



ParagonCare

COMPANY PRESENTATION
10 NOVEMBER 2022

Bell Potter Healthcare Conference

Paragon Care Limited
ASX : PGC

Summary information

This Presentation contains summary information about Paragon Care and its activities current as at 10/11/2022. The information in the Presentation is of a general nature and does not purport to be complete or comprise all information which a shareholder or potential investor may require in order to determine whether to deal in Paragon Care shares. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not financial product advice

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission) or under any other law. This Presentation does not constitute financial product, investment, legal, taxation or other advice or a recommendation to acquire Paragon Care shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. Paragon Care is not licensed to provide financial product advice in respect of its shares. Cooling off rights do not apply to the acquisition of Paragon Care shares.

Past performance

Past performance information, including past share price performance, given in this Presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

Future performance

This presentation contains certain "forward-looking statements" including statements regarding Paragon Care's intent, belief or current expectations with respect to its business and operations, market conditions, results of operations and financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This Presentation contains such statements that are subject to risk factors associated with an investment in Paragon Care. Paragon Care believes that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially.

Overview



Mark Hooper
Group CEO and Managing Director

ParagonCare



Paragon Care Group overview

ParagonCare



Devices



Diagnostics



Paragon Care (PGC)

- Established 2008
- Australian based
- Entered med tech market in 2014 acquiring medical devices businesses
- Further expansion in Eye Care, Orthopaedics, Surgical, Critical Care, Neonatal, Laboratory, Immunohaematology and Veterinary markets followed
- Merger with Quantum Health Group in early 2022 provides gateway to Asian markets and expanded OEM opportunities



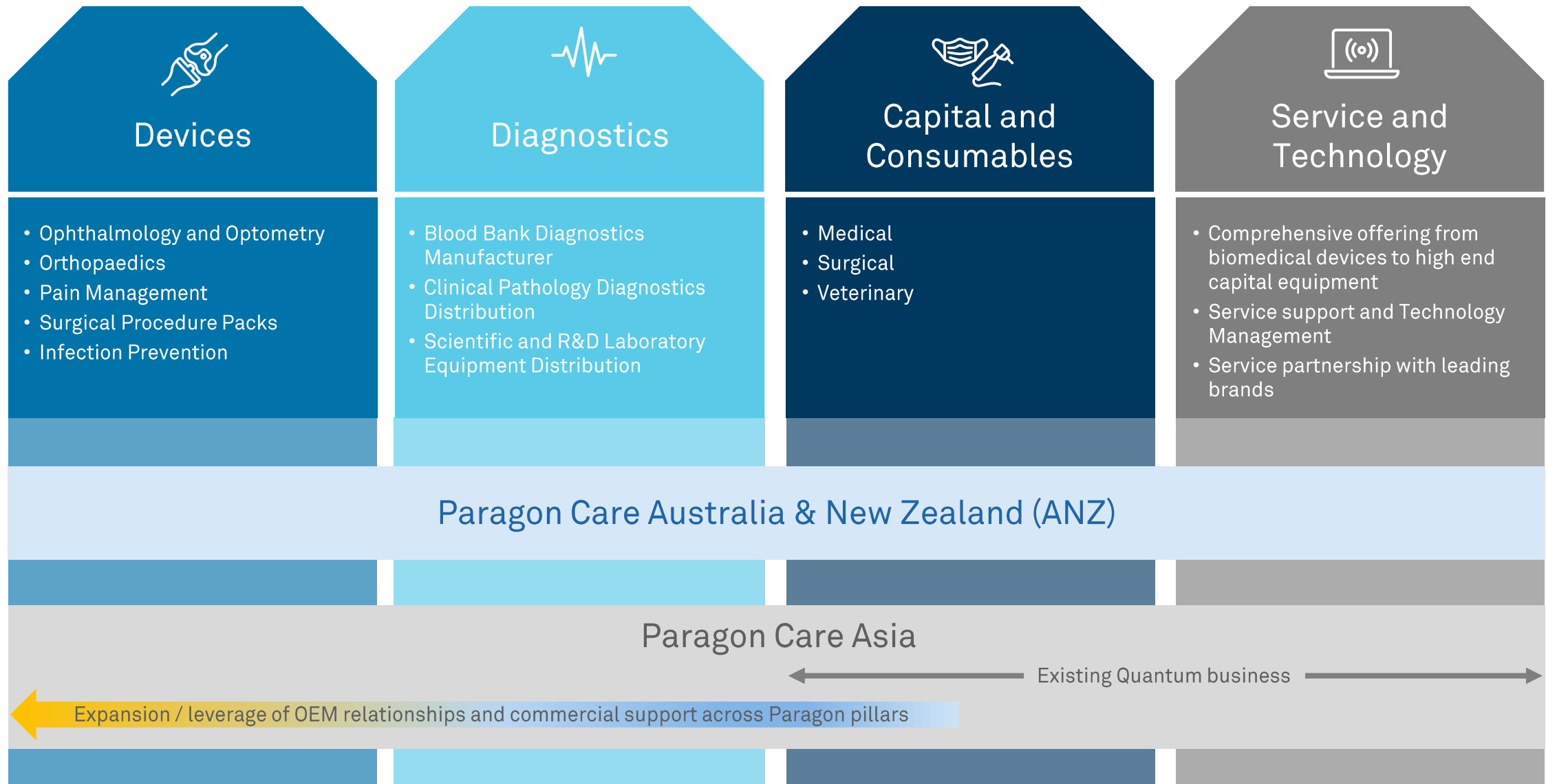
Capital & Consumables



Service & Technology



Revised Business Structure to support growth



Paragon Care Snapshot

Strong foundation for growth

- Paragon Care represents an extremely attractive set of healthcare businesses which now have a strong foundation for growth over the next 3-5 years
- Business performance for Q1 FY23 is in line with expectations

Building a \$100m EBITDA business

- Our ambition is to build a \$100m EBITDA business over that timeframe through a combination of organic growth and more targeted M&A activity

Refining the strategy / improving execution

- An initial review of strategy has been undertaken which has clarified our longer term goals and refined organisational structure to better support the business
- A strategic review by pillar is also largely complete. Implementation now supported via additional resources to support planning and execution

Refocus on organic growth

- The focus for FY23 is on generating organic growth which is further enhanced by leveraging the SMS and Quantum acquisitions

Acquisition of SMS expands our presence in Diagnostics

- Completed in early September 2022, the acquisition of SMS is a highly complementary business and immediately earnings accretive
- The business is performing in line with the original business case

FY22 Results Highlights

5%

Increase in sales

Mainly driven by the inclusion of Quantum sales for five months

21%

Increase in underlying earnings

Mainly driven by the inclusion of Quantum results for five months

\$3.5m

EBITDA growth in underlying business

Underlying growth in the original PGC business which offset the funding previously provided by JobKeeper in FY21

~\$34m

Underlying EBITDA per annum

Estimate on a pro forma basis
\$24m ex PGC and
\$10m ex Quantum

0.6¢

Per share final dividend declared (fully franked)

This brings the full year dividend for FY22 to 1.2 cents per share (fully franked)

Improved Balance Sheet

Provides additional flexibility for the future

This has also allowed PGC to fund the SMS acquisition while maintaining similar debt levels by the end of FY23

- Quantum merger completed in February 2022 and the business (*now repositioned as Paragon Care Asia*) is performing in line with expectations
- The original Quantum business had operations across Australia and Asia with its main focus on sales and service support for higher end diagnostic imaging equipment
- John Walstab and Alan McCarthy have become directors of PGC and bring a wealth of experience to support PGC's push into Asia
- John Walstab will now focus on growing Paragon Care's Asian footprint as well as supporting Tiffany Chiew (GM Service & Technology pillar) on Service & Technology opportunities
- Growth strategy in Asia has three key lenses:
 - organic growth by leveraging Quantum's existing footprint in Asia
 - targeting new (and larger) OEM opportunities based on the ability to provide a comprehensive AsiaPac solution
 - selected M&A opportunities to build scale in existing markets / enter new markets
- Progress continues to leverage existing OEM relationships.
As previously noted, the benefits will take some time to fully realise given there is generally a 6-9 month lead time for regulatory approvals



A ParagonCare Brand

Strategy and Growth



Mark Hooper
Group CEO and Managing Director

ParagonCare

The 'Light on the Hill'

"Your partner in healthcare delivery"

A\$100m EBITDA per annum
within 3-5 years
(A\$1 bn market cap)

Proactive bias for
high quality earnings
(sustainable / higher margin)

Organic growth

- based on strategic plans by pillar
- supported by improved execution

M&A growth

- targeted at fewer / larger opportunities
- more tightly aligned to strategy

ENABLEMENT

Growth mindset

Clear strategies by pillar

Comms to engage stakeholders (including team members)

Enhanced business reporting

Proactive people assessment / upskilling

Project visibility / execution capability

Streamlining Our Business Structure



Clarity around strategy and improved execution

- The “light on the hill” provides clear context for PGC activities over the next 3-5 years
- The current focus for the pillars is to develop their own strategic plan which then supports a more actionable growth path beyond FY23
- This will generate a stronger and more executable pipeline of growth, with a conscious bias towards high quality earnings rather than revenue growth per se
- A further update will be provided at the 1H FY23 results

Earnings outlook

- For FY23 we expect growth in Underlying EBITDA around 30% driven by the full year impact of Quantum and SMS and organic growth of around 5%-10% (weighted more towards the second half)
- Beyond this PGC expects to have accelerated growth beyond 10% per annum (excluding acquisitions)
- This comes from a broad range of growth initiatives across the pillars in both ANZ and Asia
- Business performance for Q1 FY23 is in line with expectations



Thank You

ParagonCare