



Healthia
Better Health. Better Lives.

ASX ANNOUNCEMENT

15 November 2021

HEALTHIA ANNOUNCES NEW ACQUISITIONS AND SETTLEMENTS

- Healthia announces additional Back In Motion clinic settlements, bringing the total settled to 39 out of the 64 clinics being acquired, representing approximately 79% of the revenue being acquired.
- Healthia announces the acquisition of 7 new allied health clinics which are expected to contribute Revenue and EBITDA¹ of \$4.3 million and \$0.7 million respectively.

BACK IN MOTION SETTLEMENT UPDATE

Healthia Limited (**Company** or **Healthia**) is pleased to announce that it has reached settlement for an additional 7 Back In Motion (**BIM**) physiotherapy clinics, bringing the total number of BIM clinics acquired to 39. As part of the acquisition, a further 25 BIM physiotherapy clinics are to be settled as landlord consents and other conditions precedent are satisfied.

The acquisition of BIM, which generated Underlying Revenue² of \$62.9 million and Underlying EBITDA¹ and \$12.3 million in FY21, is expected to be approximately 12.7% earnings per share accretive².

Established in 1999, BIM is one of the largest and fastest growing physiotherapy businesses in Australia and New Zealand (**ANZ**), with a portfolio of 64 physiotherapy clinics supported by their associated satellite physiotherapy clinics across ANZ. The acquisition has positioned Healthia as the number one provider of physiotherapy services in Australia with a total of 122 physiotherapy clinics in its Bodies & Minds division and offers further geographic diversification including a 'step change' presence in Victoria and entry into Western Australian and New Zealand markets.

Further details on the acquisition of BIM are set out in the Investor Presentation provided to the ASX on 20 September 2021.

NEW ACQUISITIONS

Healthia is also pleased to announce that it has entered into binding agreement to acquire the following allied health businesses (together, the **Acquisitions**) including:

- Scar Care, an occupational therapy business specialising in the treatment of scarring and oedema following traumatic injuries and surgery, located in Indooroopilly, Queensland (one clinic);
- Eyre Sports Physio, a physiotherapy business located Port Lincoln, South Australia (one clinic); and
- Physioworks, a group of physiotherapy businesses located in Southeast Queensland (five clinics).

Settlement has been reached for each of Scar Care, Eyre Sports Physio and Rothwell Physiotherapy (the latter was previously announced on 16 September 2021)³.

Settlement of Physioworks is conditional upon assignment of property leases to Healthia and other customary conditions precedent. It is expected that all conditions will be met and the acquisition of Physioworks will be completed on or before 30 December 2021.

The Acquisitions are expected to contribute the following earnings⁴ to Healthia:

Revenue	\$4.35 million
EBITDA ^{1,5}	\$0.74 million

¹ EBITDA means underlying Earnings before Interest, Tax, Depreciation and Amortisation, removing the impacts of AASB16.

² Underlying earnings per share reflects the Directors' assessment of the result for the ongoing business activities of a combined Healthia and BIM, in accordance with AICD/Finsia principles of recording underlying earnings per share.

³ Healthia refers to its previous ASX announcement on 16 September, that it had entered into a binding agreement to acquire Rothwell Physiotherapy, a physiotherapy business located on the north side of Brisbane, servicing the wider Moreton Bay region.

⁴ Revenue and EBITDA numbers are based on a historical 12 months of trading, normalised in accordance with Healthia's acquisition and accounting policies, removing the impacts of AASB16.

⁵ EBITDA includes the approximate 23% economic interest continued to be owned by Clinic Class Shareholders.

Total consideration for the Acquisitions (plus stock, less employee entitlements) is as follows:

Upfront cash consideration	\$2.42 million
Issue of Clinic Class Shares ⁶	\$0.77 million
Total upfront consideration	\$3.19 million

SUMMARY OF ACQUISITIONS MADE IN FY22 YEAR TO DATE

On settlement of the Acquisitions detailed above, total capital deployed by Healthia during Financial Year 2022 (FY22) will be \$95.9 million. See Table 1 below for a summary of the acquisitions announced by Healthia during FY22 year to date.

Table 1: Acquisitions announced during FY22 year to date.

	Underlying Financials (FY21)		Consideration	Multiple
	Revenue	EBITDA ⁵	Total Consideration	EBITDA ⁵ Multiple
	\$ million	\$ million	\$ million	
Back in Motion	\$62.9	\$12.3	\$88.4	7.2x
Other acquisitions	\$11.0	\$1.8	\$7.5	4.1x
Total	\$73.9	\$14.2	\$95.9	6.8x

With an addressable market in excess of \$9.8 billion and a current market share of less than 2.5%⁷, Healthia is confident of deploying the stated target of \$20.0 million of capital in FY22 on new acquisitions (in addition to the acquisition of BIM).

Post the settlement of acquisitions detailed in Table 1, Healthia would have deployed \$7.5 million (excluding the acquisition of BIM), representing approximately 37.5% of the stated \$20.0 million per annum target. The capital deployed on these acquisitions was at an average EBITDA⁸ multiple of 4.1x.

ABOUT HEALTHIA

Healthia is building Australia's leading diversified health care business across the divisions of Bodies and Minds, Feet and Ankles, and Eyes and Ears. Following the settlement of the Back In Motion Group, Healthia will have grown its portfolio from 104 to 286 businesses since listing on the Australian Stock Exchange in September 2018, representing portfolio growth of ~175%.

Given the fragmented nature of the targeted allied health industries, acquisitions will continue to be a central pillar of Healthia's growth strategy. Through Healthia's vertically integrated business model⁹, there is the opportunity to capture significant scale benefits and cost savings from newly acquired clinics.

CONTACT

Investors are encouraged to keep up to date with Healthia news and research by subscribing at:

<https://www.healthia.com.au/join-us/>

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⁶ Clinic Class Shares are non-voting shares issuable by certain subsidiaries of Healthia Limited. These shares enable the holder to participate in dividends declared, calculated on the performance of the clinic in which the Clinic Class Shares are issued. The Clinic Class Shares are designed to create alignment between the interests of clinicians and shareholders.

⁷ Refer to page 22 of Healthia's ASX announcement "Investor Presentation - Acquisition and Equity Raising" dated 20 September 2021.

⁸ EBITDA means underlying Earnings before Interest, Tax, Depreciation and Amortisation, removing the impacts of AASB16. EBITDA includes the economic interest continued to be owned by Clinic Class Shareholders.

⁹ Healthia owns and operates the following scalable businesses:

- iOrthotics, which manufactures and 3D prints orthotics;
- D.B.S Medical, which sources and distributes medical consumables and capital equipment specializing in podiatry supplies;
- Australian Eyewear Distributors (AED), which sources and distributes a diverse range of eyewear frames including private label brands.