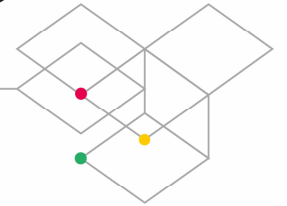


united we walk



AfroCentric
GROUP

Investor Day
2017 ANNUAL RESULTS



Dr. Anna
Mokgokong
Chairperson





Our Mission

“ To relentlessly innovate a new integrated model of sustainable healthcare that measurably improves access to quality care ”



Our Vision

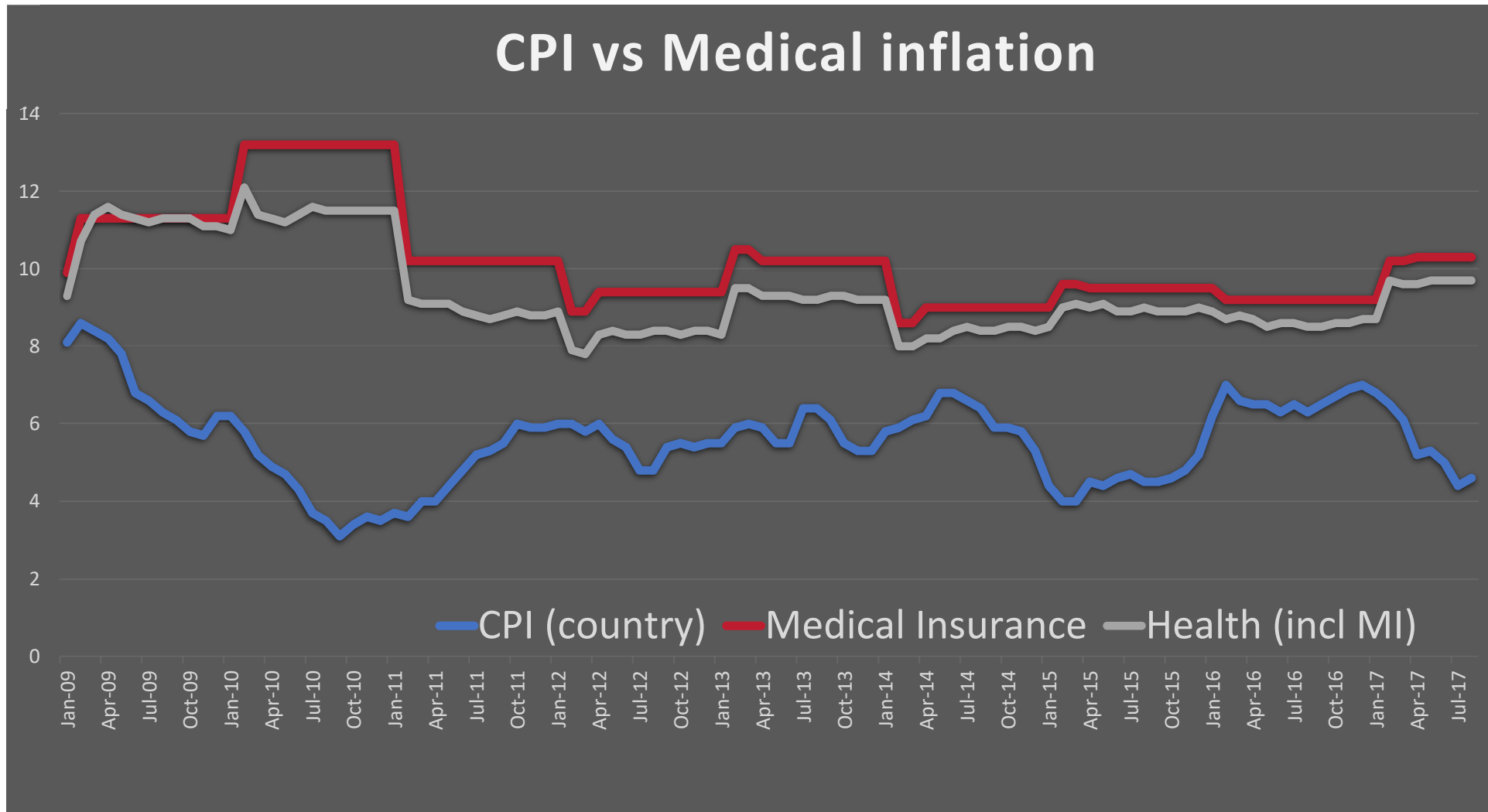
“ Empowering greater access to sustainable quality healthcare ”

Antoine van
Buuren
Group CEO



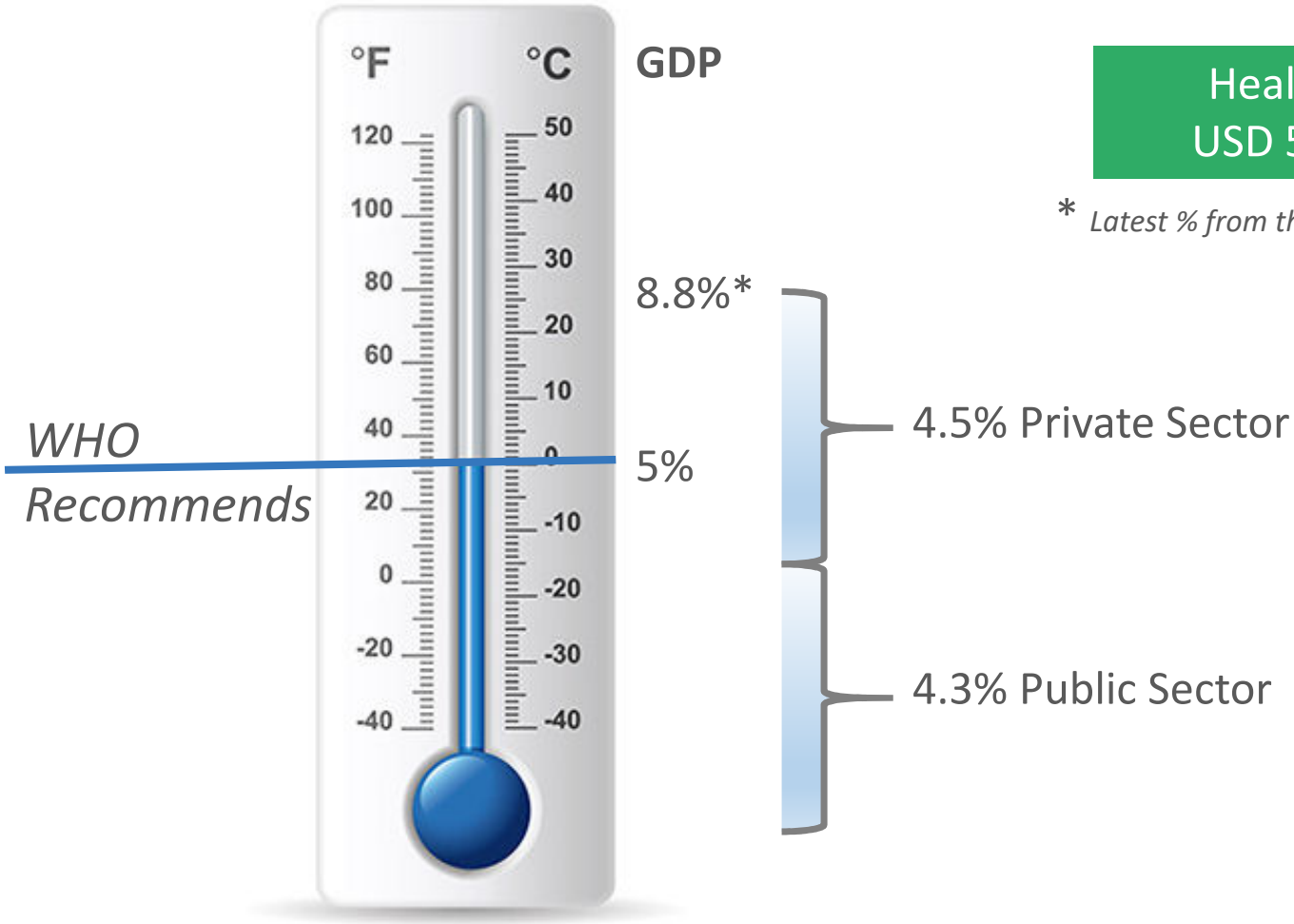


Health Market Inflation





Health market spend



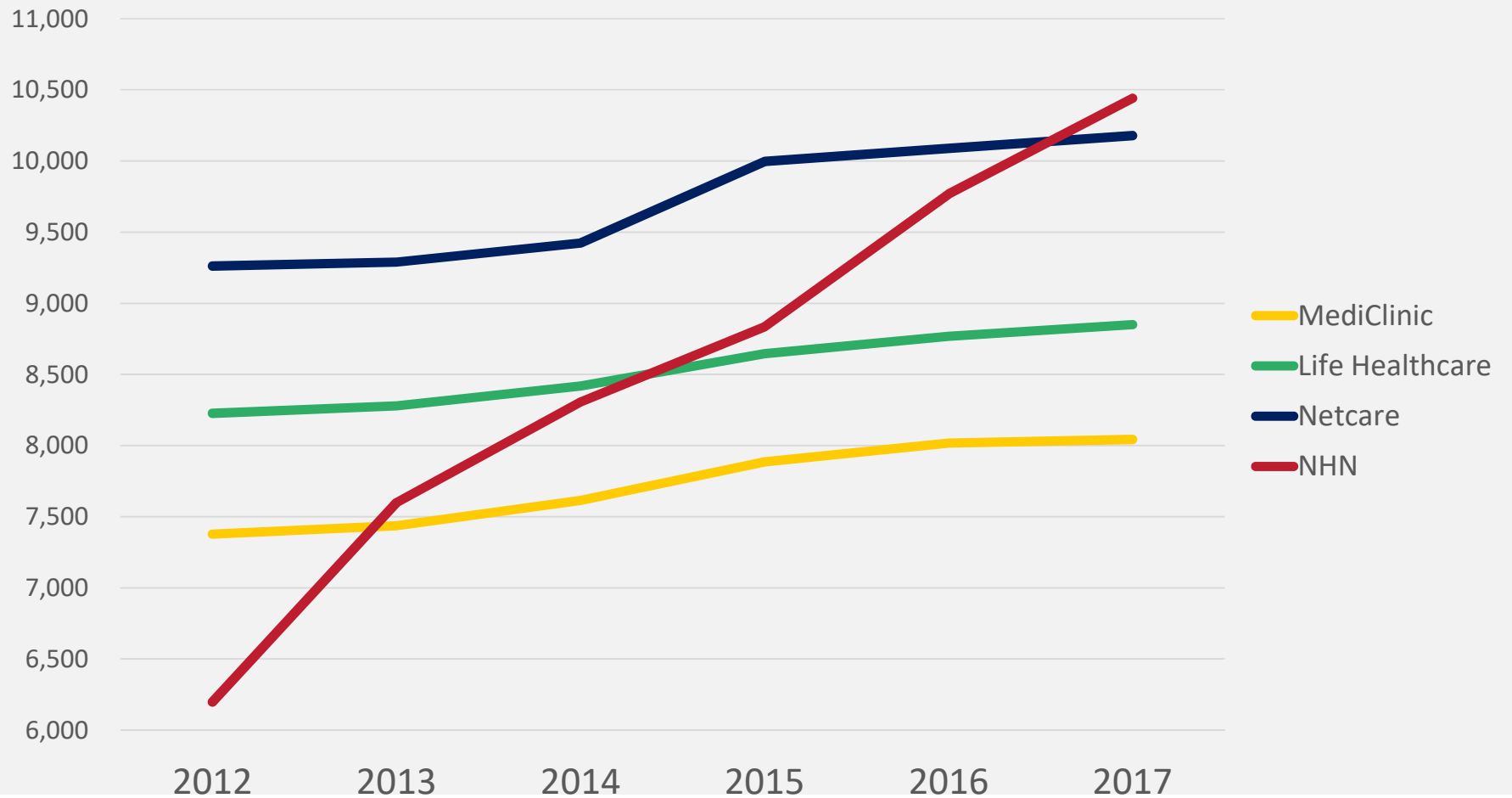
Health expenditure*
USD 570.21 per capita

* Latest % from the World Health Organisation (2014)



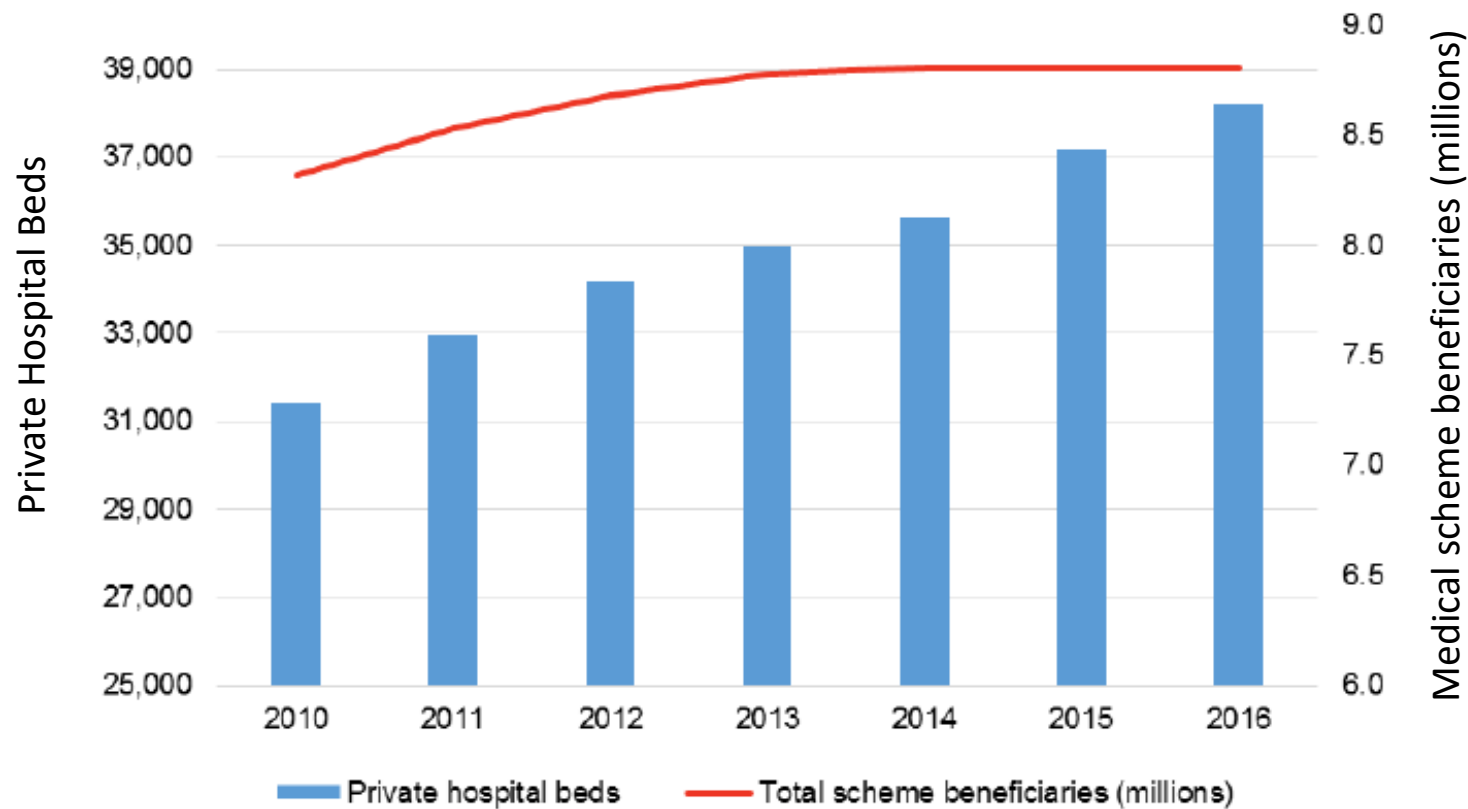
Growth in hospital beds

Hospital Beds Comparison



Growth in hospital beds

Increase in hospital beds vs. Medical Scheme Beneficiaries



2010-2013:

- 6% increase in beneficiaries
- 9% increase in private beds

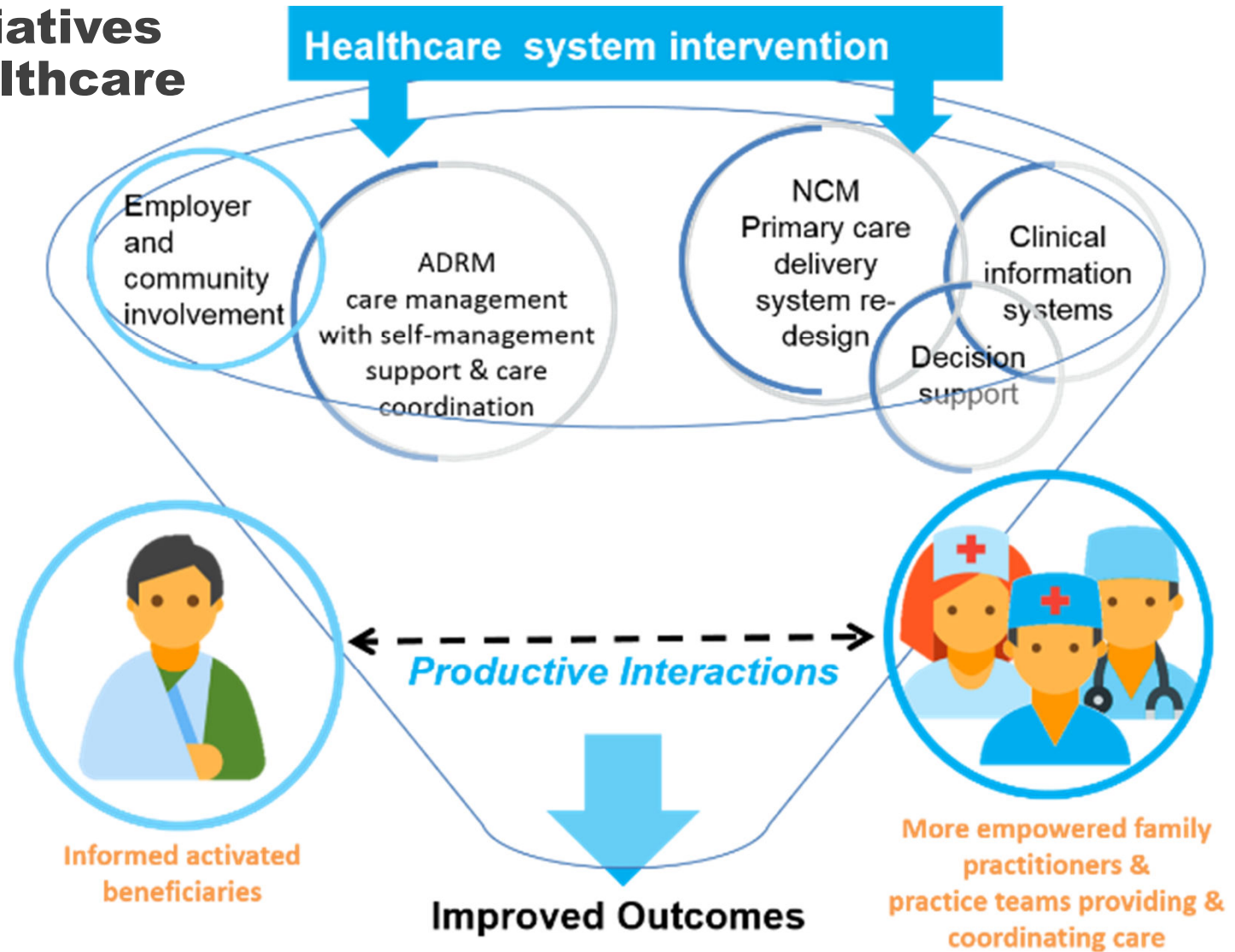
2013-2016:

- No beneficiary growth
- 9% increase in private beds



Medscheme initiatives to decrease healthcare costs

Co-ordination of care



A Member of AfroCentric Group



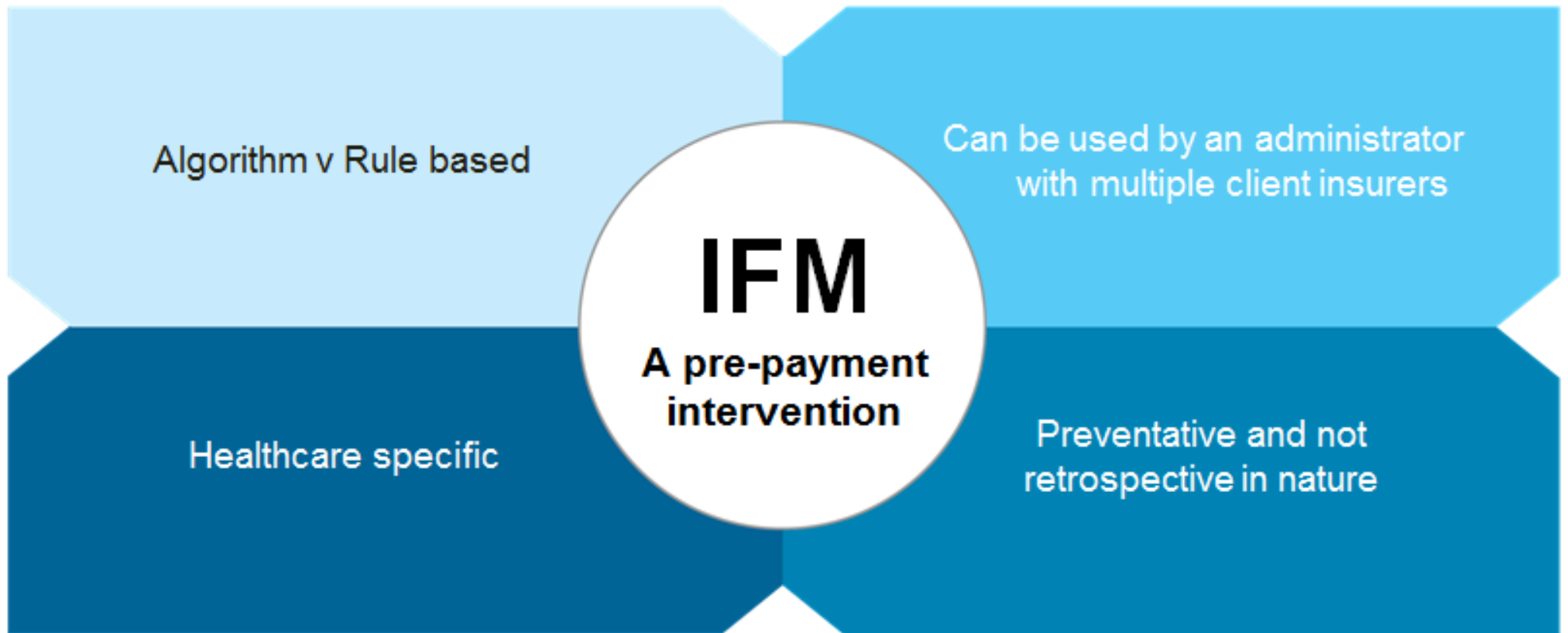


Medscheme initiatives to decrease healthcare costs

A Member of AfroCentric Group



Fraud waste and abuse

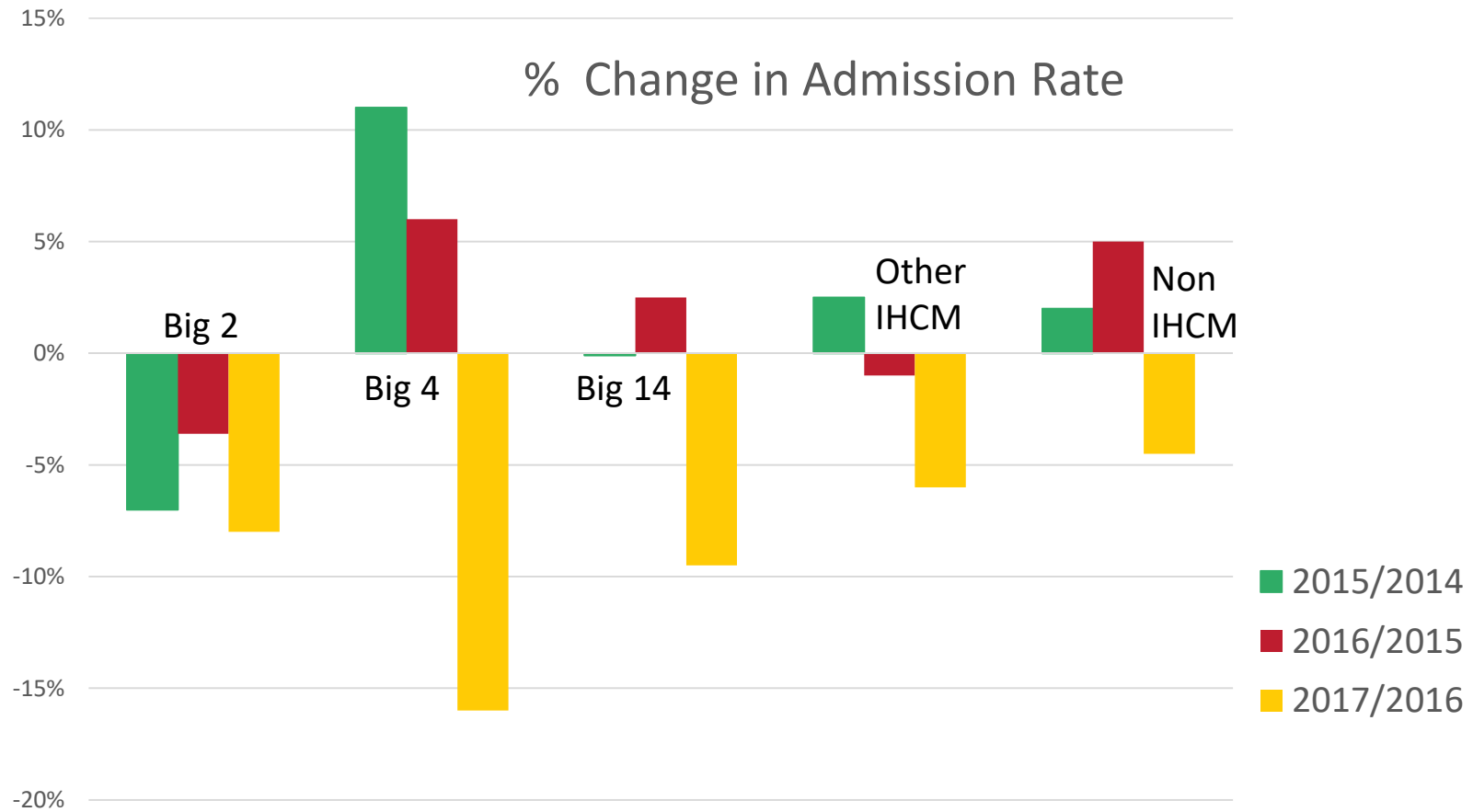




Medscheme initiatives to decrease healthcare costs

In-hospital Case Management

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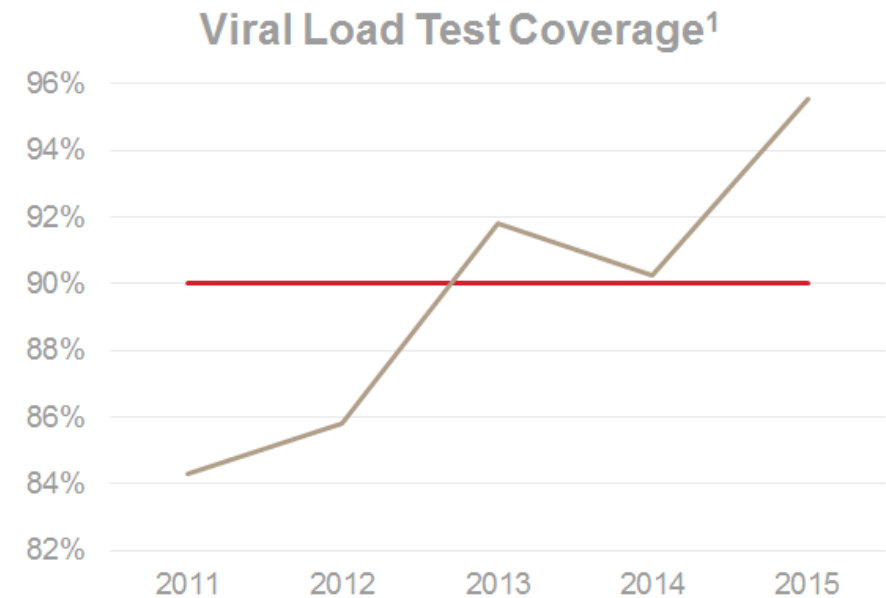




Medscheme initiatives to decrease healthcare costs

ACTIONABLE AND TARGETED REMINDERS

- Provision of clear treatment plan that includes exact dates of required tests
- Clear communication on specific risk benefits so that other discretionary benefits are not depleted
- SMS reminders for overdue viral load tests
- HIV coordinators call at risk beneficiaries with overdue results (+ reminder letters and SMS')



¹ As per HQA annual reports



Supply Chain Optimisation

Activo, Curasana and Pharmacy Direct
Reducing pharma costs
Increasing access to care



A member of AfroCentric group
Pharmacy Direct
Caring, Reliable & Affordable

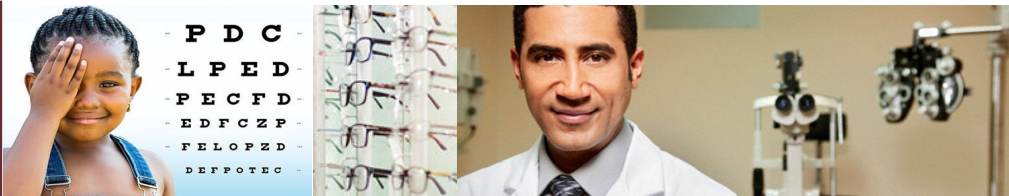
Klinikka
Reducing pain, increasing mobility
Reducing back and neck surgery



Wellness Odyssey
Lifestyle interventions for
non-communicable diseases

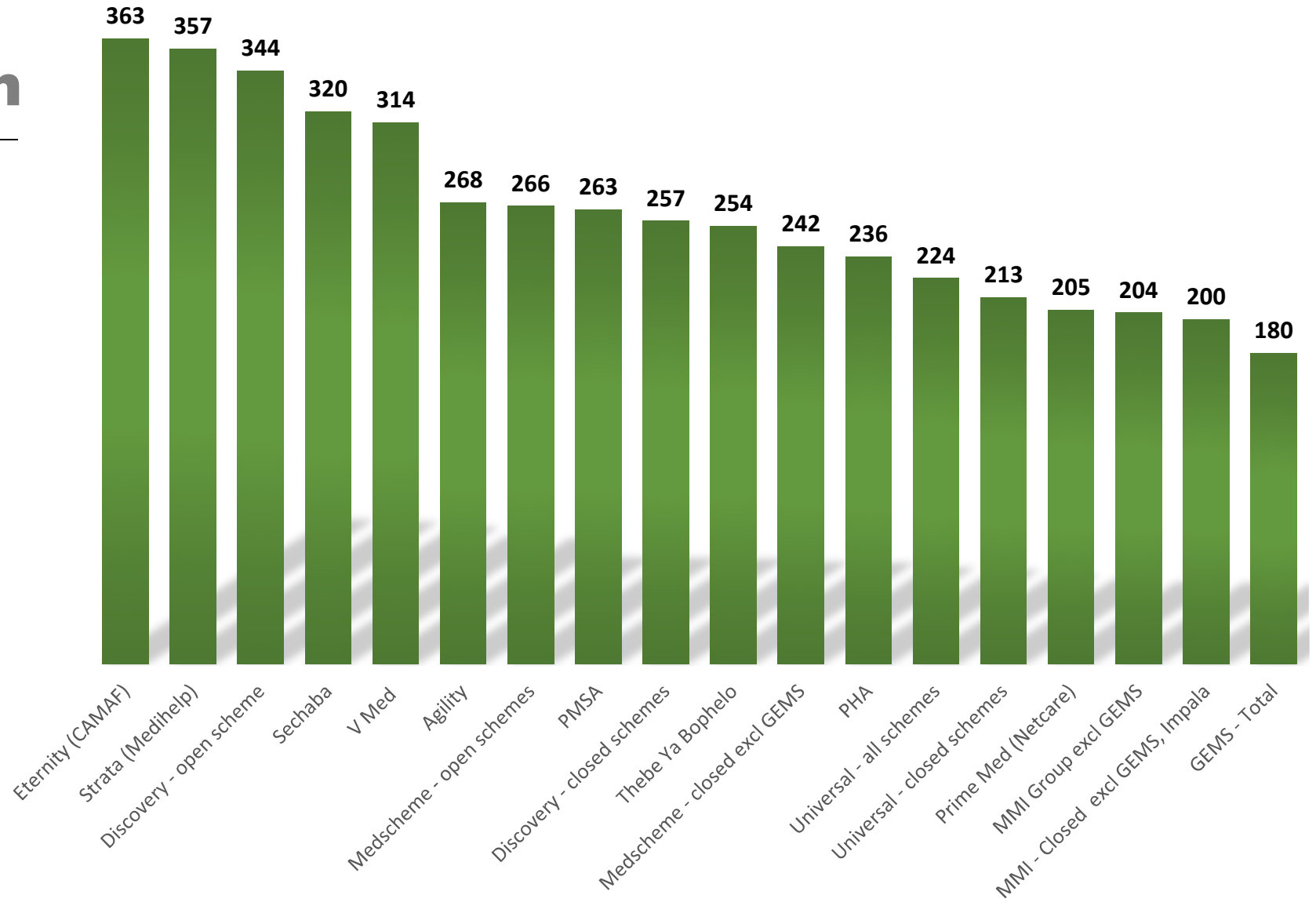


Opticlear
Addressing high margins in optometry
Ensuring clinical care



Fee comparison

2015 Average Total Fees Ranked



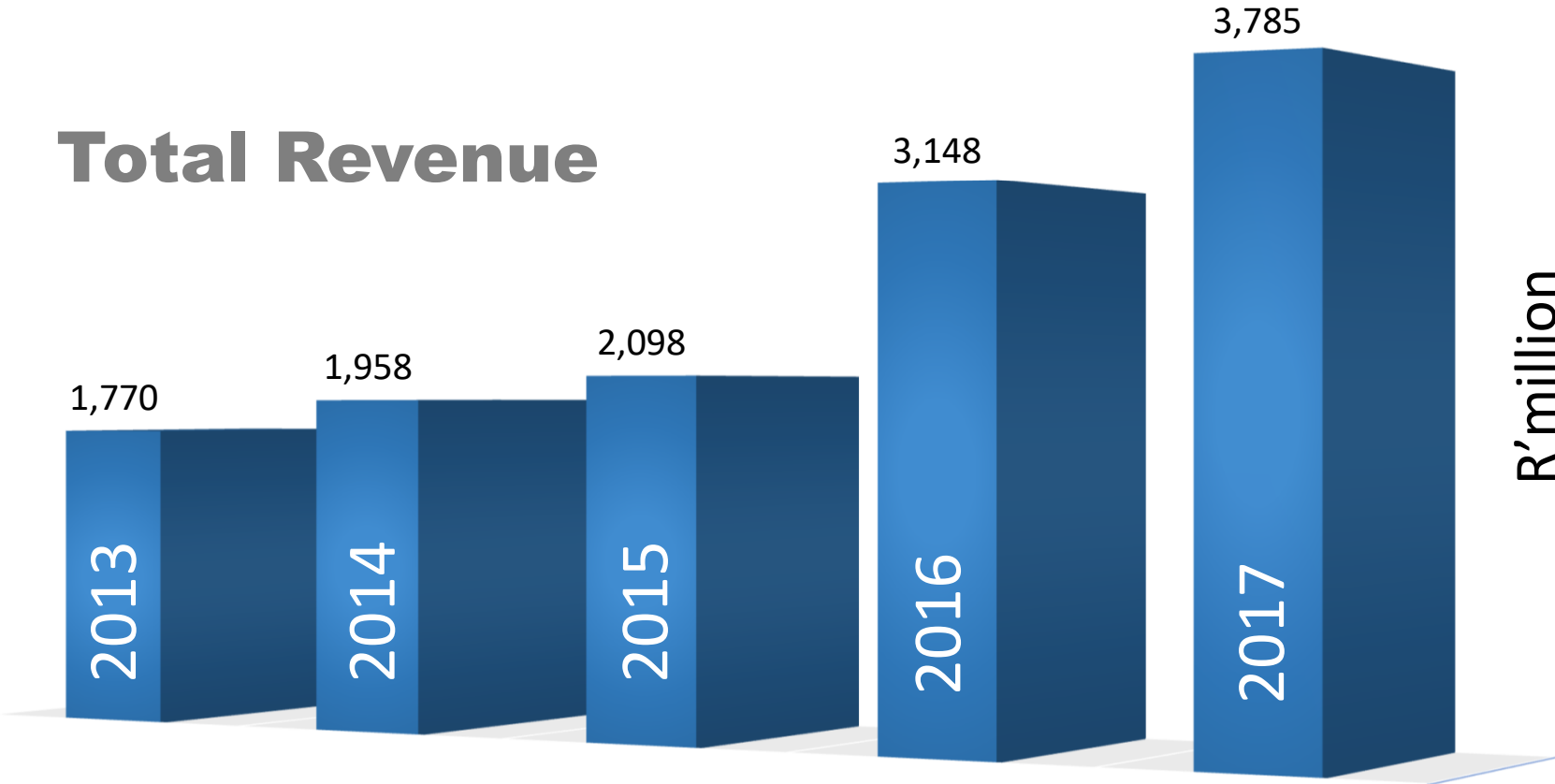
Hannes
Boonzaaier
Group CFO





Results in a Nutshell

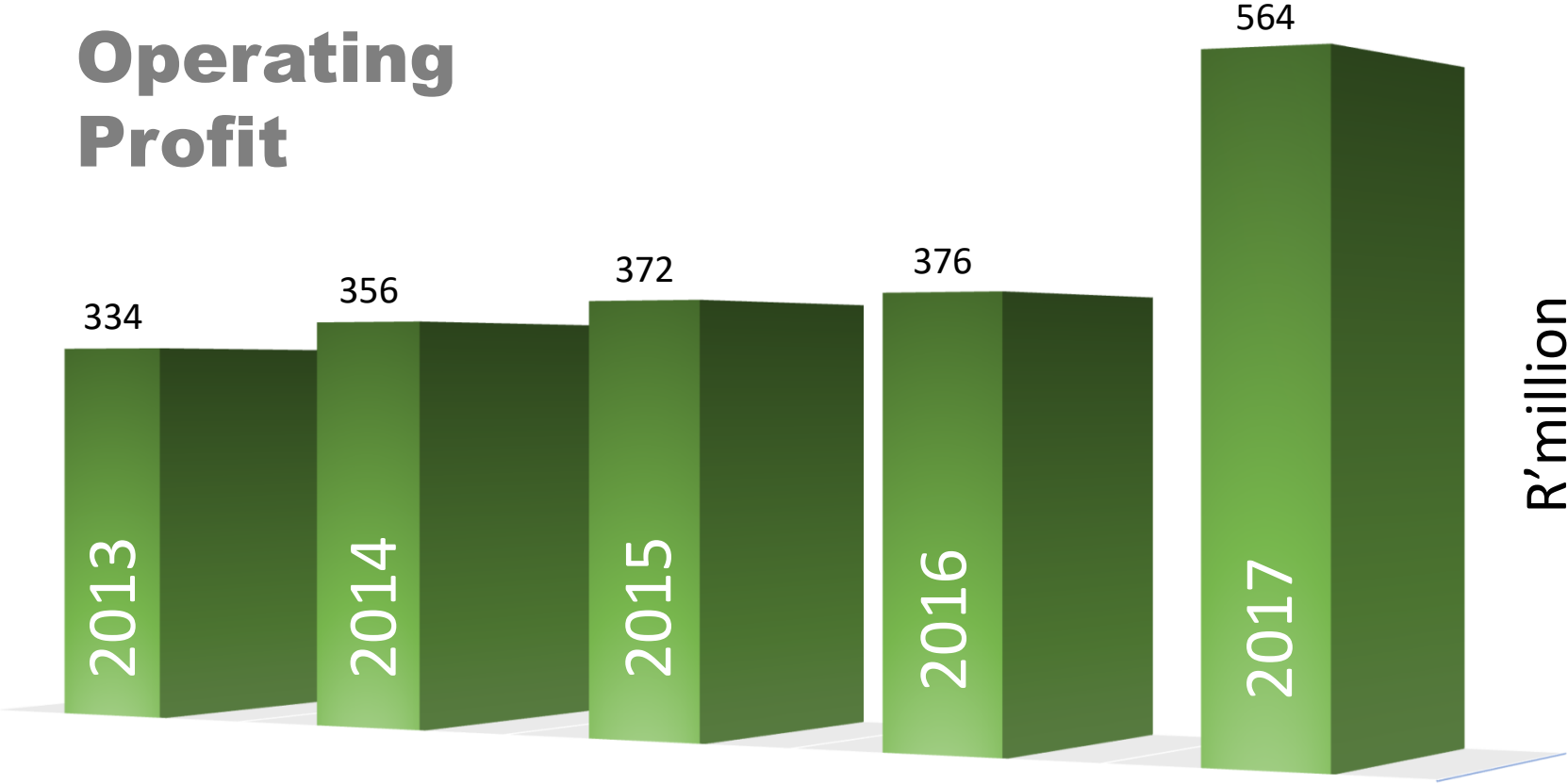
Total Revenue





Results in a Nutshell

Operating Profit



Results in a Nutshell

Profit after tax

	2015 R'm	2016 R'm	2017 R'm
Profit after tax	179	194	220
Acquisition-related Expenditure	-	25	121
Sanlam Contingent Put Obligation Interest (IAS 32)		25	46
WAD Tranche 2 (market to market)			60
Sanlam Indemnity			15
Normalised Comprehensive Income	179	219	341
38% Average Annual Growth			
Non Controlling Interest	(25)	(53)	(102)
Normalised Basic Earnings	155	170	239
<i>Normalised Earnings per Share (Cents)</i>	<i>33</i>	<i>31</i>	<i>43</i>
<i>Weighted Average Shares (Millions)</i>	<i>467</i>	<i>554</i>	<i>554</i>



Results in a Nutshell

Subsequent to year end, the WAD tranche 2 acquisition payment was settled in cash of R140m (R195m less Sanlam's contribution to the acquisition).

Overall strengthening of current assets and liabilities

Other highlights

Conditional Put Option Liability of R728m removed after Sanlam profit targets were achieved

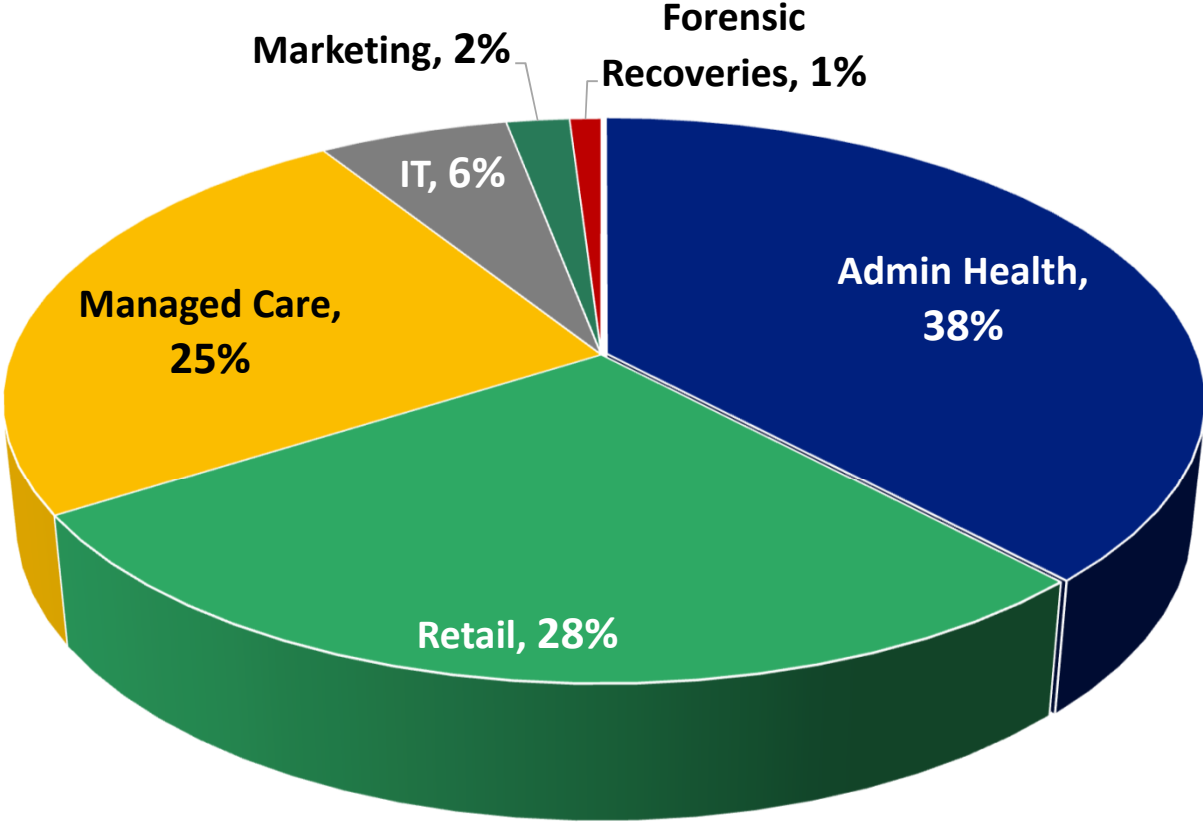
Cash balances stable at R770m after significant investment in IT development



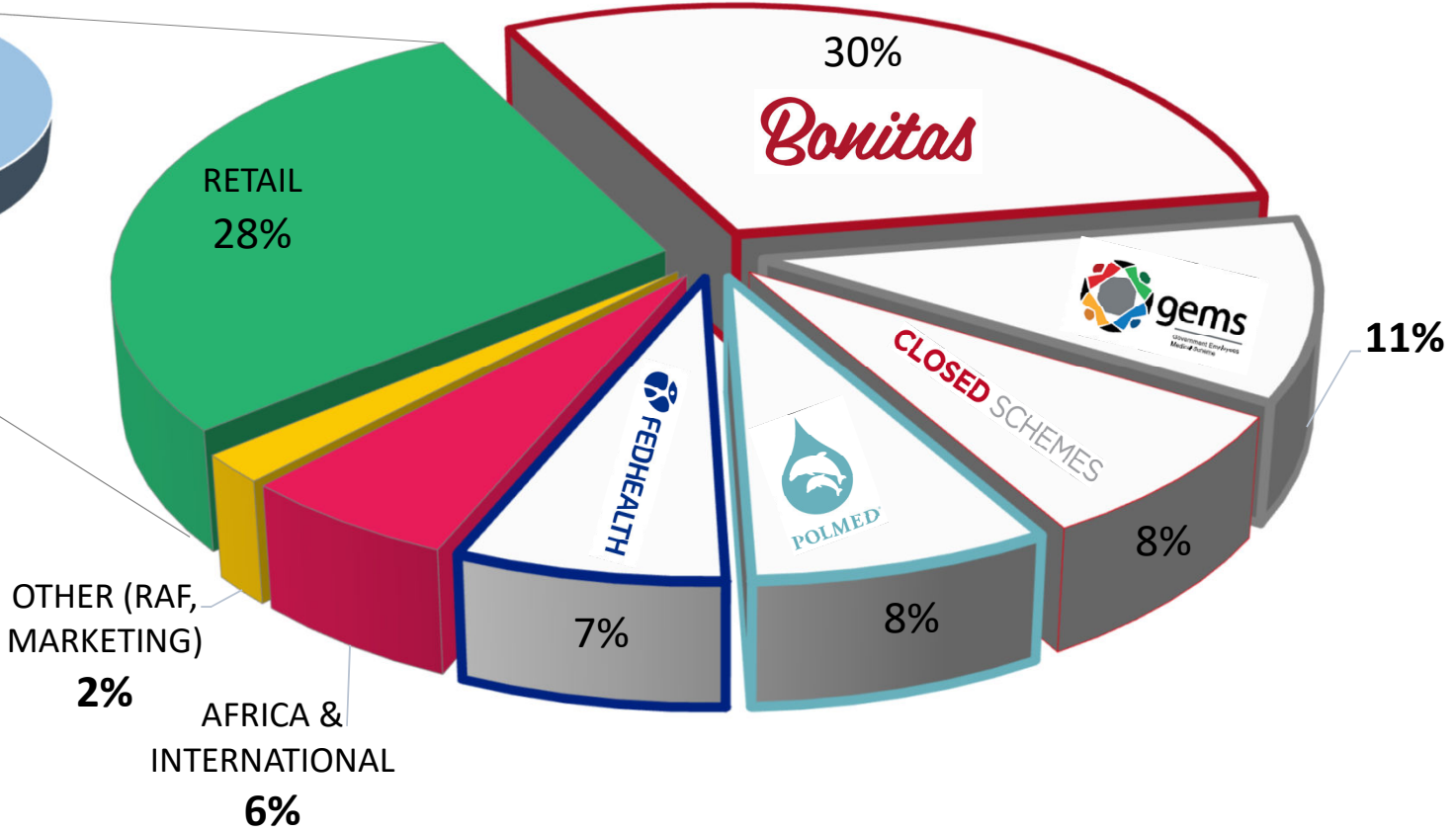
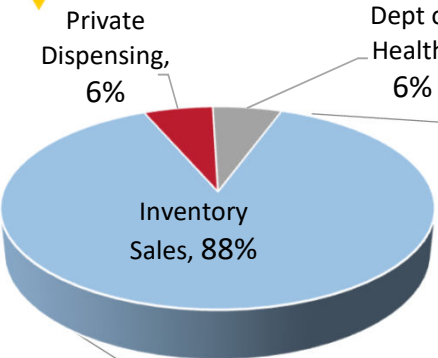
**Financially
healthy to
grow!**



Revenue Drill-Down

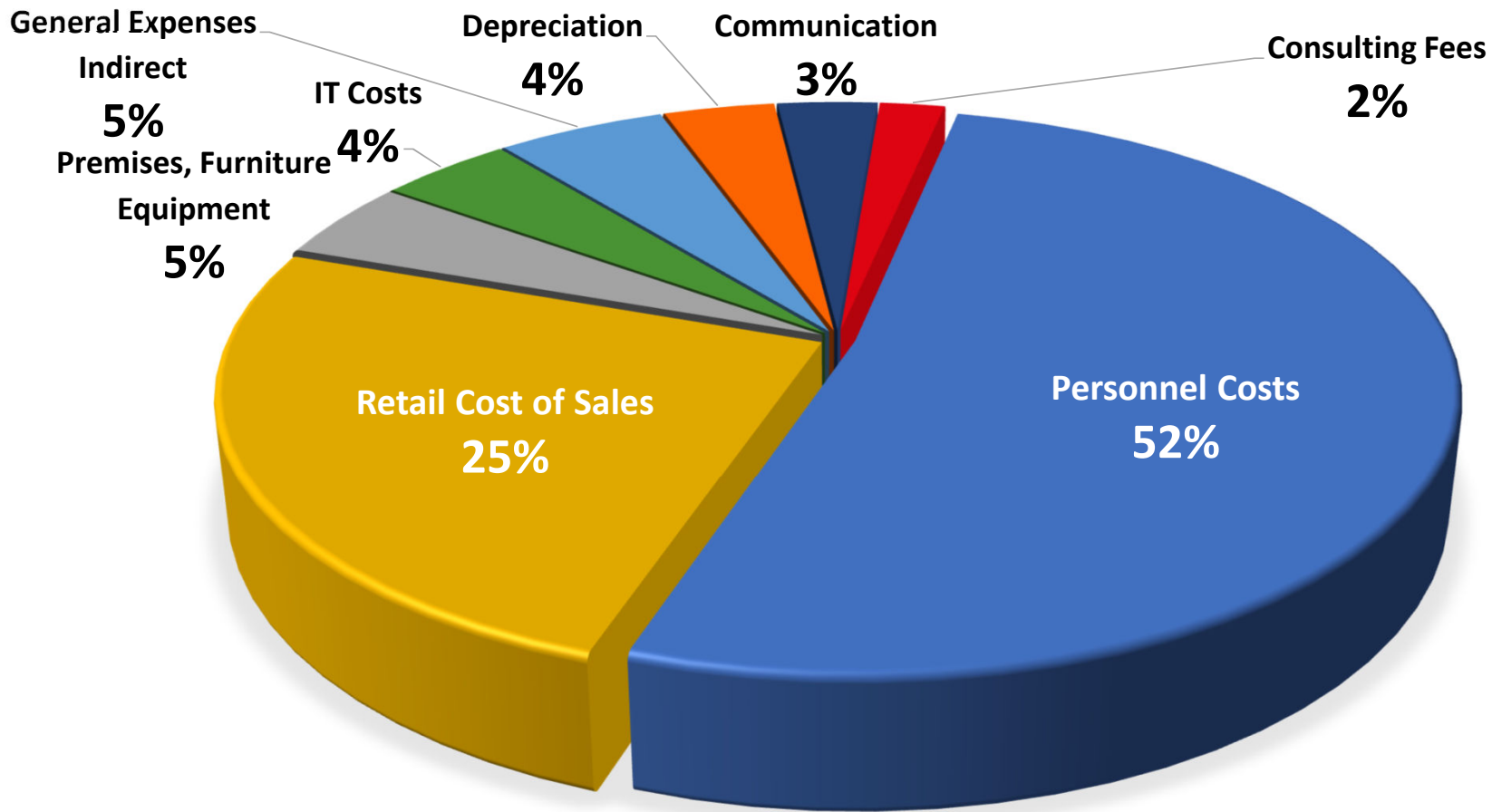


Client Revenue Drill-Down



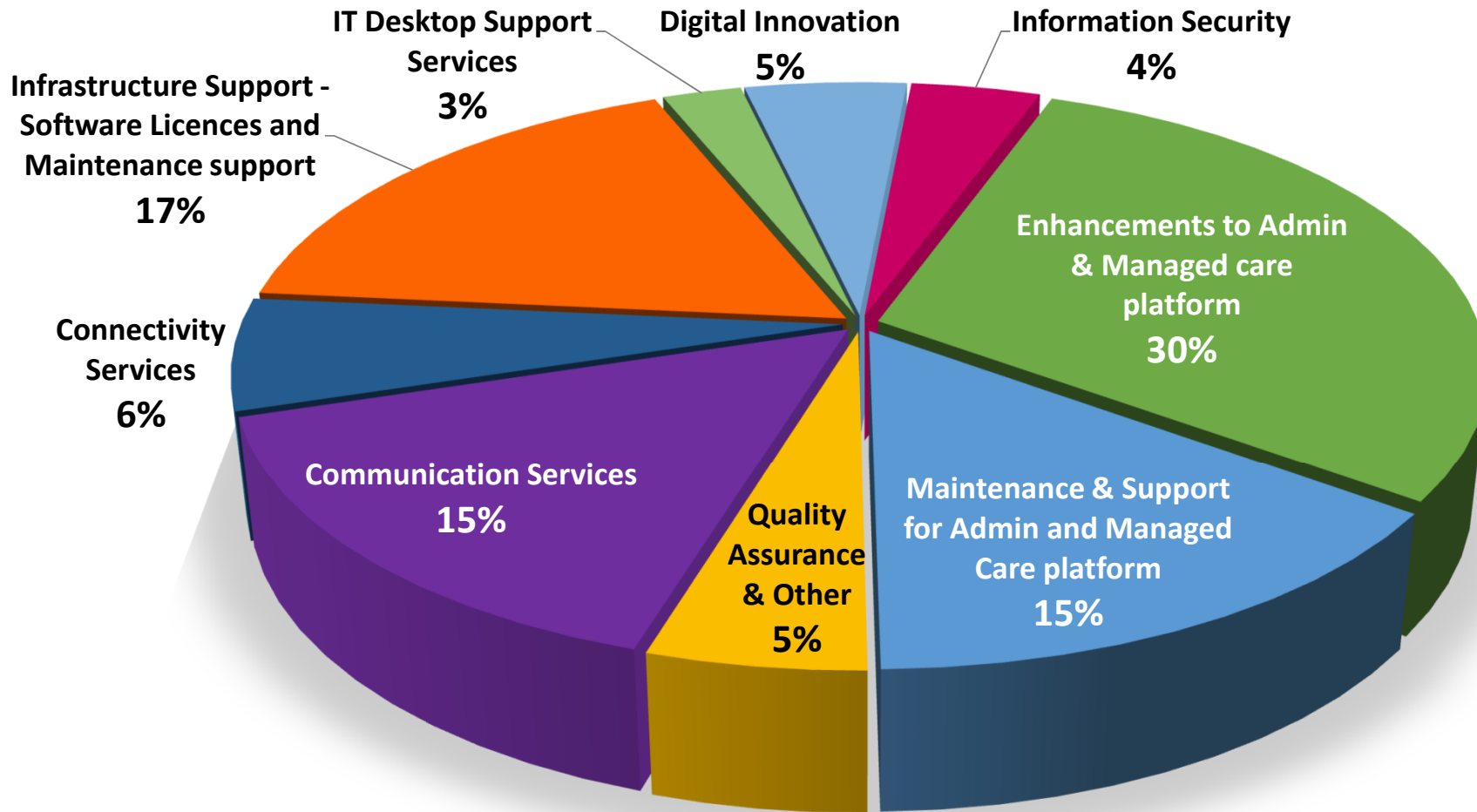


Expenditure Drill-Down





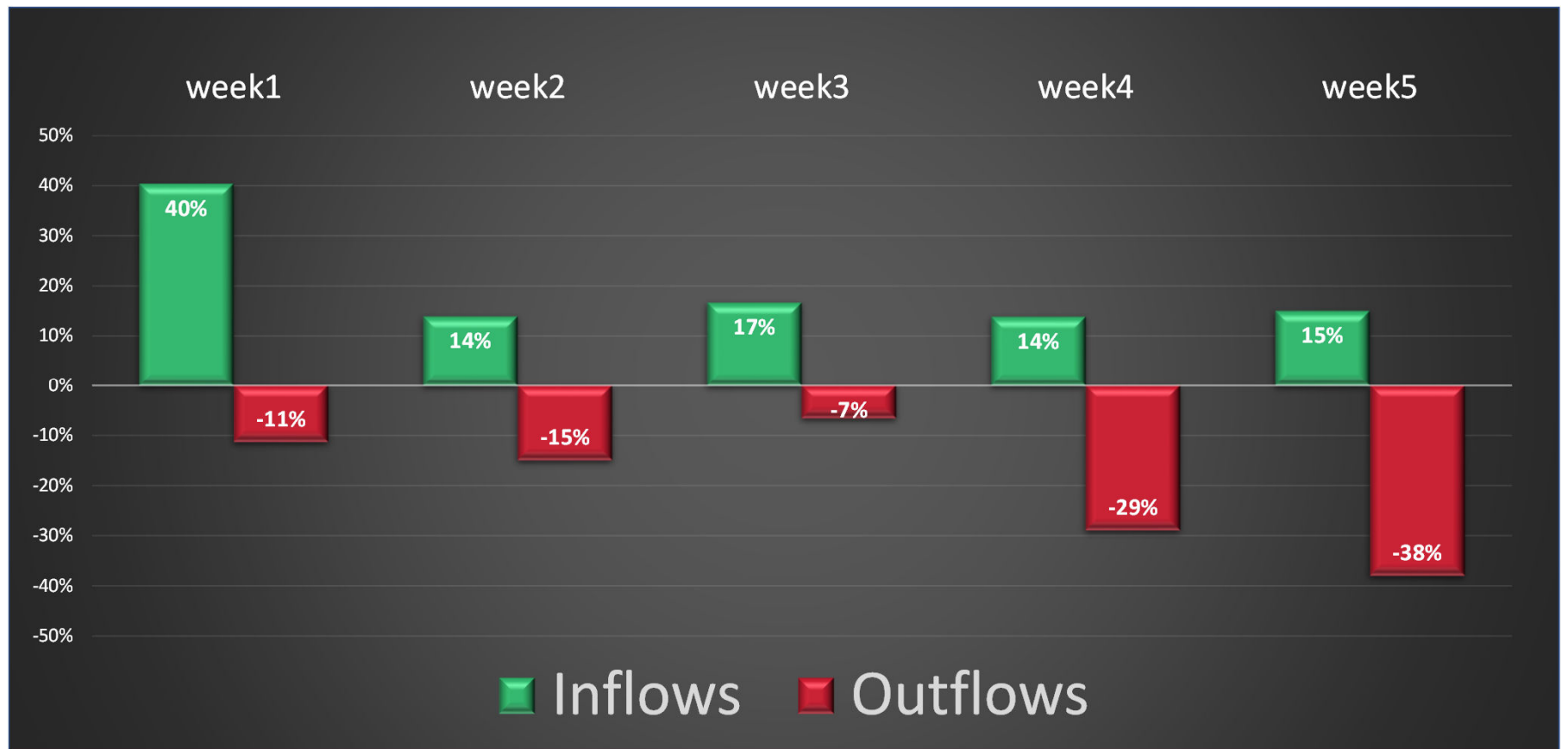
IT Spend





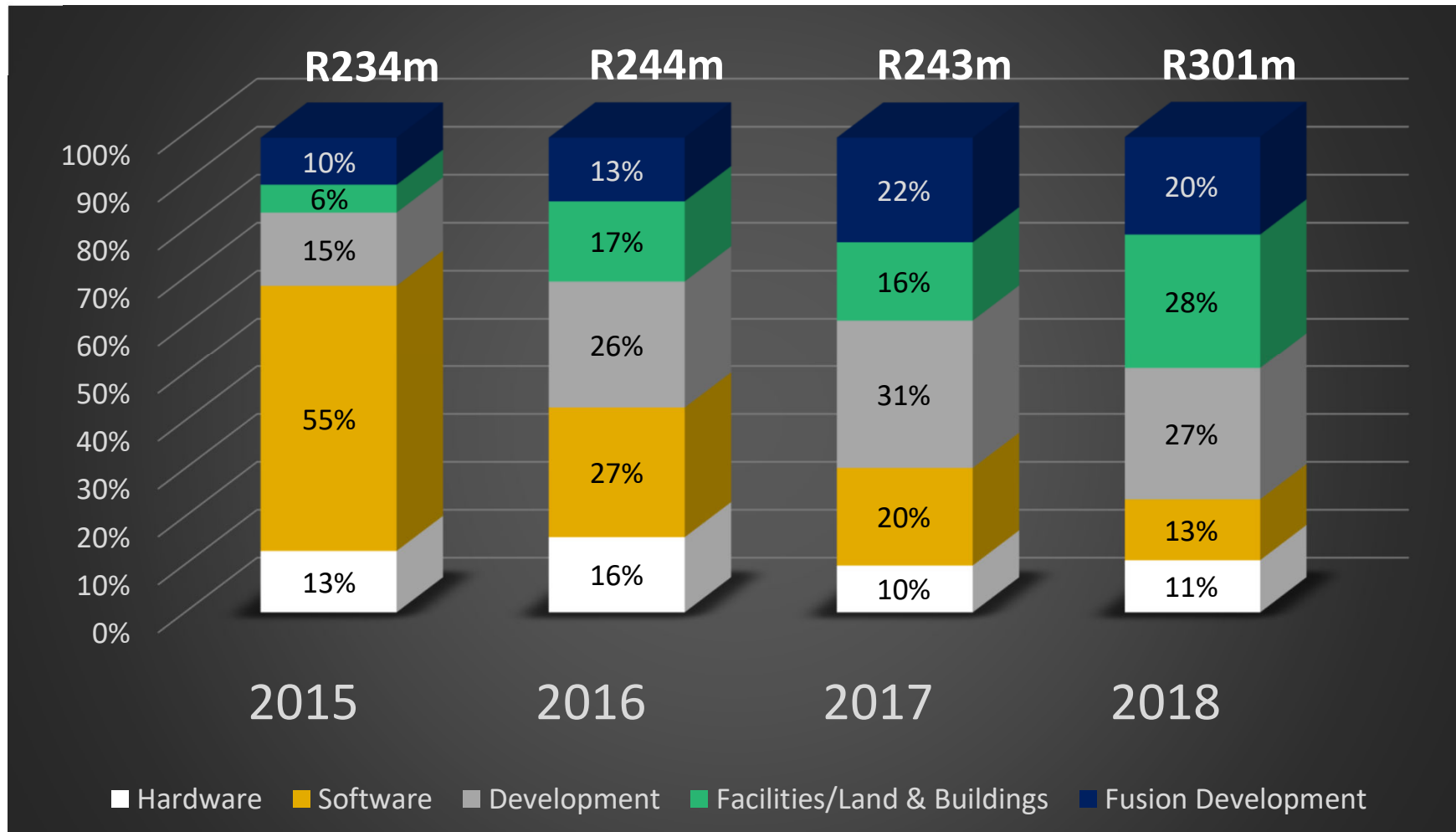
Cash Flow Management

Cash Efficiency





Capital Expenditure Spend



In a year...

7.4 million
Phone Calls



719 000
Customer Surveys



65.6 million
Member/Provider
emails sent



43.5 million
SMS's sent



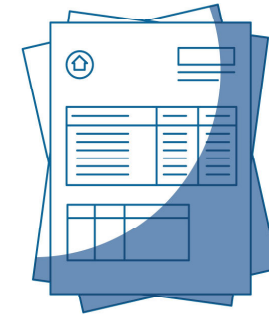
61.9 million
Claims Processed



R30.8 billion
Value of claims
processed

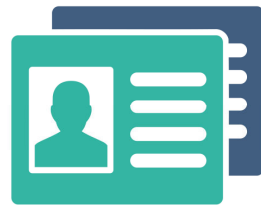


R56.9 billion
Contributions
Collected



5 million
Mobi Statements
sent out

3.6 million
Lives
Managed



590 000
Member Cards
Distributed



925 000
Hospital
Authorisations



6 million
Chronic Scripts
processed and
delivered



Why Invest?

Numerous government and public health contracts already secured

Large and healthy medical schemes

Ungearing Balance Sheet

Biggest Healthcare Administrator in South Africa (volume based)

Consolidation-ready: Schemes & administrators

Track Record of EBITDA growth since 2010

Cashflow Generation

Level 2 BBBEE

Diversifying service offerings to reduce healthcare spend

Track Record of EBITDA growth since 2010

Significant Cash for Growth

Steady Dividend Growth and Payment

Largest Black- Owned Healthcare Company

Well-positioned for NHI Participation



united we walk
Thank you for your time



AfroCentric
GROUP

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2017 ANNUAL RESULTS

