

25 February 2026

## ASX ANNOUNCEMENT

### FY26 HALF-YEAR FINANCIAL RESULTS

#### ParagonCare executes on strategy and delivers stronger revenue and underlying EBITDA in HY26

Paragon Care Limited (ASX:PGC) (“ParagonCare” or the “Company”) a leading healthcare wholesaler, distributor, and manufacturer throughout the Asia Pacific region, today announced its financial results for the half-year ended 31 December 2025 (“HY26”).

#### Key HY26 Highlights (versus HY25)

- Revenue of \$1.9 billion up 2.9%
- Underlying EBITDA of \$49.0 million up 3.1%
- Underlying NPAT of \$13.3 million up 0.7%
- 3-2-1 integration strategy on track to complete in FY26
- Executed strategic acquisitions and investments, expanding the Company’s channel and category offer
- Commenced operations from the new purpose-built Willawong distribution centre in Brisbane
- Taken full provision against Infinity Pharmacy Group (“Infinity Group”) debt

Underlying Result - \$m	HY26	HY25	Var %
<b>Revenue</b>	<b>1,904.9</b>	<b>1,850.4</b>	<b>2.9%</b>
<b>EBITDA</b>	<b>49.0</b>	<b>47.5</b>	<b>3.1%</b>
Depreciation & Amortisation	15.3	15.3	-
<b>EBIT</b>	<b>33.7</b>	<b>32.2</b>	<b>4.5%</b>
Finance Costs	15.6	15.3	1.9%
<b>Profit Before Tax</b>	<b>18.0</b>	<b>16.9</b>	<b>6.8%</b>
<b>Net Profit After Tax</b>	<b>13.3</b>	<b>13.2</b>	<b>0.7%</b>
EBITDA margin	2.57%	2.57%	-
Net Debt (vs June 25)	287.5	226.6	26.9%
Net Debt: EBITDA (Proforma <sup>A</sup> LTM vs June 25)	2.81x	2.26x	0.55x
EPS (Underlying)	0.80	0.80	0.7%

Non-IFRS and Underlying numbers are not subject to audit or review by external auditors.

<sup>A</sup> Includes last twelve months EBITDA of acquired businesses.

Sales revenue increased 2.9% to \$1.9 billion and underlying EBITDA 3.1% to \$49.0 million in HY26 from the previous corresponding period (pcp). With much of the CH2-PargaonCare merger integration activity complete, management is focused on growing profitably while expanding the business' product offer and capability across Australia and Asia.

Statutory Results - \$m	HY26	HY25	Var %
<b>Revenue</b>	<b>1,904.9</b>	<b>1,850.4</b>	<b>2.9%</b>
EBITDA	(0.4)	47.5	(100.9)%
EBIT	(15.8)	32.2	(148.9)%
Profit Before Tax	(31.4)	16.9	(285.9)%
Net Profit After Tax	(21.3)	13.2	(260.8)%
EPS	(1.29)	0.80	(260.8)%

Non-IFRS and Underlying numbers are not subject to audit or review by external auditors.

^ Includes last twelve months EBITDA of acquired businesses.

The statutory result for the period includes an expense for the full provision against the debt owed by the Infinity Group. The HY26 expense of \$46.4 million (\$47.3 million less GST recoverable) is in addition to the \$1.2 million provision recorded in FY25.

The full reconciliation between underlying and statutory EBITDA is provided below:

Underlying EBITDA Reconciliation	HY26	HY25
<b>Statutory EBITDA</b>	<b>(0.4)</b>	<b>47.5</b>
<i>Adjusted for items identified as excluded from underlying earnings:</i>		
Infinity Group debt provision, net of GST recoverable <sup>+</sup>	46.4	-
Mergers & acquisitions and related costs <sup>^</sup>	2.0	-
Restructuring & integration costs <sup>*</sup>	1.9	-
Unrealised FX (gain)/loss <sup>#</sup>	(0.9)	-
<b>Underlying EBITDA</b>	<b>49.0</b>	<b>47.5</b>

<sup>+</sup> Includes the lifetime expected credit loss expense of \$47.3 million recognised for Infinity Group balances net of recoverable GST of \$0.9 million

<sup>^</sup> Includes external consultants and professional advisers plus dedicated internal resources for M&A activity only.

<sup>\*</sup> Staff redundancy & exited roles as part of integration activity.

<sup>#</sup> Unrealised (gain)/loss on FX hedges and other currency remeasurements.

#### Revenue by Channel –

\$m Sales	HY26	HY25	Var \$	Var %
Wholesale	1,500.0	1,540.8	(40.8)	(2.6)%
Medical Technology	155.6	134.9	20.6	15.3%
Contract Logistics	235.5	160.1	75.4	47.1%
Clinical Manufacturing	13.8	14.6	(0.8)	(5.2)%
<b>Group Total Revenue</b>	<b>1,904.9</b>	<b>1,850.4</b>	<b>54.5</b>	<b>2.9%</b>

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**Key highlights:****Wholesale**

- Wholesale channel revenue in HY26 declined 2.6% to \$1.5 billion from pcp, impacted by lower Infinity Group sales (\$78.0 million), and a change in the supply of Covid-19 drugs (\$48.3 million). Adjusting for these impacts, normalised revenue growth in HY26 was 6.0% on pcp.
- Total Pharmacy (Hospital & Retail) revenue declined 2.8% to \$1.28 billion in HY26 driven by the loss of Infinity Group sales and change in supply of Covid-19 drugs. Adjusting for these impacts, Total Pharmacy revenue growth was 7.4% against pcp.
- Following the acquisition of AHP Dental in July 2025, ParagonCare's Dental Division go to market strategy was expanded under a single brand to drive profitable revenue growth.
- Complementary medicines business remains resilient and continues to perform in line with management expectations at 1.4% on pcp%.
- Continued expansion of the Company's medical consumables range and reach, including ParagonCare's private label portfolio.

**Medical Technology**

- Medical Technology revenue increased 15.3% to \$155.6 million in HY26 from pcp, largely driven by Asia and a solid contribution from Australia and New Zealand.
- Asian revenue growth of 33.2% on pcp due to strong aesthetics sales and delivery of several large capital equipment units.
- ANZ revenue increased by 4.0% versus pcp driven primarily by strong growth in the Australian Medical & Surgical Business Units, the New Zealand Orthopedic Business Unit, and the launch of Aesthetics.
- Vision revenues declined during the period as we transition and rebuild the portfolio.
- Investment into Surgical Robotics and Aesthetics in the ANZ market to support future growth opportunities.

**Contract Logistics**

- Contract Logistics revenue grew 47.1% to \$235.5 million from pcp, driven by the contribution from existing and new business.

**Clinical Manufacturing**

- Clinical Manufacturing revenue declined 5.2% to \$13.8 million in HY26 against pcp, as a result of lower equipment sales in the period.
- We maintain a solid pipeline of opportunities to exploit our specialist sovereign capability in the production of Reagent Red Blood Cells.

## Expenses

Overall expenditure included the one-off expense for the provisioning of the Infinity Group debt, integration costs and M&A activity. These expenses have been excluded from underlying earnings results in HY26.

Adjusted for normalisations, operating costs increased due to higher freight and outside storage fees impacted by the delay in opening of the new Brisbane site (now operational), Contract Logistics growth placing extra pressure on the network through the new business implementation, and NSW legislation changes to driver remuneration. These costs will moderate in the second half. Increases in marketing investment across the Group were planned for ensuring longer term growth opportunities.

## Capital Management

Net working capital reflects trade receivables and inventory required during our peak trading period of the year and the shutdown over Christmas of some manufacturers, driving inventory holdings. Working capital will now trend down over the coming months. Net debt is forecast to finish at June 26 c. 2x Underlying EBITDA (assuming no other acquisitions). This excludes any funds recoverable from the Infinity Group.

The Infinity Group of 92 Pharmacy stores had incurred significant debt to acquire new pharmacies, resulting in an inability to pay suppliers and creditors, which resulted in Receivers being appointed to 52 pharmacies, and Administrators appointed over the remainder of stores. While future ownership of the Infinity Group is subject to the administration process, overall, the stores continue to trade while the Administrator conducts a sale process.

No dividend has been declared for HY26 to preserve cash for ongoing investment in organic and in-organic opportunities. The Directors will review the dividend position at completion of FY26 year-end.

## Integration update

Integration activity is tracking in line with plan, and substantial completion is expected in FY26. Management is committed to building a scalable and sustainable platform that can adapt to changing market dynamics and opportunities as they arise. The Company remains on track to achieve the full \$12 million in synergy benefits by FY26.

## Full Year FY26 Outlook

- PGC confirms FY26 full year guidance:
  - Revenue -- \$3.6 - \$3.7 billion
  - Underlying EBITDA - \$97 - \$107 million
  - Net debt / Underlying EBITDA (proforma<sup>^</sup>) c. 2.0x (before any further acquisitions)
- Infinity Group debt of \$48.5 million (inc. GST) fully provided 31 December 2025
- Strategic acquisitions consistent with our stated strategy to become the leading

healthcare distributor across ANZ and Asia

- Growing presence in 9 Asian countries, and continuing to add capability and expand product categories
- Finalisation of 3-2-1 strategy with clear strategic plan to grow profitable revenue
- Operations restructured following exit of Ramsay business well progressed
- Awarded 5-year Australian Defence Force contract, commencing Q4FY26
- No interim dividend declared. Directors will review dividend position at year-end
- Transition of Managing Director responsibilities to Carmen Riley from 1 March 2026, with David Collins remaining in the business as Executive Director, M&A.

^ Includes last twelve months Underlying EBITDA of acquired businesses

Carmen Riley, ParagonCare CEO stated:

*“The underlying performance of the Group has been solid with an incredible amount of activity to ensure we have kept pace with our commitment to delivery on our 3-2-1 Strategy by the end of June 2026. However, after a thorough review we have taken a strictly prudent approach to the accounting standards and fully provided for the Infinity Group debt at the half year. Whilst the stores continue to trade, as this was a structural capital issue not a store trading issue, ParagonCare still made the decision to stop trading with this group in March 25 and subsequently exited \$78m (half year impact) of wholesale pharmacy business. It’s important for our Shareholders to be informed that we worked tirelessly with this group and other creditors to resolve this issue during the year. We could not expose ParagonCare any further. We are continuing to work cooperatively with the Administrators and other secured creditors during the process. Initial binding offers are expected for Infinity Group by the end of Q4. We will continue to update Shareholders as information becomes available.*

*Notwithstanding this ParagonCare has gone through a substantial transition. We will continue to invest into profitable growth opportunities and were extremely pleased to be awarded the Australian Defence contract (pharmaceutical, medical consumable and dental supply) during the period, which will have a full effect in FY27. This highlights our success due to the capability and experience of the team providing value to our business partners that require a high level of service and trust.*

*Our merger transition is on track but not yet completed. We will continue to focus on driving business excellence through the network to ensure we are driving sales growth and execution.*

*The Infinity Group position clouds the current result however we need to move forward. This does not change our long-held strategy and will continue to build a leading diversified Healthcare distributor across the Asia Pacific region.”*

Carmen Riley, CEO.

**ENDS**

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

### **About Paragon Care Limited**

Paragon Care Limited (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.

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