

27 February 2025

ASX ANNOUNCEMENT

HY25 FINANCIAL RESULTS

ParagonCare delivers revenue of \$1.85b & EBITDA of \$47.5m

Paragon Care Limited (ASX:PGC) ("ParagonCare" or the "Company"), a leading healthcare wholesaler, distributor, and manufacturer throughout the Asia Pacific region, is pleased to report its financial results for the half year ended 31 December 2024 ("HY25").

HY25 Key Highlights*

- Revenue of \$1.85 billion up 13.1%
- EBITDA of \$47.5 million up 10.5%
- NPAT and before PPA amortisation of \$16.1 million up 13.3%
- Integration plans on track

Overview of HY25 Financial Results*

\$m	HY25	HY24**	Var \$	Var %
Revenue	1,850.4	1,636.6	213.8	13.1
EBITDA	47.5	43.0	4.5	10.5
Depreciation & Amortisation	15.3	10.9	4.4	40.4
EBIT	32.2	32.1	0.1	0.3
Finance Costs	15.3	12.2	3.1	25.4
Profit Before Tax	16.9	19.9	(3.0)	(15.1)
Net Profit After Tax	13.2	14.2	(1.0)	(7.0)
Net Profit After Tax excluding PPA	16.1	14.2	1.9	13.3%
EBITDA margin	2.57%	2.63%	0.0	(2.3)
Net Debt (vs June 24)	226.6	176.7	49.9	28.2
Net Debt: EBITDA (annualised vs June 24)	2.39	2.05	0.3	16.6

*Like for like result if CH2, ParagonCare & Osborne were included in HY24. Also excludes one off cost in ParagonCare in HY24.

** Proforma numbers not subject to audit or review by external auditors.

Statutory Results				
Revenue	1,850.4	1,440.8	409.6	28.4
EBITDA	47.5	23.4	24.1	103.0
EBIT	32.2	16.8	15.4	91.7
Profit Before Tax	16.9	10.3	6.6	64.1
Net Profit After Tax	13.2	7.1	6.1	85.9
Net Profit After Tax excluding PPA	16.1	7.1	9.0	126.8

The HY25 revenue of \$1.85 billion and EBITDA of \$47.5 million reflects a solid result for the combined CH2, Osborne and ParagonCare businesses in its first six months of coming together.

Revenue on a like for like basis was solid in both segments:

- Australian and New Zealand segment:
 - Pharmacy continues to grow above market (as measured by IQVIA).
 - Capital & Service continues to be soft due to New Zealand government delaying capital purchases and a challenging market in Australia.
 - Orthopaedics also had a challenging 6 months due to Avanos product withdrawal, and the delay in rolling out the robotic technology in the hip and knee sector.
 - Diagnostic has had a good result with the new Immulab site now fully operational.
 - Complementary medicines had good growth, even though it went through an integration process, including the closure of two warehouses.
- Asia segment continues its strong growth.
 - Aesthetics business grew strongly due to new products and strong promotional activity.
 - Imaging business was solid which offset lower service revenue – the service business reduces each year as products are replaced with different technology.
 - Korea impacted due to doctor's strike and political uncertainty.
 - Japan had good growth over last year.
 - Thailand and Vietnam had strong growth.
 - Philippines down on last year as service revenues reduce.

Overall Gross Margin % is down on last year due to the revenue mix on a proforma basis.

Expenses overall were well managed considering we are going through a complex integration. There are some challenges with higher professional services fees and insurance cost, plus ongoing pressure with salary, wages, and freight expense. There are \$650k of one-off costs associated with the integration in the first half.

Depreciation and Amortisation were materially up on last year due to incremental amortisation expense for the CHS, Osborne and ParagonCare acquisitions - \$4.2m (non-cash).

Finance costs were up due to higher intra month debt levels due to financing increased stock investment as we go through our integration process, and overall debtor days were up.

Net working capital was up on June 24 due to this being the peak working capital period for the CH2 business. Receivables were up due to the revenue growth, and a number of large customers delaying payment at the end of December (which is normal practice for this time of year – since collected). Inventory was up due to higher revenues, and we have invested more into stock as we go through the integration process – this will normalise itself in the second half.

Goodwill and intangibles – Osborne PPA completed, and draft ParagonCare PPA to be finalised in the second half. We have booked all provisional PPA amortisations (Osborne and ParagonCare) for the first half. Other long-term assets/liabilities now a credit due to DTL booked on intangibles (which also increased the goodwill amount).

Net Debt was higher than June due to December being the peak period for the CH2 business, overall higher stock levels as we go through the integration process, and debtors delaying payment in December – overall this will normalise itself in the second half. The average daily net debt was \$221m. Unused bank facility was \$84m, which still gives us adequate capacity for future M&A investment.

There was no interim dividend declared for HY25. The directors wish to retain cash for future investment in the business for organic, and in-organic growth opportunities.

Integration plan on track

We are pleased to confirm we are on track to deliver our \$5m synergies in FY25 and are still confident of achieving the \$12m in FY26. The Eyecare, REM SYSTEMS Australia, SMS & Western Biomedical businesses have all be integrated onto the JDE ERP system. We are still on track to have the balance of Australia and New Zealand completed by June 25; we will then turn our attention to the Asian integration. We closed 5 sites (2 Osborne and 3 ParagonCare) during the period.

FY25 Outlook

In FY25 we are focused on the continued execution on the integration plan for the merged entity and organic revenue & margin growth. Specific initiatives include:

- Continued execution on the integration plan for the merged entity.
- Increase cross-sell of expanded product range and bundled offerings.
- Focus on operational efficiency and cost rationalisation.
- Strategic focus on “**One Team**” way of doing business.
- Actively reviewing customer, product, and agency partner pipeline to embed organic growth.
- Acquisition pipeline in place for proactive searches in additional growth opportunities.

David Collins, ParagonCare CEO and Managing Director stated:

“I am pleased at the progress we have made in the 7 months of coming together as one business. There is still lots more work to be done, but I am very proud of the dedication and hard work of the ParagonCare team. It is a very demanding and stressful time when you merge businesses, especially through a complex integration. Once completed we will have a solid platform to grow well into the future throughout the APAC region.”

A presentation of the HY25 Financial Results will be provided to the ASX separately and will also be available to view on the [ParagonCare website](#).

For further information please contact:

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This announcement is authorised for release to the market by the Board of Directors of Paragon Care Limited

About Paragon Care Limited

Paragon Care (ASX:PGC) is an Australian based listed company in the healthcare sector. It is a leading provider of medical equipment, devices, consumables, pharmaceuticals, complementary medicines, nutritional supplies, and manufacturer of Blood Bank diagnostic reagents to the healthcare markets in Australia, New Zealand and Asia.