

ParagonCare

Euroz Hartleys

2024 Healthcare Forum

ParagonCare Limited - ASX PGC





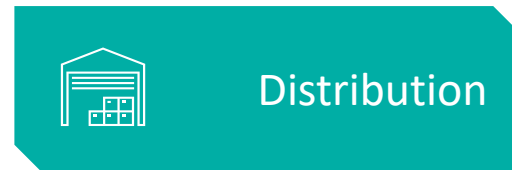
John Walstab
CEO and Managing Director

ParagonCare Introduction

John Walstab – Appointed Managing Director / CEO October 2023

- John was Executive General Manager of ParagonCare Asia and the founder of Quantum Health Group Limited which merged with ParagonCare in February 2022.
- Forty years of healthcare distribution and manufacturing experience in Australia and Asia. Driven by a strong passion for healthcare and business innovation.
- As the largest ParagonCare shareholder, he provides a clear alignment of interests between management and all shareholders.
- Under John's leadership, our primary objectives are to accelerate efficient organic growth, improve operating cash flows and craft an innovative focused business structure, guiding us toward an optimal blend of strategic growth and cost efficiency.

ParagonCare



DESIGNS FOR VISION



REM SYSTEMS



SCANMEDICS



surgical
specialties



Specialist
Medical
Supplies

TOTAL
COMMUNICATIONS



LabGear



immuno

Quantum

immulab



Existing
ParagonCare
Brands

ParagonCare

- Established 2008 in Australia
- Medical Equipment Distribution & Manufacturing
- Operating across Eye Care, Orthopaedics, Surgical, Neonatal, Critical Care, Laboratory, Radiology, Oncology, Aesthetics and Immunohaematology markets
- Merging with Quantum Health Group in early 2022 provided a gateway to Asian markets and expanded OEM opportunities
- Currently re-branding to move ParagonCare from a house of brands to a unified Masterbrand.

FY 2023

\$308m

**Sales
revenue***

Mainly reflects the inclusion of Quantum and SMS.

\$38.4m

**Underlying
EBITDA**

Mainly reflects the inclusion of Quantum and SMS.
Like for like organic growth of around 10% in FY23.

\$15.6m

**Underlying
Net Profit[#]**

Includes impact of higher amortisation charges
ex Quantum acquisition and SaaS.

8.5%

**Underlying
ROIC[#]**

FY23 8.5% vs 1H 8.7% (12 month trailing).

0.6¢

**Per share
final dividend
(fully franked)**

Represents a 43% payout ratio of Underlying NPAT.
Last 12 months dividends (1.2cps) equates to a fully franked yield above 7%[#].
DRP reinstated to support capex requirements.

\$64M

**Net Debt
(excluding AASB16)**

Debt has decreased by \$6m since December 2022.
Increase since June 2022 mainly reflects cash portion of SMS acquisition.
Net Debt 1.9 times Underlying EBITDA (Excl AASB16).

* Excludes Lovell discontinued operation

[#] Based on share price of \$0.22

Asia Pacific Expansion

ParagonCare

625
employees

ASIA
180

AUS
384

NZ
61

8
countries
across
Asia Pacific

- Broad Geographical reach
 - Australia
 - Korea
 - Japan
 - Vietnam
 - New Zealand
 - Philippines
 - Thailand
 - China
- Strong presence in Asia Pacific
 - organic growth
 - better value proposition for suppliers
 - increasing scale and efficiency
- Further expansion in Asia
 - Singapore, Malaysia and Indonesia
- Building Asia support teams within ParagonCare

A comprehensive distribution solution for global suppliers (OEMs)

Addressing challenges for global suppliers

- Local Market Knowledge
- Business Scale Differences
- Transparency & Trust
- Regulatory Complexity / Compliance
- Brand Integrity
- Logistics Complexity
- Service Quality & Consistency
- Governance Risks



Customer Portfolio

Institutions

- Public / Private Hospitals
- Laboratories
- Government Agencies
- Medical Research
- Industry
- Universities

Modalities

- Aged Care
- Aesthetics
- Anaesthetists
- Audiology
- Biotechnology
- Critical Care
- Environmental
- ICU
- Molecular Imaging
- Obstetrics
- Ophthalmologists
- Optometrists
- Orthopaedics
- Paediatrics
- Pathology
- Radiology
- Ultrasound
- Veterinary

Tier ONE Distribution Partnerships



HYPERFINE

Mobile
MRI

CLASSYS
Technology for better life
Aesthetics



bonraybio

MicroPort

**KAI
MEDICAL**

IMMUCOR

Duress

HOYA

CIVCO

icare

B | BRAUN

**CONMED
CORPORATION**

EQUASHIELD®
Compounding Technologies

Carestream

DR X-Ray



SAMSUNG
Ultrasound



Axonics



**Viveca
Biomed**

PHILIPS



PET Cyclotrons



**eitan
medical**
care & beyond™

ACCURAY

CyberKnife & TomoTherapy



**UNITED
IMAGING**

PET/CT & MRI



ParagonCare

Quality Supplier Relationships

- Extended revenue life
- Broad product range
- Ability to scale

ParagonCare

New Mount Waverley facility will support the Immulab export opportunity

Commissioned to support an uplift in Immulab manufacturing capacity and to facilitate consolidation of all Victorian operations onto one site.

- Majority of the Victorian ParagonCare teams are now operating from the new facility
- Mount Waverley is a cornerstone investment for the ParagonCare Group as it forms a critical part of our longer-term growth strategy which includes international markets
- We are progressing well towards completion of works with key project activities remaining on schedule, with TGA accreditation for the manufacturing facility expected in mid 2024.



Education Hub

Opened in New Zealand on the 18 October 2023, presenting the latest in healthcare technology innovation in a simulated 'real world' environment.

Designed to provide a hands-on, interactive learning experience and innovative educational programs for all involved in the delivery of healthcare solutions.

The digitally integrated OR and ICU showcases the latest technologies in the operating environment, including:

- Modular glass
- Clean room
- Continuous visible light disinfection
- Patient lifts
- Latest technologies in Intraoperative ultrasound, robotic-assisted surgery, 4K visualisation

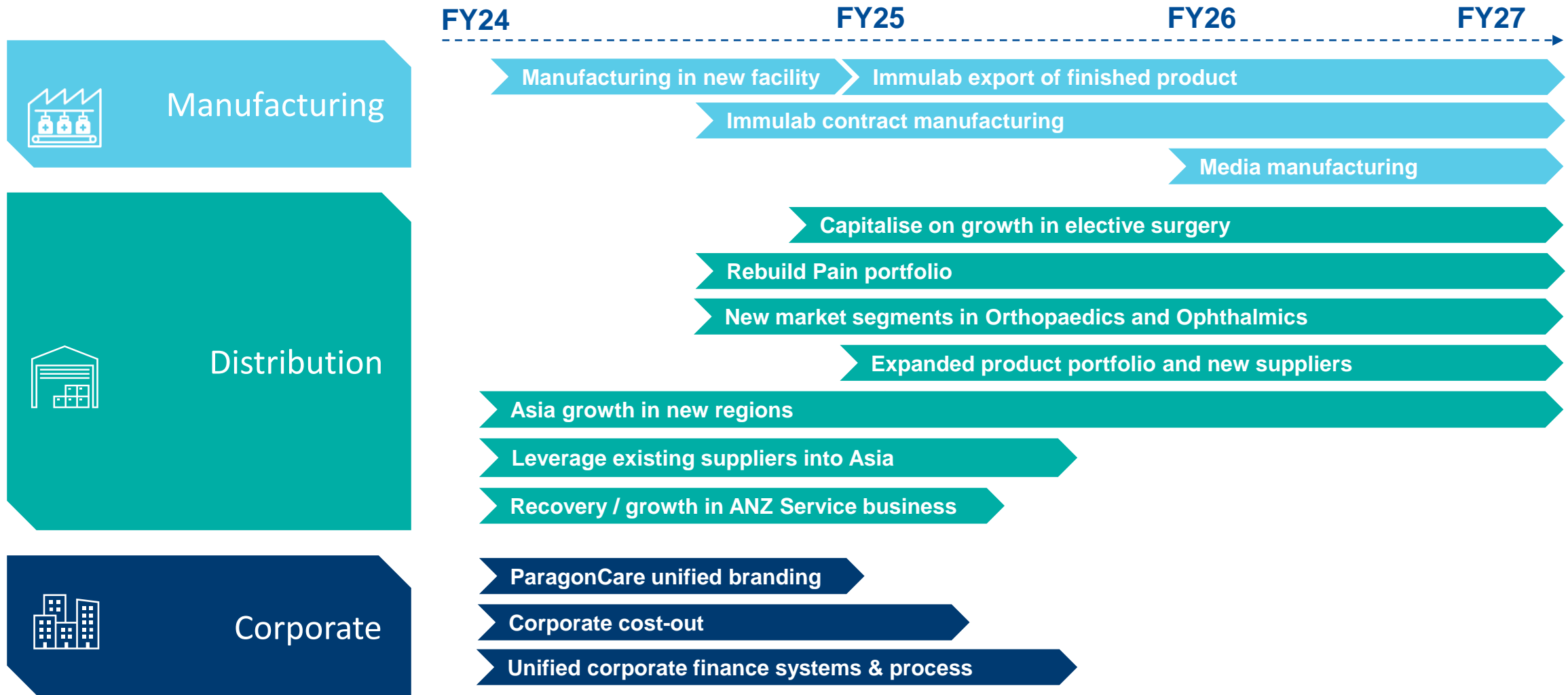
Built in conjunction with Australian partner, Wilhelm Integrated Solutions.



Overview and Highlights

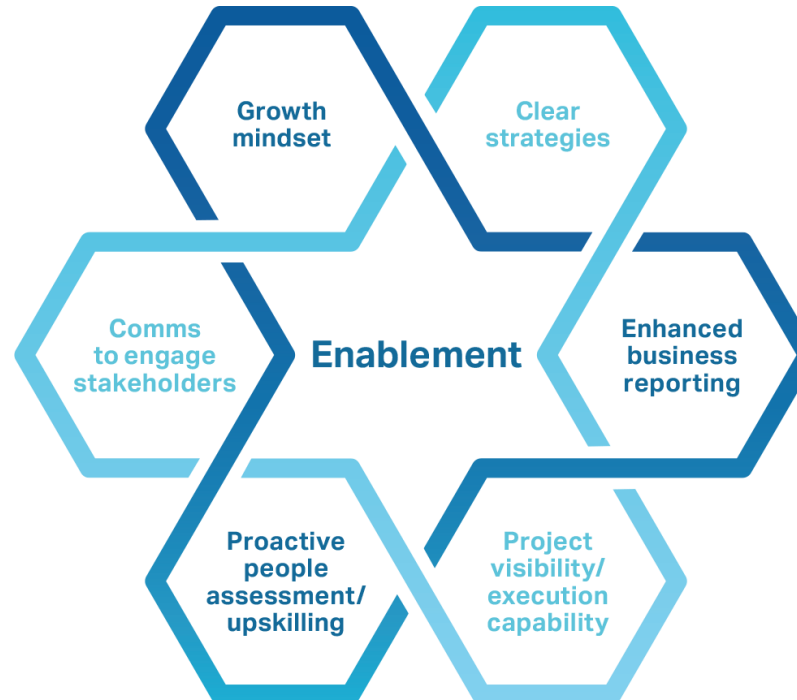
- 
- Continued strong performance in Asia
 - SMS integration complete and business performing above expectations
 - Refinanced – new NAB and HSBC facilities
 - Introduction of ophthalmic products into Asia and medical imaging into ANZ
 - Installation of IBA Cyclotron in WA
 - Commenced operations of both ParagonCare Japan and Vietnam
 - Discontinued operations – Lovell Surgical Supplies
 - Identifying new partnerships in healthcare AI and Robotics
 - Establishment of key partnerships with key suppliers. Including United Imaging, Samsung, Duress, Civco, Equashield, Axonics, B.Braun, Bonracybio and Viveca.

Focus on Efficient Growth



Focus

Reduction in corporate costs
Efficient organic growth
Consolidation of ERPs
Unified ParagonCare branding
Consolidation of operations
Manage by distribution partner
Simplified business structure
Clearer market communication



Organic growth

- based on strategic plans
- supported by improved execution



M & A growth

- tightly aligned to strategy
- efficiently integrated

Outlook

Corporate Review

- A full cost reduction and business innovation review is in the final stages, and one-off costs provided for in H1 results
- A leaner, contemporary management structure
- Simplified unified reporting transformation in progress
- Disciplined inventory and cash management
- Continuing current growth initiatives with a focus on efficient organic growth
- Strategic acquisitions will be explored with efficient integration and capitalisation of our Asia distribution platform is possible
- Management will focus on individual Supplier (OEM) performance

Earnings Outlook

- YTD revenue and margin are tracking above the prior first half-year results and will provide further guidance after our current corporate cost-down review and half-year close
- In 2024 and 2025, we expect to have improved organic sales growth with a reduced cost base and anticipate accelerated growth of our Immulab diagnostics products and further growth in Asia

ParagonCare

Questions?

Euroz Hartleys

2024 Healthcare Forum

John Walstab
CEO and Managing Director

