

> EOH Market Update

for the third quarter ended 30 April 2020

10 June 2020



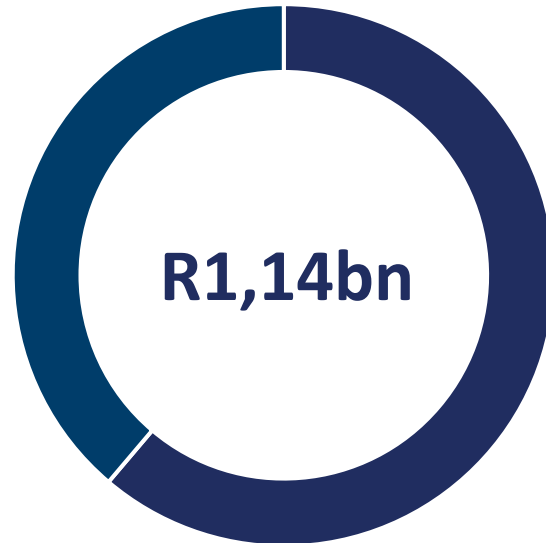
TRADING IN THE FACE OF COVID-19

- Financial performance for the quarter **remained resilient**
 - ✓ **Some pressure on revenue** as a result of lockdown
 - ✓ **Positive EBITDA** due to focus on costs and elimination of unnecessary spend
 - ✓ **Positive cash generation** from operations
- As at 3 June 2020, **cash balances of R893 million**
 - ✓ Sound debtors collections which were **in excess of R1 billion for each month** in the quarter as well as May
 - ✓ **Liquidity focus** proving effective
- Deleveraging strategy **ahead of targets**
 - ✓ First R500m milestone set for August 2020 exceeded
 - ✓ Interest continues to be serviced, R75 million paid in May.
- Co-creation of **bottom-up iOCO strategy** built

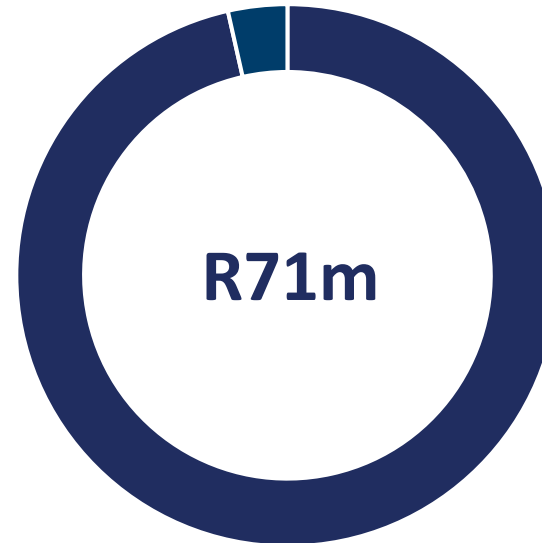


R1,8BN PAID TO LENDERS SINCE 1 AUGUST 2018, INCLUDING R250M BRIDGE

R1,8bn



Capital Repayments

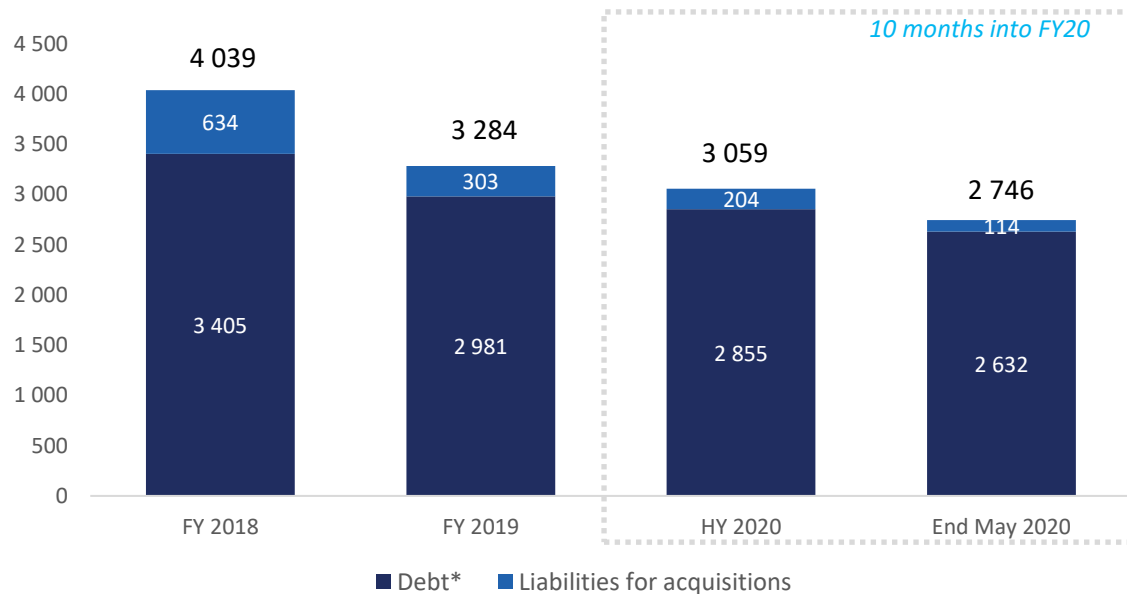


Default Interest



Normal Interest

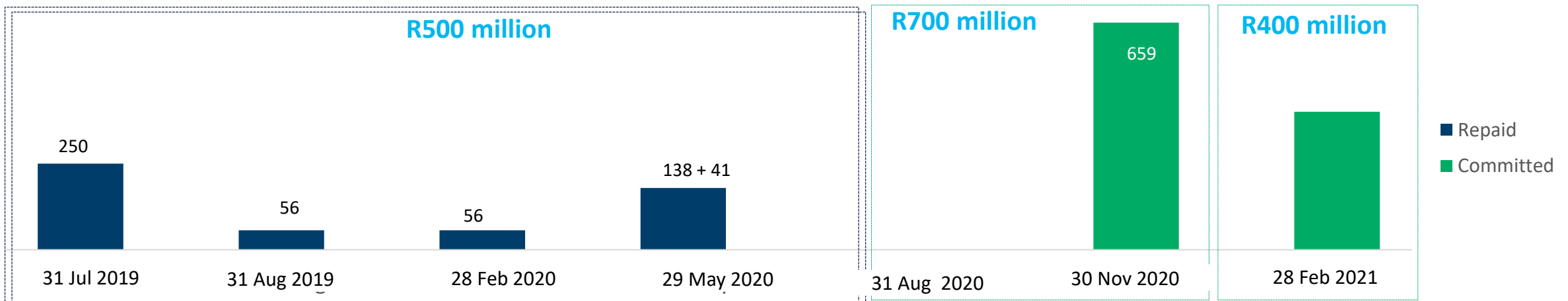
DELEVERAGING AHEAD OF TARGET AND COST OF DEBT MORE MANAGEABLE



Considerations

- R540m paid in capital as at 29 May 2020
 - Exceeded R500m milestone planned for August 2020
- Majority of remaining debt ring fenced to a single asset (PiA)
- Liabilities for acquisitions reduced to R114m as at 31 May 2020 (31 Jan 2020: R204m and 1 August 2018: R634m)
- R75 million of interest paid in May
 - Interest rate linked to JIBAR
 - Benefits to be realised following base interest rate cuts of 2,5%
- Current forecast EBITDA of R800million which reflects a Net Debt multiple of 2.3x (increasingly digestible)
- Target leverage <1.0 as EBITDA of core iOCO stabilises

TOTAL DELEVERAGING COMMITMENT OF R1,600 MILLION TO 28 FEBRUARY 2021



IP DISPOSALS ONGOING



Non-core assets to the value of R1,4bn sold since 1 February 2019

- **R865 million** in cash received
- Denis disposal (consideration of R250million) **approved by Competition Commission** and now awaiting Competition Tribunal approval
- **Excludes the R96 million liability relief** from the LSD unwind



Further disposal processes remain a priority

- **Sales processes of two businesses** ongoing and in final stages with bidders
 - ✓ Businesses each impacted differently by COVID-19
- Sale process for **third IP asset was launched May 2020**
 - ✓ Significant interest received from various bidders

DEALING WITH COVID-19....COST SAVING INITIATIVES

Goal of R100m savings per month during lockdown (R400m in total versus budget) is anticipated to be surpassed at 31 July 2020 through...



Salary adjustments



Reduction of fixed costs



Continued removal of unnecessary costs



Significant saving in travel, entertainment, marketing spend

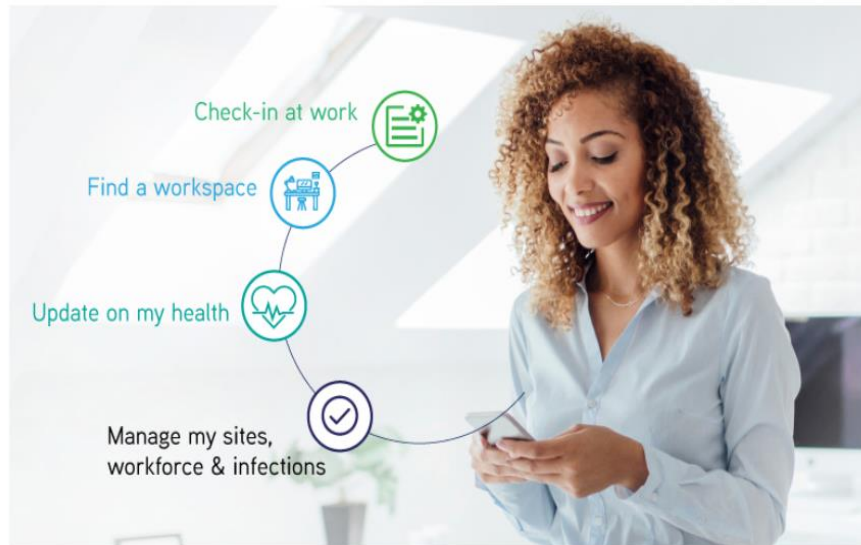


Rental holidays and extensions from landlords

INNOVATIVE COVID-19 SOLUTIONS DEVELOPED BY OUR PEOPLE

OVER 70 SOLUTIONS HAVE BEEN MARKETED TO CLIENTS TO SPECIFICALLY ASSIST IN MANAGING COVID-19 CHALLENGES

Sikhona app



- On-site risk management
- Enterprise application for workforce management, space & real estate management
- Big data-led solutions for workforce, infection & risk management
- Thermal temperature scanning, sanitisation & personnel to conduct screening

ICULATE



- Unique mobile ICU ward that is COVID-19 compliant
- Can be deployed as standalone temporary units on greenfields sites, existing ward conversions or bolt-on wards to existing facilities
- Supporting public and private sector clients



For any questions or comments: IR@eoh.com