



**Ascendis**  
HEALTH

# Investor Summary

## September 2018



# Annual Results

For the year ended 30 June 2018

## Overview of the last 12 months

- 5% comparable organic revenue growth
- EBITDA margin % in target range, with comparable organic EBITDA growing 2%
- Improvement in cash management and reduction in total gearing position

- In Europe, Remedica and Sun Wave Pharma continue to grow in double digits
- Early wins in Scitec turnaround

- Low economic growth and pressure on consumer spending impacted performance of SA businesses
- Divestment of two SA business units announced in June 2018, now completed

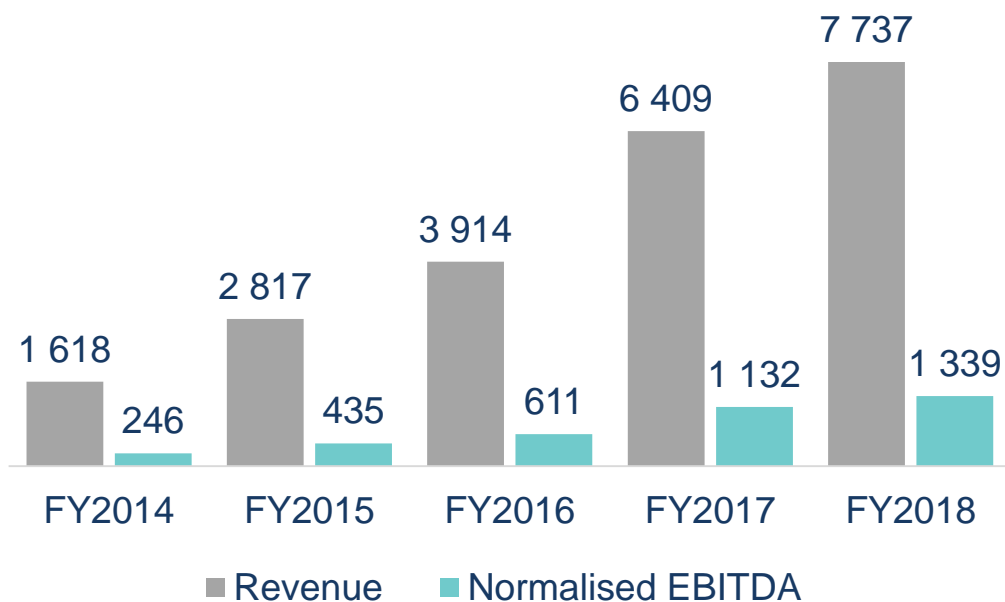
- Normalised HEPS from continuing operations growing 2%
- Strategic review conducted and new strategy approved in Q4

# Performance vs target

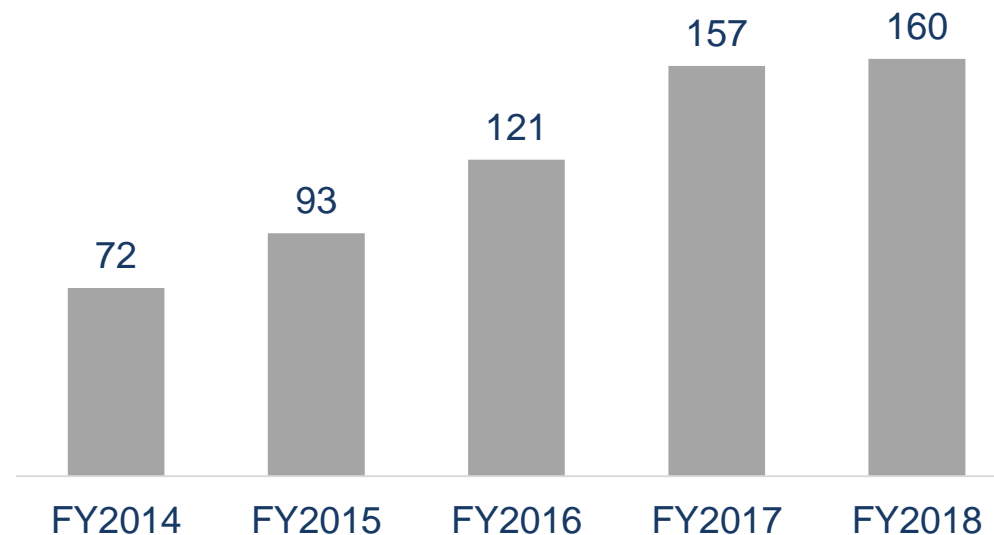
	FY2018 Guidance	FY2018 Actual
<b>Organic revenue growth (%)</b>	<b>c10%</b>	<b>5.0%</b>
<b>EBITDA margin (%)</b>	<b>17 – 18%</b>	<b>17.3%</b>
<b>Net working capital (days)</b>	<b>125</b>	<b>138</b>
<b>Cash conversion (%)</b>	<b>75%</b>	<b>92%</b>
<b>Gearing (net debt:EBITDA)</b>	<b>3.4</b>	<b>3.4</b>

# Financial metrics

Revenue and normalised EBITDA, FY2014 – FY2018, (R'm)



Normalised HEPS, FY2014 – FY2018, (cents)



Revenue **+21%** to R7.7bn (**+5%** comparable\*)

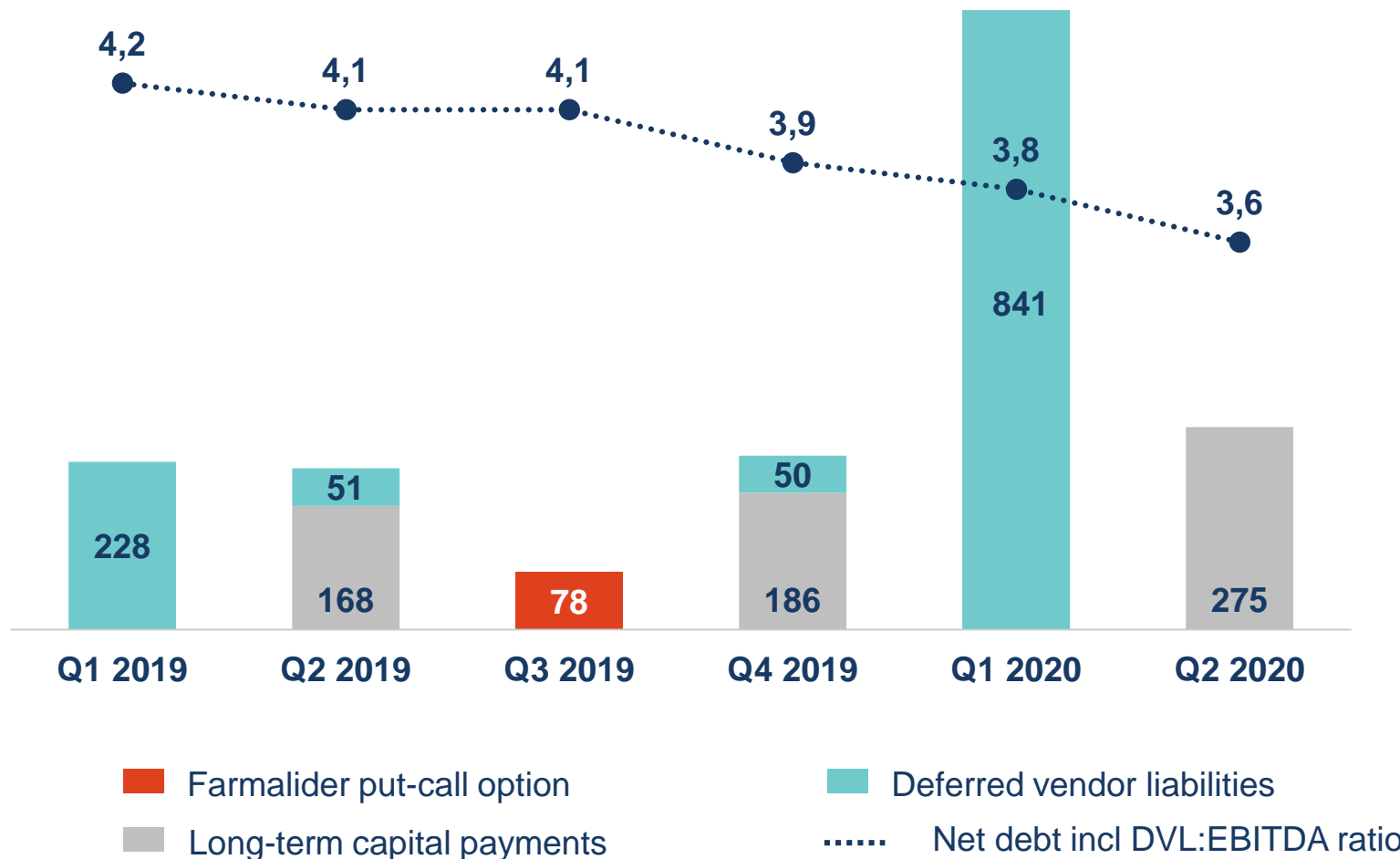
Normalised EBITDA **+18%** to R1.4bn (**+2%** comparable\*)

**Notes**

1. *FY2017 and FY2018 are results of continuing operations only*
  2. *Normalised numbers are adjusted for once-off transaction-related costs and restructuring costs to streamline, rationalise and structure companies*
- \* *Comparable growth is the performance of the businesses vs a full twelve months in the prior year*

# Cash flow planning

Committed cash obligations, Q1 2019 – Q2 2020, (R'm)



Future cash requirements to be serviced by:

- Cash generated by operations (>75% of EBITDA)
- Further improvements in working capital
- Proceeds from sale of Sports Nutrition, Direct Selling and Isando Factory

Debt refinance planned to support organic growth and improve certainty



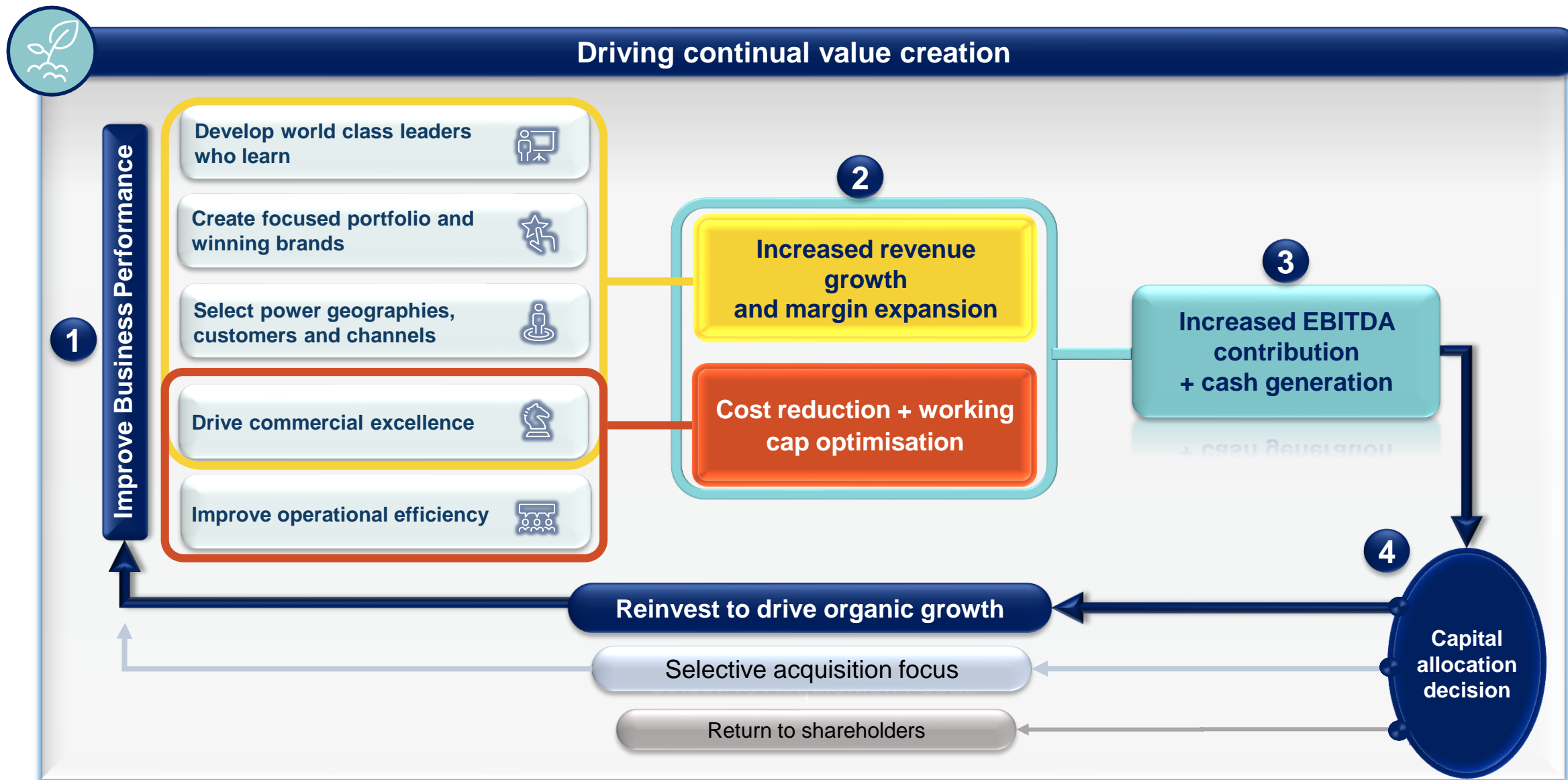
# Ascendis Health's New Strategic Focus

# The new strategy is built on multiple components that complement one another to form one holistic direction moving ahead

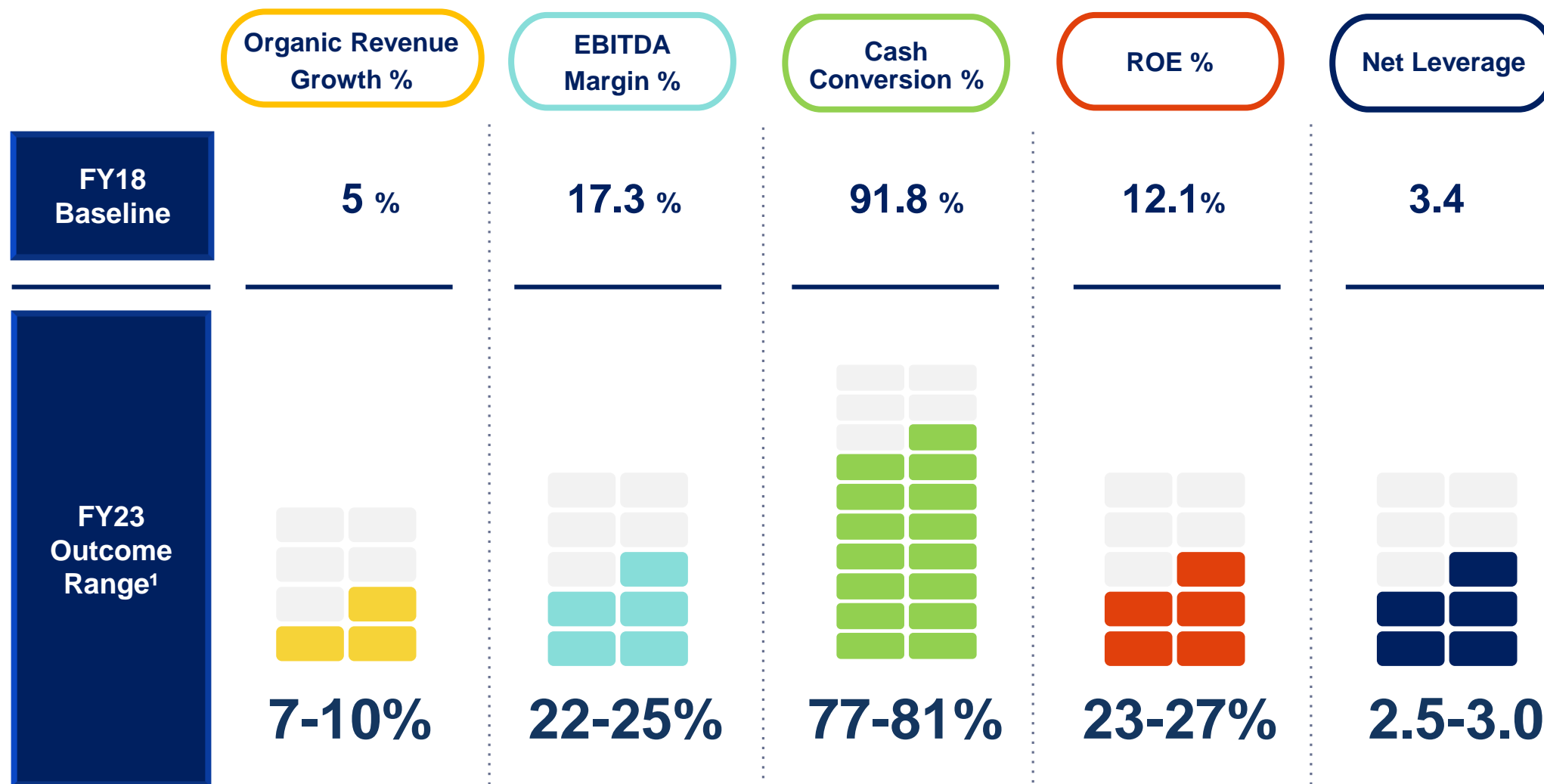




# The Ascendis Health Business Model



# Ascendis Health's new strategy and business model expects to deliver superior returns



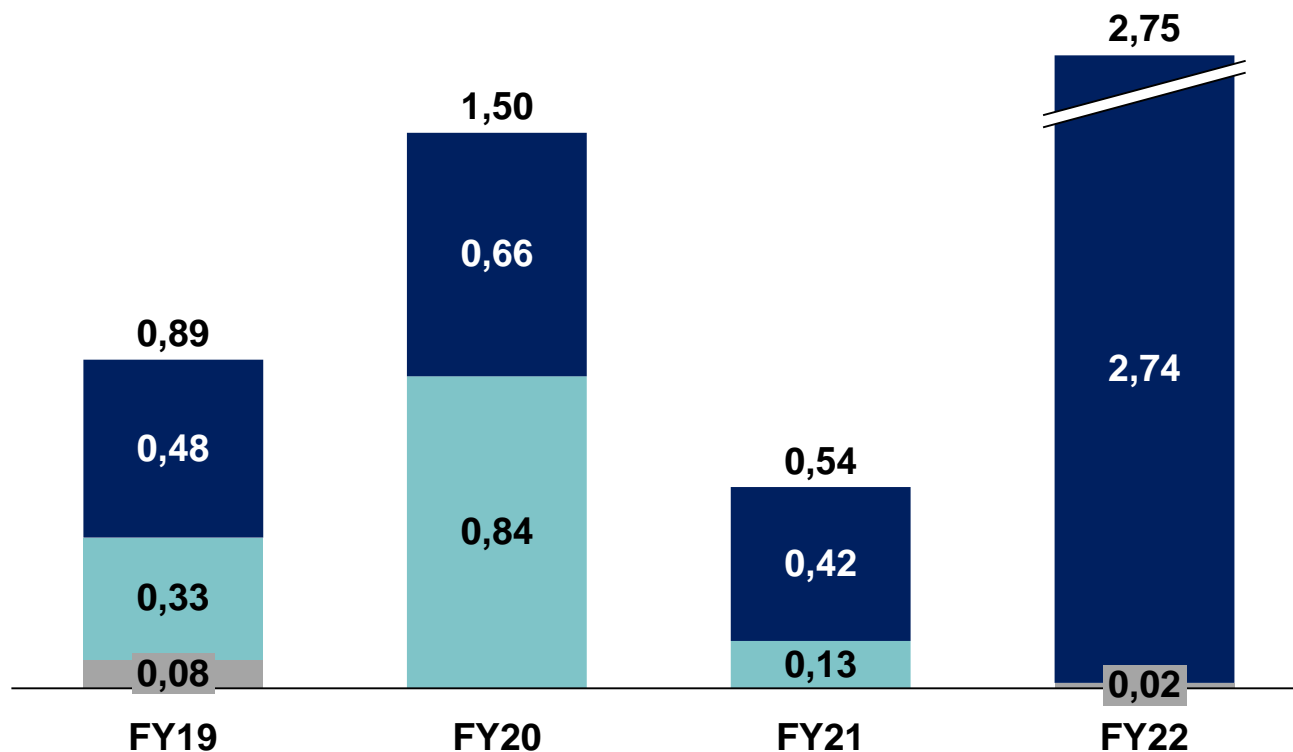
1) Future targets or objectives that Ascendis Health would like to achieve

# Debt Refinance planned to support organic growth and improve certainty

## Committed cash obligations, FY19 – FY22, (R'bn)



## Implications



- Debt Repayments
- Deferred Vendor Liabilities
- Deferred Vendor Liabilities - Put Call Option

- EUR40m (R840m) Deferred Vendor Payment (DVP) for Remedica due in August 2019 will create a liquidity challenge
- Cash received from proposed disposals to be used to both deleverage and selectively re-invest in strategic acquisitions
- Bullet debt payment of R2.7bn due in FY22
- Debt refinance would finance the upcoming DVP and improve cashflow flexibility until such time that the proposed disposals are completed

# In summary we are very excited to enter the new phase of Ascendis Health – 6 key take away points

By 2023 Ascendis Health is targeting 7-10%<sup>1</sup> CAGR organic revenue growth and EBITDA % of 22-25%<sup>1</sup>

Ascendis Health will become far more focused, streamlined, consumer and people centric

Strengthening Ascendis Healths' core : Pharma & Consumer Healthcare

Operating model from a geographical to a divisional structure

Divesting three smaller SA divisions and divesting Bioscience is a logical next step

The company growth strategy is driven by five company and cross-divisional strategies



<sup>1</sup>) Future targets or objectives that Ascendis Health would like to achieve

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# Investor relations contacts

Contact	Designation	Office Tel	Email
Thomas Thomsen	CEO	+44 20 8050 7412	thomas.thomsen@ascendishealth.com
Kieron Futter	CFO	+27 11 036 9480	kieron.futter@ascendishealth.com