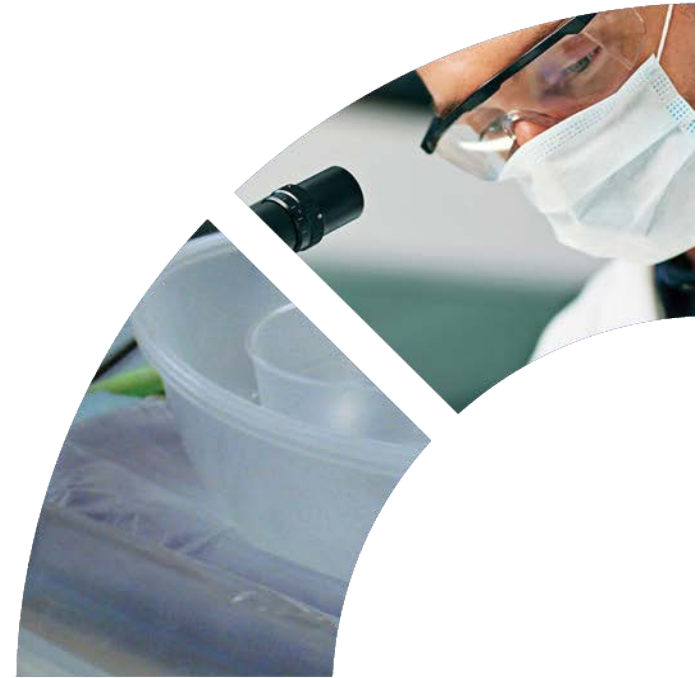




Health Group

AGM Presentation
30th Nov 2017



OVERVIEW



Company Snapshot

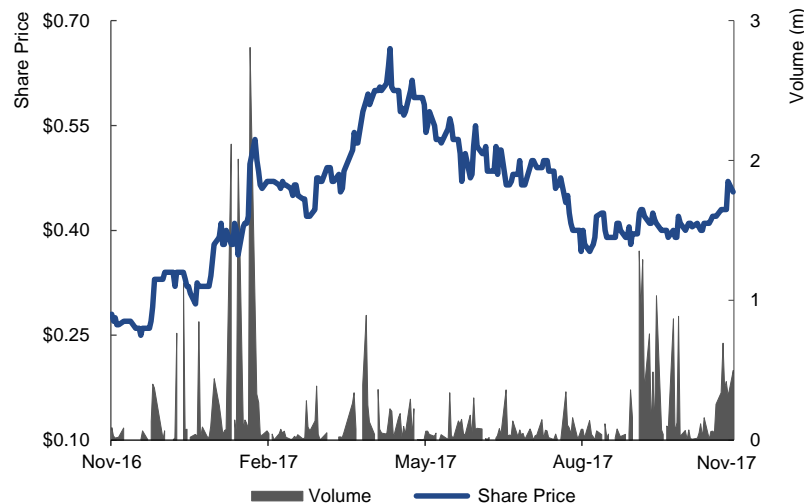
Market Capitalisation

Ordinary shares on issue	93.7m
Share price (29 Nov 17)	\$0.475
Market capitalisation	\$44.5m
Net Cash	\$6.5m
Enterprise Value	\$38.0m

Top Shareholders

Name	Shares Held	% of Shares on issue
Bilbo Holdings Pty Ltd	35.9m	38.30%
Chris & Betsy Carr	4.0m	4.30%
A & P Turnbull investments Pty Ltd	3.1m	3.30%
Anacacia Pty Ltd	3.0m	3.20%
S Norrell	2.3m	2.50%
Top 20 Shareholders	68.8m	73.40%

Share Price / Volume History (A\$ millions)



Board

Name	Position
William Mobbs	Executive Chairman
Andrew Turnbull	Non-Executive Director
Mark Peatey	Non-Executive Director

FY'17 Performance



FY'17 Performance

Profit & Loss (\$m)	FY'16	FY'17	Δ PCP
Revenue (External)			
HCA	19.9	21.1	6%
BioMed	11.2	13.7	22%
Other	0.4	0.2	-42%
Total	31.5	34.9	11%
EBITDA	1.6	4.8	200%
PBT	0.3	3.6	1100%
NPAT	0.3	3.4	1033%
Earnings per share (cents)	0.4	3.6	800%



ITL BioMedical

- Several contract extensions for:
 - SSK product
 - Existing distributors including BioMerieux
- New CPP contracts with:
 - Barwon Health
 - Austin Health
- Increase of product portfolio



MyHealthTest (MHT)

- Awarded Government grants, including \$2.6m CRC Project grant
- Laboratory achieved NATA accreditation
- First test rolled out (diabetes)

FY'17 Performance

Balance Sheet Measures (\$m)	FY'16	FY'17	Δ PCP
Net Assets (Total Equity)	14.3	17.6	23%
Cash	0.6	2.7	350%
Borrowings	6.1	5.3	(13%)
Net Debt	5.5	2.6	(53%)
Gearing (ND / (ND + OE))	28%	13%	(15%)
Unused Loan Facilities	2.2	2.6	18%
Net Asset Backing (cents per share)	15.0	18.4	23%
Net Tangible Asset Backing (cents per share)	9.1	11.5	26%



Improved Balance Sheet

- With increased cash ITL prioritized paying down its debt



Innovation

- Continued focus on innovation with \$1.9m in Research and Development investment

FY'18 Strategy & Outlook



Pro-Forma Accounts

2017 accounts restated without Custom Pack Business (CPP) contribution

Divestment of CPP

- On the 2nd of October 2017 ITL finalised the sale of CPP, for a total consideration of \$14.4m
- This resulted in a profit on sale of ~\$9.4m against an asset book value of \$4.4m before tax
- The sale of the asset has resulted in a reduction of \$12.2m (35%) in Group revenue and \$0.95m (20%) in EBITDA on a pro-forma basis
- **This is reflected in the adjacent pro-forma accounts**

Revenue (\$m)	FY'17	Adjustment	Pro-Forma*
BioMedical	13.8		13.8
HCA	21.1	-12.2	8.9
	34.9		22.7
MyHealthTest	0.1		0.1
Total	34.9		22.8
EBITDA			
BioMedical	4.5		4.5
Healthcare Australia	2.8	-1.3	1.5
	7.3		6.0
MyHealthTest	-0.8		-0.8
Corporate	-1.6	-0.25	-1.35
Total	4.8		3.85
Margin	14%		17%

Balance Sheet (\$m)	FY'17	Adjustment	Pro-Forma*
Assets			
Cash	2.7	14.4	17.1
Trade Receivables	4.8	-1.7	3.1
Inventories	6.2	-2.1	4.1
Other	0.6	-0.2	0.4
Total Current Assets	14.3		24.7
Property, Plant & Equipment	6.1	-1.4	4.7
Product Tooling	0.8		0.8
Intangible Assets	4.7		4.7
Deferred Tax Assets	1.9		1.9
Total Non-Current Assets	13.5		12.1
Liabilities			
Trade Payables	3.5	-1	2.5
Borrowings	2.7	-1	1.7
Short-Term Provisions	0.8	-0.2	0.6
Total Current Liabilities	7		4.8
Borrowings	2.6		2.6
Long-Term Provisions	0.5	-0.3	0.2
Total Non-Current Liabilities	3.1		2.8
Total Liabilities	10.1		7.6
Total Equity	13.4		29.2

Capital Management



Capital Management Strategies

Balance Sheet Initiatives

- The sale of CPP allowed ITL to pay down its debt and to reduce working capital requirements
- This has placed the company in a current net cash position of \$6.5m

Buyback

- With a strong balance sheet, the Board has implemented an on-market buyback
 - The Board considered a special dividend but holds no franking credits
- All shareholders are able to participate in the buyback and some Directors of ITL may participate.



Strategy & Outlook

ITL is now largely a blood focused company



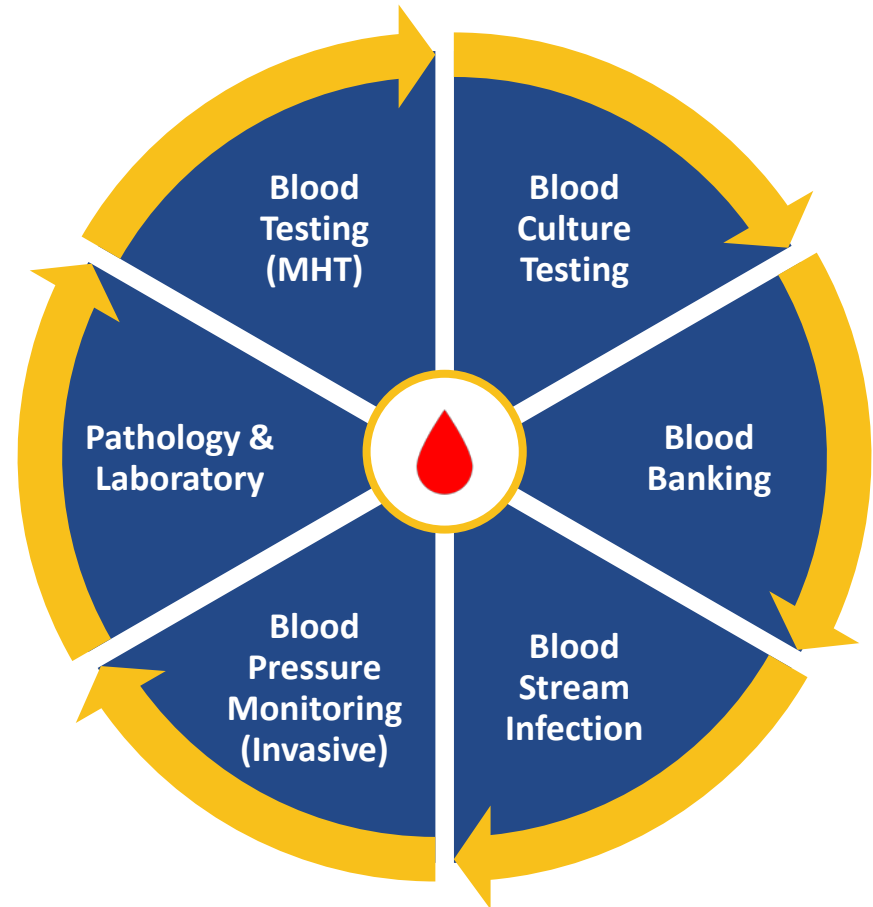
Strategy

Following the sale of CPP, ITL now predominantly sells its products into numerous verticals within the blood industry.

ITL will continue to:

- Invest in sales and marketing
- Invest in R&D and innovation
- Build out and commercialise the MHT business model

Blood Industry



Strategy & Outlook



FY'18 to date

During FY'18 ITL has:

- Rationalised into two distinct divisions (BioMedical and MyHealthTest) with the sale of CPP.
- Continued to invest in:
 - Sales & marketing for BioMedical and MHT products
 - R&D on further MHT tests, having recently launched Thyroid testing through the MHT platform
 - R&D on new and existing BioMed products
 - Automation of manufacturing process within BioMedical
 - A new office and laboratory in Canberra, with updated and more advanced facilities and equipment
- Restructured the remaining HCA division, reducing the workforce substantially, relocating offices, warehousing and securing third-party logistics services.



Strategy & Outlook



FY'18 Outlook

We expect FY'18 earnings to be affected by:

1. Loss of profits from the sale of CPP
2. Large customer in Europe overstocked in SSK units in FY'17 and has had regulatory delays in various countries, which are actively being addressed
3. Reduced sales of older products nearing the end of their life-cycle

Whilst underlying profits are expected to be lower, reported earnings will be substantially higher with the profit on sale of CPP.

ITL expects to:

- Release several new and improved BioMedical blood focused products
- Drive new sales of BioMedical Products through increased sales and marketing expenditure
- Continue to develop the automation of BioMedical manufacturing
- Launch further MHT tests in Prostate and Cholesterol
- Continue to execute on its capital management strategy

The Board anticipate that the changes made have placed ITL in an improved position to secure long-term underlying growth within the blood industry.



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