

ASX Announcement

Zenitas Healthcare Limited (ASX: ZNT)

19 April 2018

TRADING AND ACQUISITION UPDATE

Zenitas Healthcare Limited (ASX:ZNT) ("**Zenitas**" or "**the Company**") is pleased to provide an update on current business performance and the status of several acquisition opportunities:

- Zenitas continues to track to expectations, and Zenitas reaffirms market guidance for FY18 EBITDA of \$13m - \$13.5m prior to material acquisitions
- The Company has entered into a binding agreement to acquire 100% of the business and assets of a disability care provider in Western Australia, Orion Services ("**Orion**")
- The Company has entered into a binding agreement to acquire 100% of the business and assets of a medical clinic in Western Australia, Padbury Family Practice ("**Padbury**")
- Several other acquisition opportunities are progressing well

TRADING UPDATE

Zenitas businesses continue to improve their performance including strengthening and automating back office processes. The settlement of the Agewell acquisition has provided Zenitas with a multi-modality mobile service offering to Residential Aged Care Facilities and Home Care clients, complementing Dimple's current podiatry service offering. The potential this acquisition brings of capturing cross-referrals across our mobile service offering provides exciting opportunities for Zenitas over the next few years.

ORION ACQUISITION

- **Orion is a leading disability services provider in Perth, Western Australia**
- **Acquisition Price of \$3.6m plus transaction costs to be fully funded from the Company's existing cash reserves**
- **Orion recorded FY17 revenues of \$4.5m and EBITDA of \$0.7m**
- **Completion is expected in June 2018**

Zenitas has entered into a binding agreement to acquire 100% of the business and assets of Orion, a disability services provider. Orion provides case management, personal support and accommodation support services. The acquisition of Orion will enable Zenitas to further penetrate the WA home care market through a network of 50 carers.

Completion of the transaction is subject to the satisfaction of customary conditions precedent.

PADBURY ACQUISITION

- Padbury is a medical clinic in Perth, Western Australia.
- Acquisition Price of \$1.8m plus transaction costs to be fully funded from the Company’s existing cash reserves
- Padbury recorded FY17 revenues of \$1.5m and EBITDA of \$0.4m
- Completion is expected in May 2018

Zenitas has entered into a binding agreement to acquire 100% of the business and assets of Padbury, a Perth based medical clinic with 12 GPs. The acquisition of Padbury reflects Zenitas’ first move into the Western Australian primary care market. In coming months Zenitas will look to further bolster its primary care footprint in this region.

ACQUISITION ACTIVITY UPDATE

Zenitas has made substantial progress on its pipeline of acquisition opportunities since the Company’s capital raise in late 2017.

Sale agreements are currently being negotiated to final form representing approximately \$2.0m in annualised EBITDA. Further detail on each opportunity will be announced in due course as binding agreements are executed. Zenitas expects to have executed binding agreements, committing the equity funds raised in November 2017, by the end of April 2018.

Business	State	Stage	EBITDA
Home Care	Vic/NSW	Purchase agreement in negotiation	\$1.5 m
Allied Health	Vic	Purchase agreement in negotiation	\$0.5 m
			\$2.0 m

Following the execution of the above agreements, Zenitas expects to have fully utilised the net proceeds from the Company’s capital raise in late 2017. Zenitas expects that the average multiple of EBITDA for acquisitions funded from this capital raise will be less than 5 times.

Zenitas CEO Justin Walter stated:

“Orion provides Zenitas with an accelerated opportunity to grow its home care business in Western Australia. I am also excited in announcing the acquisition of our first medical centre in Western Australia. Both these acquisitions will leverage our existing Allied Health footprint within the region.”

For further information, please contact:

JUSTIN WALTER
 CEO
 0439 112 464

SHANE TANNER
 CHAIRMAN
 0411 107 099