

Trading statement for the six months ended 31 December 2020

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied, with 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 reporting period.

The board of directors of Ascendis advise shareholders that it is reasonably certain that the results for the period ended 31 December 2020, when compared with the published results for the period ended 31 December 2019, will differ as follows:

	6 Months ended 31 Dec 2020 Expected ranges	6 Months ended 30 Dec 2019 Restated (Note 2)	% change Expected ranges based on restated	6 Months ended 31 Dec 2019 Reported	% change Expected ranges based on reported
Revenue & Normalised EBITDA					
Group revenue – continuing operations (R'm)	3 939 - 4 019	3 003	31% – 34%	3 861	2% – 4%
Normalised EBITDA – continuing operations (R'm) ^(Note 1)	772 - 812	529	46% - 53%	611	26% - 33%
Continuing operations					
Normalised headline (loss)/earnings (R'm) ^(Note 1)	(47) – (38)	138	(134%) – (128%)	170	(128%) – (122%)
Normalised headline (loss)/earnings per share (cents) ^(Note 1)	(9.8) – (8.0)	28.9	(134%) – (128%)	35.1	(128%) – (123%)
Basic loss per share (cents)	(64.5) – (61.3)	16.0	(502%) – (482%)	21.9	(395%) – (380%)
Headline loss per share (cents)	(32.9) – (29.6)	16.3	(302%) – (282%)	22.2	(248%) – (233%)
Total operations					
Normalised headline (loss)/earnings (R'm) ^(Note 1)	(3.3) – (2.7)	181	(102%) – (101%)	181	(102%) – (101%)
Normalised headline (loss)/earnings per share (cents) ^(Note 1)	(0.7) – (0.6)	38.0	(102%) – (101%)	37.4	(102%) – (101%)
Basic loss per share (cents)	(145.1) – (135.9)	46.0	(415%) – (395%)	45.4	(420%) – (399%)
Headline loss per share (cents)	(24.2) – (19.8)	24.9	(197%) – (180%)	24.5	(199%) – (181%)

Note 1: Normalised EBITDA, Normalised headline earnings and normalised headline earnings per share are alternative performance measures or non-IFRS measures. Further details regarding the computation of the performance measures and its purpose can be found on the Company's website via: <https://ascendishealth.com/wp-content/uploads/2020/02/Ascendis-Health-Performance-Measures-Jan-2020.pdf>.

Note 2: The comparatives have been restated for the change in discontinued operations by classifying the Animal Health segment as a discontinued operation in addition to the already classified discontinued operations recorded in December 2019 as well as a prior period adjustment relating to the release of deferred tax liabilities due to the impairment of intangible assets in prior periods.

The Group benefited from a largely COVID-19-defensive portfolio over the past six months, with strong operational performances in both its European and South African based businesses. A trading update was issued on SENS on 2 February 2021 detailing the operational performance of the Group's business units.

Operating profit for the period was negatively impacted by the following:

- recognition of impairments of goodwill and intangible assets of R150 million on continuing operations
- R96 million impairment on discontinued operations
- R99 million limitation of the deferred tax asset balances of certain entities in the group that are not forecast to generate sufficient future taxable income to utilise the deferred tax asset in the near term

- the significant impact of the 10% PIK interest margin on the Group's secured debt facilities contributing to net finance costs more than doubling to R545 million
- transaction-related and restructuring costs of R118 million.

Further details will be provided in the interim results announcement which is due to be released on SENS on 31 March 2021.

This trading statement is the responsibility of the directors and the financial information on which this statement is based has not been reviewed or reported on by the external auditors.

25 March 2021
Bryanston

Sponsor



Questco Corporate Advisory Proprietary Limited