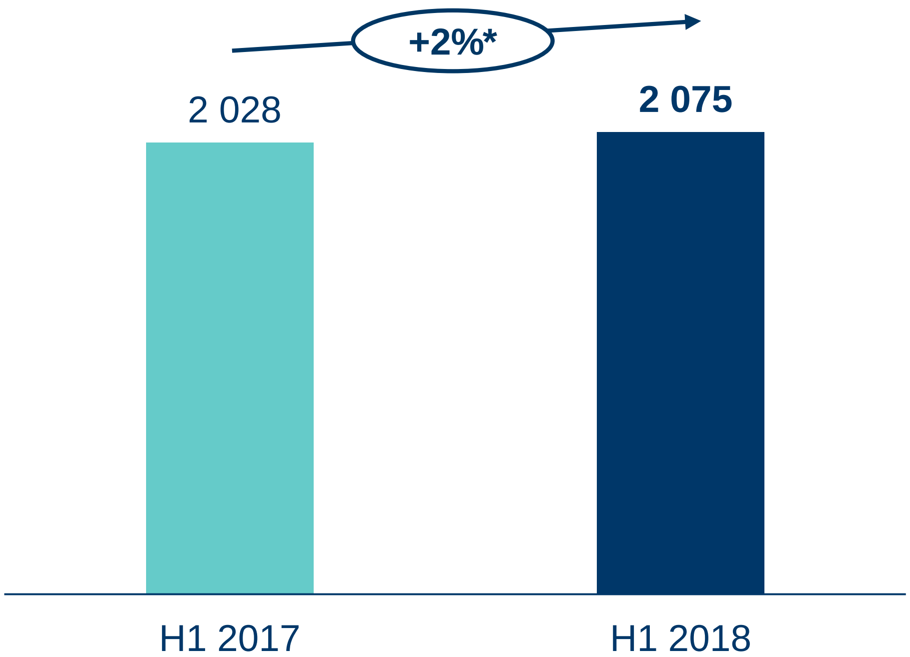
OPERATIONAL REVIEW - SOUTH AFRICA

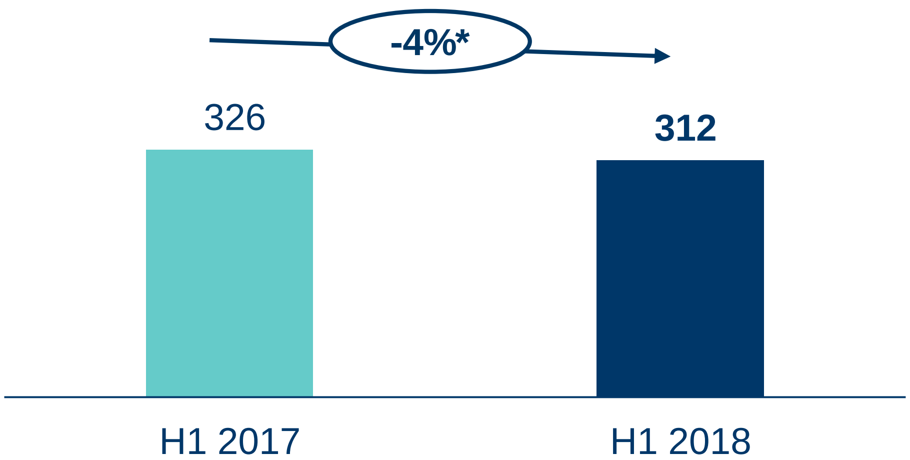
Revenue

R'm



EBITDA**

R'm



* Comparable organic growth: including Cipla and Ortho-Xact revenue and earnings prior to acquisition

** Normalised EBITDA from operating segments (excluding head office)

PHARMA-MED

R'm	Dec 2017	Dec 2016*	% change
Revenue	1 162	1 064	**9.3%**
EBITDA	170	164	**4.1%**
EBITDA margin	**14.6%**	**15.4%**	

Performance in H1 2018

- **Medical Division** – 2nd largest profit contributor, with strong growth
- Business model has a more intensive cash cycle than the others due to lead-times, equipment tests and government debt
- Good export growth
- **Pharma Division** – single digit organic sales growth; profits negatively impacted by forex
- New leadership improving focus in the business

Priorities for next six months

Medical:

- Ongoing integration project to merge three business units into one
- Improve cash cycle, especially government debt collection
- Exit categories with low return on net assets

Pharma:

- Increase order compliance and tender debt collection
- Enhance margins via product and channel mix
- Improve production costs from imported products and recoveries in own plant
- Launch new products

* Including Ortho-Xact prior to acquisition

CONSUMER BRANDS (EX SPORTS NUTRITION)

R'm	Dec 2017	Dec 2016	% change
Revenue	428	415	**3.2%**
EBITDA	61	57	**7.7%**
EBITDA margin	**14.2%**	**13.6%**	

Performance in H1 2018

- Performance negatively impacted by internal issues (in-fill rates to customers) and external factors (SA consumer sentiment, Nigeria)
- Wellness plant in Wynberg - lower overhead cost absorption (reduced contract manufacturing)
- No growth in Wellness business unit due to exit from agency business for strategic reasons - but growth in high end brand Solal
- Nimue brand struggling with negative consumer sentiment in SA

Priorities for next six months

- Focus on in-fill rates and better execution of brand plans
- Consolidation of manufacturing plants in SA will improve margins
- Launch of Rx Solal range (for doctors) and new Nimue range into retail channel

SPORTS NUTRITION

R'm	Dec 2017	Dec 2016	% change
Revenue	62	77	**(19.5%)**
EBITDA	(26)	4	**(735.4%)**
EBITDA margin	**(41.3%)**	**5.2%**	

Performance in H1 2018

- A very disappointing performance
- Improved in-fill rates but still much too low
- Strong competition from house brand of major retail customer
- Specific body building brands (SSN) not growing – saturated market segment
- Growth in general fitness brand (Evox)
- Shrinking margins in distributor business from US (ZAR weakness and lower volumes due to down-trading to cheaper local brands)
- Whey protein margin pressure

Priorities for next six months

- Review of brand strategy and brand architecture in SA by interim MD (head of marketing of Ascendis)
- Brands and SKU rationalisation
- Strong focus on improved supply chain to improve in-fill rates
- Leveraging Scitec expertise and pushing Scitec brand vs US distributor brands
- Focus on execution, with a stronger sales team, but downsizing the business

PHYTO-VET (EXCL CIPLA)

R'm	Dec 2017	Dec 2016	% change
Revenue	490	512	**(4.3%)**
EBITDA	76	75	**2.1%**
EBITDA margin	**15.6%**	**14.6%**	

Performance in H1 2018

- Organic sales growth negatively affected by Marltons brand (trading conditions in retail) and Avima exports to Zimbabwe (stopped beginning H1 due to increasing payment problems – R22m / 4% impact on revenue)
- Biggest brand Efekto - organic growth of 5% (despite very poor business in drought areas)
- Strongest export brand Afrikelp up >30%
- Implementing Pet-Vet strategies following veterinary acquisition
- Overall EBITDA margin improvement continues

Priorities for next six months

- Complete integration of veterinary animal health business; cross-selling opportunities in Africa via Phyto-Vet network
- Explore renewed opportunities in Zimbabwe and focus on new market strategy in east Africa
- Ongoing SKU rationalisation at Marltons
- Execute brand plans (Wonder - fertiliser range revamp and Efekto - declutter range, supported by digital strategy)
- Focus on growth plus WC improvements
- Further geographic expansion of Afrikelp (California) and Avima (east Africa)

CIPLA VET AND CIPLA AGRIMED

R'm	Dec 2017	Dec 2016*	% change
Revenue	153	129	**17.9%**
EBITDA	31	27	**12.4%**
EBITDA margin	**20.0%**	**21.0%**	

Performance in H1 2018

- Cipla maintained leading position in key therapy areas
- Double digit sales and EBITDA growth exceeded investment model expectations
- Integration into Ascendis Phyto-Vet division completed and successful
- Previous management retained and aligned with Ascendis and Phyto-Vet strategy

Priorities for next six months

- Keep strong growth momentum
- Launch of new segment: production animal vaccines in March 2018
- Accelerated trials of new products in Uganda following government approval for fast track registration of biosciences product to fight national blue tick crisis
- Manufacturing synergies with Kyron
- Establish presence outside SA
- Gauteng Phyto-Vet Campus cost savings project – consolidation between Animal Health and existing Ascendis Biosciences

* Revenue and earnings prior to acquisition

KEY MANAGEMENT CHANGES

- Appointment of new MD for SA
  - Shortlist currently with Nominations Committee
- Appointment of Thomas Thomsen, currently COO and Head of Europe, as CEO from 1 March 2018
  - Held senior executive positions at:
    - Johnson & Johnson Consumer (MD of CEE, Turkey and Nordic region),
    - Reckitt Benckiser (Senior VP Global Consumer Healthcare)
    - Novartis Consumer Healthcare (Head of Global Category)
  - Extensive experience as non-executive director for private equity and listed companies, mainly within consumer healthcare, the pharmaceutical sector and a leading digital agency

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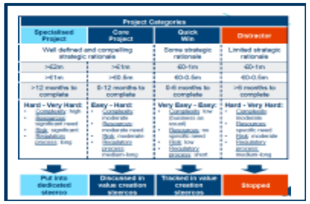
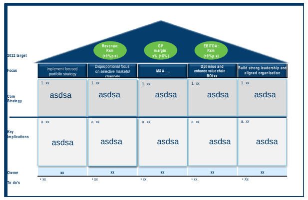
OPERATIONAL REVIEW - INTERNATIONAL

INTERNATIONAL STRATEGIC FOCUS 2018



Global value creation

- Global sports nutrition
- Online/digital approach
- Consumer insights



Business focus strategies

- Commercial fundamentals
- Portfolio/ brand focus and allocation
- Fewer and stronger innovations

Strong leadership

- Speed and conviction
- Adapting proactively
- Seamless succession

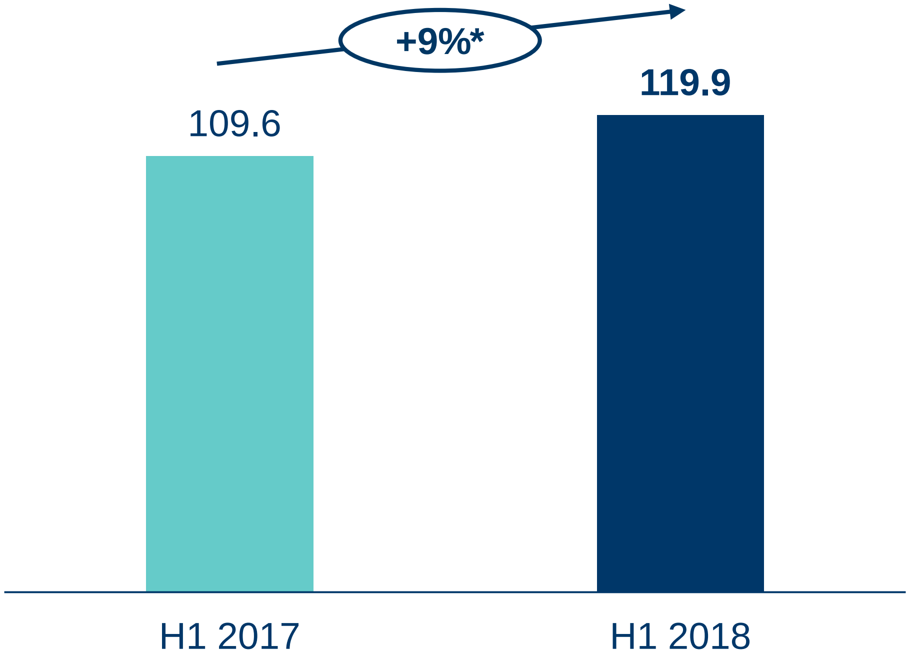
Monitor for bolt-on acquisitions

- Strengthening core
- Scalable
- Accretive financials

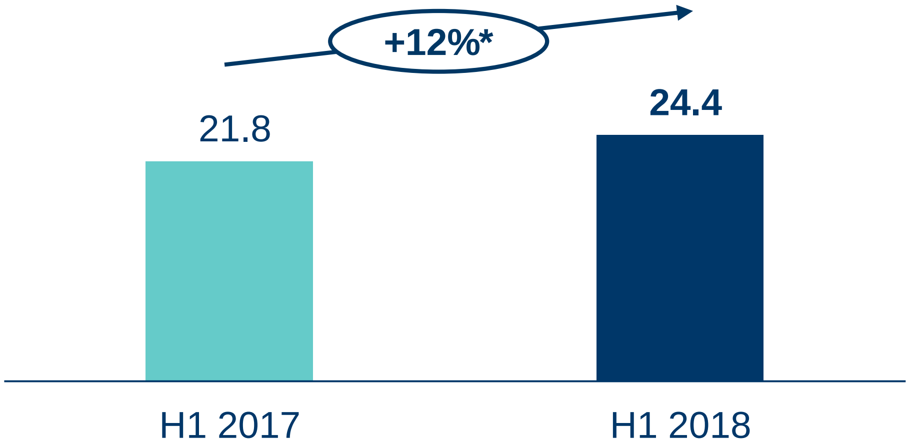
Examples of focus

INTERNATIONAL PERFORMANCE

Revenue
€'m



EBITDA**
€'m



* Comparable organic growth: including full six months for Remedica and Scitec, and prior revenue/earnings for Sun Wave
** Normalised EBITDA from operating segments (excluding head office)

REMEDICA

€'m	Dec 2017	Dec 2016*	% change
Revenue	40.9	35.1	**16.5%**
EBITDA	13.1	11.4	**14.3%**
EBITDA margin	**32.1%**	**32.7%**	

Performance in H1 2018

- Company re-organisation to enable flexibility and speed
- New GM and COO appointed to drive more commercial and supply operational efficiencies
- 7 new ARV and oncology, co-developed with Pharos, being launched
- Tender businesses continue to grow through unique portfolio, flexibility and competitive prices
- Out licensing model growing by 120% driven by agreements with multinationals

Priorities for next six months

- Focus on continuous improvement of cash flow generation
- New oncology and ARV product development and focus on upgrade of existing dossiers
- New market entries into countries such as Pakistan, China, Egypt, Hong Kong
- Launching wellness products through Ascendis
- Recruitment of Chief Portfolio Officer to drive a focused portfolio strategy

* Including 1 month of revenue and earnings prior to acquisition

SUN WAVE PHARMA

€'m	Dec 2017	Dec 2016*	% change
Revenue	17.0	13.2	**29.9%**
EBITDA	5.8	2.9	**97.7%**
EBITDA margin	**33.9%**	**22.3%**	

Performance in H1 2018

- No. 1 nutraceuticals and no. 6 OTC company in Romania
- Portfolio core focus on pediatrics, cardiology and urology - accounting for +50% of total business
- 9 new products launched via medico marketing and nationwide congresses
- Unique and Go2Market model covering +70% of doctors in Romania with only 2% "missed calls"
- Launched Sunvert (prostatitis), Fluend (cold & flu) and Imunice (children immune defense)

Priorities for next six months

- Preparation of 3 major new launches within Acne, Migraine and Hyperacidity
- Increased marketing spend of 10% improving return on investment
- Continue to drive selective brands via TV advertising
- Initiating 20 new post marketing studies to drive future innovation differentiation
- Launching new 3D visual experience for doctors to support their level of understanding
- Increase SunConnect members by 40%

* Revenue and earnings prior to acquisition

SCITEC

€'m	Dec 2017	Dec 2016*	% change
Revenue	39.7	43.1	**(7.8%)**
EBITDA	2.9	5.3	**(44.5%)**
EBITDA margin	**7.4%**	**12.2%**	

Performance in H1 2018

- EBITDA impacted negatively by whey price increase – EBITDA impacted negatively by whey protein COGS increase (76%) and volume/price effects (23%)
- Western Europe sales decline due to lack of relevant 'active' portfolio, fierce competition and lack of direct online presence
- Hungary, UK and distributor markets and contract manufacturing performing well (+8%)
- New successful launches in functional foods segment and first mass retail launch in Lidl
- New management in place with focus on Sales, Marketing and Digital

Priorities for next six months

- Development of focused portfolio strategy based on global consumer study
- Implement new sales and marketing renewal programme
- Digital capability building and implement online strategy in EU and US
- Continued focus on Amazon, Ebay and drive own webshops in UK and US
- Enter Canada and drive strong growth in MENA and CEE
- Additional mass retail launches in EU

* Including 1 month of revenue and earnings prior to acquisition

FARMALIDER

€'m	Dec 2017	Dec 2016	% change
Revenue	17.4	13.7	**26.3%**
EBITDA	3.1	2.0	**55.0%**
EBITDA margin	**17.6%**	**14.4%**	

Performance in H1 2018

- Appointed new Financial Director
- Clear Spanish leader in paracetamol and ibuprofen, with increased focus on new countries
- Global Ibuprofen IV agreement with B Braun (launched in Spain)
- Ibuprofen oral suspension launched in Poland + other CEE markets with US Pharmacia

Priorities for next six months

- Sildenafil Oral Spray to be launched in Spain
- New Ibuprofen Sticks to be launched with Teva in Germany and Finland
- Ibuprofen IV to be rolled out across Europe
- Launching new products within Folic Acid+Vit C+Iron, cold & flu and paracetamol

GROUP SYNERGIES AND STRATEGY

SYNERGY PROJECTS: PROGRESS UPDATE

Project	Activities	EBITDA benefit TARGET over 18 months (R'm)	EBITDA benefit REALISED in 6 months (R'm)	Status
SA Pharma	Sales force consolidation (13% efficiency improvement) Distribution optimisation (improved third party fees, warehouses consolidated)	16	5	Some delays
SA Medical Devices	New agencies and own-branded exports to Africa Organisation restructure (across SI, RCA, TSG) Office and warehouse integration (across SI, RCA, TSG)			On track
Global Sports Nutrition	Group-wide whey protein and amino acid procurement collaboration Scitec launched in South Africa (Dec 2017) Scitec relaunched in Australia under Ascendis Australia	11	9	Some delays
Wellness	Insourced production of Wellness products in South Africa SOLAL exports to Australia and Cyprus	5	0	Some delays
SA Group Services	Insurance consolidation (group-wide) HR centralisation (payroll, BBBEE, recruiting, training) Expanded in-house legal and marketing services	4	5	On track
Total benefit		**36**	**19**	On track

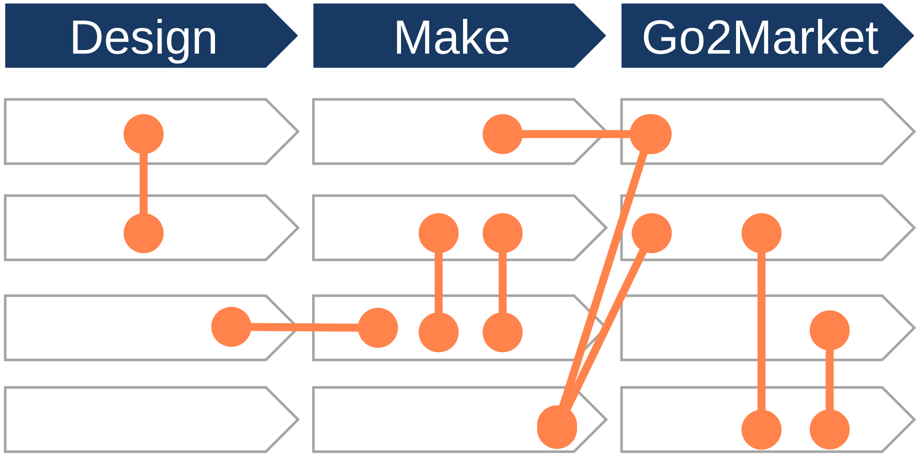
Some delays · Off track · On track

VALUE CREATION

Changing approach from opportunistic synergies to holistic value creation

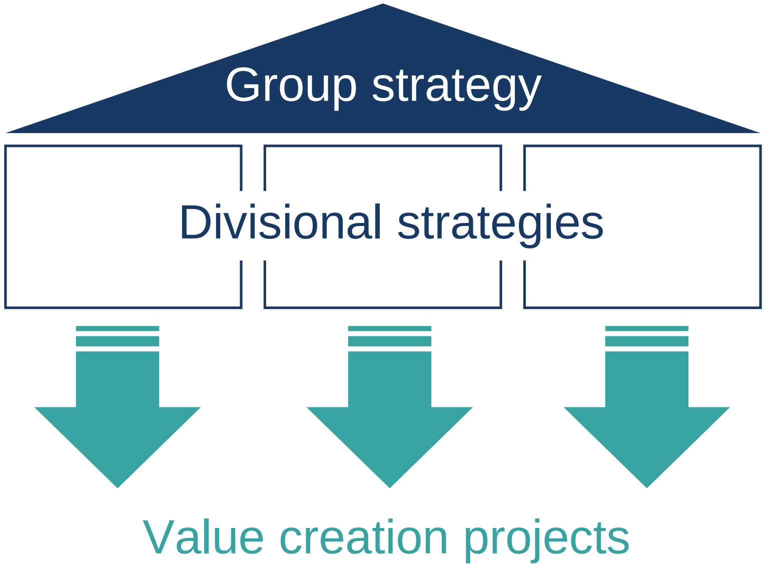
Synergies

- Opportunistic and ad-hoc
- Many smaller initiatives (+/- 150)
- Decentralised governance / accountability
- Inconsistent approach / process



Value Creation

- Strategy-led (group and divisional)
- Focus on few high-value projects
- Executive governance
- Structured stage-gate process



STRATEGIC REVIEW UNDERWAY

Why?

- Track record of acquisitions and scale
- Unsatisfactory organic growth
- Opportunity to create a sustainable market position

What?

- A winning group / portfolio strategy
- Refined business unit strategies
- Implications on operations
- High-level implementation plan

How?

- Cross-divisional Ascendis team
- Support from strategy consultancy
- Target completion June 2018

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OUTLOOK

FINANCIAL TARGETS FOR FY2018

- Organic growth
  - c10% of revenue growth
- Synergistic growth
  - c5% of earnings growth
- Cash generation and gearing
  - Net working capital days of 125
  - Cash conversion target of 75%
  - Gearing of 3.4 net debt : EBITDA
- Improve profitability
  - EBITDA margin target of 17-18%

KEY INITIATIVES IN H2

- Smooth leadership transition
- Deliver value creation targets
- Focus on bedding down of acquisitions

  (no new acquisitions in next 12 months)
- Scitec turnaround
- Cash generation improvement
- Strategic review and in-depth planning for FY2019

Ascendis
HEALTH

A LEADING MULTINATIONAL HEALTH AND CARE COMPANY

Passionate about improving quality of life with our innovative health and care brands

Ascendis HEALTH

ADDITIONAL INFORMATION

KEY RATIOS

	Dec 2017	Jun 2017
Annualised sales* (R'm)	**7 924**	7 485
Annualised EBITDA* (R'm)	**1 305**	1 279
Interest cover (times)	**4.0**	3.6
Net debt to EBITDA (times)*	**3.6**	3.5
Cash conversion ratio (%)	**50.1%**	72.5%
Net working capital days*	**153**	147
Inventory days	**138**	138
Debtor days	**79**	80
Creditor days	**(64)**	(71)
ROTNA** (%)	**29.7%**	27.5%
ROE*** (%)	**11.5%**	13.2%

* 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

OPERATING EXPENSES

	R'm	% of base
Operating expenses – H1 2017	**990**	
2017 acquisitions	176	18%
Scitec and Remedica additional month	48	5%
Investment in marketing	25	3%
Investment in Australia	14	1%
Establishment of European head office	8	1%
Synergy savings	(9)	(1%)
Inflation	30	3%
Operating expenses – H1 2018	**1 282**	**29%**

EXCHANGE RATE IMPACT

Illustrative impact on six months of earnings (R'm)	ZAR strengthens by 10%	ZAR weakens by 10%
Translation effect		
Euro-based business earnings	(22.6)	22.6
Transaction effect		
Imported COGS (SA)	68.4	(68.4)
Export sales from SA	(15.7)	15.7
	30.1	**(30.1)**
Earnings impact mitigation		
Price increase:		
Average of 2%		9.6
Average of 4%		19.2
Average of 6%		28.8
Average of 8%		38.4

Average exchange rates:

- H1 2018: R15.74/€
- H1 2017: R15.38/€

Mitigated by Group hedging policy for known commitments of:

- 0-3 months : 100% hedged
- 4-6 months : 75% hedged
- 7-9 months : 50% hedged
- 10-12 months : 25% hedged

NUMBER OF SHARES IN ISSUE

‘m	6 months to Dec 2017	6 months to Dec 2016	% change
Opening number of shares in issue	435.9	298.9	
Rights issue in August 2016		55.7	
Vendor placement in August 2016		77.6	
BEE transaction in October 2016		3.7	
Private placements in November 2017	12.4		
Private placement in December 2017	3.7		
Rights issue in December 2017	37.5		
Closing number of shares in issue	489.5	435.9	12.3
Weighted average number of shares in issue	**464.8**	**413.8**	**12.3**

RETURN ON CAPITAL

R'm	Per AFS	Annualised	ROE	ROTNA
Earnings:				
Normalised headline earnings	353	X 2 =	706	
Profit before tax	298			
Add back: finance expense	194			
Add back: amortisation and impairments	96			
	588	X 2 =		1 176
Balance sheet:				
Average shareholder funds			6 148	
Average tangible net assets				3 956
Return – H1 2018			**11.5%**	**29.7%**
Return – FY2017			13.2%	27.5%

ROE impacted by derisking of balance sheet; ROTNA has improved

BALANCE SHEET – ASSETS

R'm	Dec 2017	Dec 2016	% change
Non-current assets	**10 163**	**8 767**	**15.9**
Property, plant and equipment	1 030	1 023	**0.7**
Intangible assets and goodwill	9 039	7 675	**17.8**
Other non-current assets	94	69	**33.9**
Current assets	**4 408**	**3 526**	**25.0**
Inventories	1 752	1 408	**24.4**
Trade and other receivables	2 019	1 428	**41.3**
Cash and cash equivalents	502	563	**(10.7)**
Other current assets	135	127	**6.7**
Total assets	**14 571**	**12 293**	**18.5**

BALANCE SHEET – EQUITY AND LIABILITIES

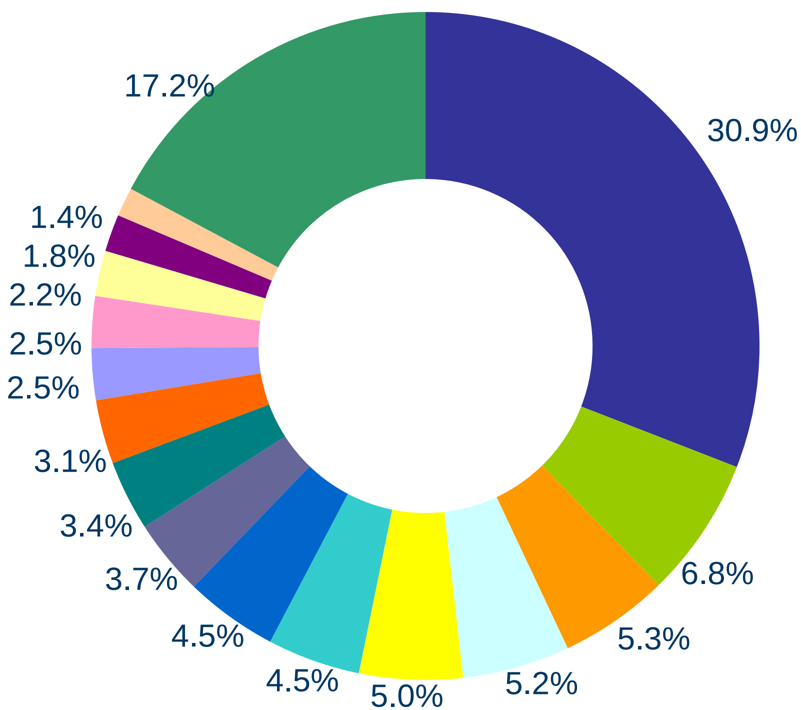
R'm	Dec 2017	Dec 2016*	% change
Equity	**6 476**	**5 185**	24.9
Non-current liabilities	**5 738**	**5 390**	6.5
Borrowings	4 481	3 725	20.3
Deferred vendor liabilities	640	1 130	(39.1)
Other non-current liabilities	617	534	18.0
Current liabilities	**2 357**	**1 718**	37.2
Trade and other payables	1 229	787	56.2
Borrowings	512	271	89.0
Deferred vendor liabilities	374	425	(11.9)
Bank overdraft	153	155	(1.8)
Other current liabilities	89	80	11.0
Total liabilities	**8 095**	**7 108**	13.9
Total equity and liabilities	**14 571**	**12 293**	18.5

* Restated

RELATIONSHIP WITH COAST2COAST (C2C)

- A corporate services agreement governs the relationship with C2C
- Ascendis investment committee oversees the approval of potential transactions, comprising the CEO, CFO, Chairman and two appointees from C2C – all decisions made by majority vote
- All acquisitions to be approved by Ascendis board
- 2 of 9 Ascendis board members represent C2C
- C2C is a non-exclusive service provider - fees payable to C2C:
    - Acquisitions and disposals: a deal fee of 1% of the purchase price of targets acquired or disposed of
    - Debt raising (including refinancing): a fee of 1% of the value of debt raised
    - Equity raising: a fee of 0.75% of the value of equity raised
- C2C provides assistance with synergy and value creation projects

SHAREHOLDING STRUCTURE



Holdings at	31 Dec 2017	30 Jun 2017
Coast2Coast & staff	30.9%	31.3%
Kefolile Health Investments	6.8%	6.1%
Ascendis management	5.3%	4.9%
WBD Investment Holdings	5.2%	4.1%
Sentio Capital Management	5.0%	4.7%
Mineworkers Investment Company (MIC)	4.5%	3.5%
Public Investment Corporation (PIC)	4.5%	5.0%
International Finance Corporation (IFC)	3.7%	4.2%
Blakeney Management	3.4%	3.5%
Laurium Capital	3.1%	-
Jupiter Asset Management	2.5%	1.4%
GIC	2.5%	2.7%
Old Mutual Group	2.2%	2.6%
Mazi Capital	1.8%	1.7%
Vanguard Group	1.4%	1.5%
Other fund managers and shareholders	17.2%	22.8%

- 20.1% international holding (16.9% at Dec 2016)
- 33.1% BEE holding (28.2% at Dec 2016), including 12.8% black female ownership

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