

More Financial News

'Ascendis aims to pep up its future'

“Valued at R372-m on the JSE after a 97% share price fall over the past five years, Ascendis Health is looking for shareholder approvals for asset sales that will extinguish debt and leave it with about R200-m in cash for growth,” reported ***Business Day*** (21 Feb 2022). The group had debt of R582-m at end-December and is facing a spike in interest payments at end-June when it matures.

“The group is also looking to sell Ascendis Pharma, which has therapeutic pharmaceutical brands for the treatment of diabetes and flu, and Nimue, which has skincare and wellness brands.

Adcock Ingram gets profit bump

Improved demand for over-the-counter products as well as innovative marketing helped Adcock Ingram grow trading profit by a quarter in its half-year to end-December, reported ***Business Day*** (24 Feb 2022).

“The group generated R490-m in trading profit in the six months to end-December 2019. A stronger rand also helped with group margins, under pressure since 2019, with about 50% to 60% of the cost of the group’s products in foreign currencies.”

Life Healthcare starts building two cyclotrons in Gauteng

Private hospital group Life Healthcare is constructing two cyclotrons, (a particle accelerator that can be used to create molecular imaging) in Gauteng as part of its radio-pharmacy business. Cyclotrons use small amounts of radioactive materials, also known as radiopharmaceuticals, to diagnose and treat diseases. The small amounts of radioactive materials are also detected by sophisticated medical scanners such as PET-CT scanners to provide precise scans and pictures. – ***Business Day*** (12 April 2022)

Discovery Life pays out R12-bn

Business Day reported on 8 June that Discovery Life paid out a record R11.79-bn on claims in the 2021 calendar year for individuals or members of group life schemes.

“Much of that amount (R9.1-billion) was paid out on claims for the roughly 10 000 individual life members for events ranging from death to severe illness, funeral benefits and disability. Discovery said the total life cover claims it paid out for individuals in 2021 was almost three times the amount paid out in 2020 and attributed it largely to the Covid-19 pandemic.

“Discovery Life’s data also highlighted concerning trends in mental health among its members. In 2021 alone, Discovery Life recorded an 18% increase in the number of suicides year on year, with R405-m paid in claims related to mental and behavioural conditions and suicides.”

Netcare posts strong interim earnings and declares a dividend

Private healthcare and hospital group, Netcare, warned that the risks posed by an uncertain global environment, saying Covid-19 shutdowns in China, the war in Ukraine, potential new coronavirus variants and rising inflation could all weigh on future performance. (***Cape Times*** 24 May 2022).

According to CEO Richard Friedland the group's earnings before interest, tax, depreciation and amortisation increased by 8.1% to R1.6-bn; headline earnings a share was adjusted from 28.9% to 35.2 cents in the six months to March 31; and an interim dividend of 20c a share was declared - no dividend was declared at the same time last year.

“The roll-out of the CareOn digitisation project in hospitals was progressing in line with budget and timelines. In the absence of further severe Covid-19 waves, the group expects patient day growth for the full year to be between 2% and 3%.”

Discovery delivers solid growth despite Covid pay-outs

Discovery lifted normalised headline earnings per share by 26% to 437.7 cents for the six months to December 31 after it grew through the pandemic, with a strong performance from Discovery Bank and the establishment of Amplify Health,” reported Business Report (25 Feb 2022). Despite the good performance though, no interim dividend was declared.

“Discovery Health grew normalised operating profit by 5% to R1.75-bn, while gross income increased by 4% to R4.48-bn. Non-medical scheme revenue continued to grow, with this revenue exceeding R550-m and it now represents 13% of Discovery Health revenue.”