



# Investor Presentation

September 2021

**Clayton Astles**  
CEO

**Brendan Maher**  
CFO





# Agenda

- 1 Strategic Objectives
- 2 Market and Products
- 3 Financial Performance
- 4 Appendices



# Strategic Objectives



# FY22 Strategic Plan: Revenue Strategies

| OBJECTIVE                                | STRATEGY  |
|--|---|
| <b>Drive organic revenue growth</b>      | Recruit more sales professionals, focus on USA, UK, Asia and Australia<br>Add additional resellers in new and existing markets<br>Target national accounts in all regions |
| <b>Growth by acquisition</b>             | Target feature rich and software capable resellers<br>Target US and Europe competitors to accelerate market access  |
| <b>Increase software and SMA revenue</b> | Recruit software focused channel partners   |

*FY22 strategic objectives are revenue focussed, with growth targeted from organic and acquired revenues*



# FY22 Strategic Plan: **Operational Strategies**

| OBJECTIVE                                      | STRATEGY   |
|--|--|
| <b>Improve margins</b>                         | Transition global distribution from Hong Kong to Malaysia<br>Increase software and SMA sales revenue |
| <b>Build brand awareness in growth markets</b> | Establish strategic partnerships with market leading health technology companies                     |
| <b>Continue to innovate</b>                    | Enhance RTLS call point features<br>Recruit additional software developers                           |

*FY22 operational strategic objectives are preparing the business for post COVID-19 performance*



# Outlook

- Modern and extensible operating platform
- Market-leading products through sustained R&D commitment
- COVID uncertainties exist, offset by large Order Book
- Rapidly growing global marketplace, expected to grow even larger post COVID
- Investment in Sales and Marketing resources

*Austco Healthcare is devoting more sales and marketing resources in targeted markets to capitalise on a growing marketplace and convert opportunities into sales.*



# Impact of COVID-19

**COVID-19 continues to impact Austco Healthcare. Whilst regions have been impacted to varying degrees, the recent lockdowns in Australia and New Zealand highlight this is an ongoing issue for us to manage.**

## Production

- Whilst the majority of our suppliers have returned to high levels of production capacity, we compete with a number of electronic dependent industries for certain raw materials for which increased lead times are being observed, which in turn impact our supply chain, specifically in relation to delivery timelines.
- Transport of goods continues to be an issue and whilst the situation has improved as restrictions were lifted, challenges remain.

## Access to sites

- Government imposed COVID-19 restrictions in many countries continue to have an impact on the Company. Limited access to occupied facilities means some revenue has been deferred.
- We expect the roll out of vaccines in various countries will assist us in gaining greater access to sites.





# Market and Products



# Real-time health

Data from all systems shared

Any system which may exchange data about a patient or their care

Initially for reporting, eventually for automation and machine learning

Used to achieve

More information at point of care

Automated processes

Care team collaboration

Decision support



**Nurse call and RTLS form the foundation of real-time health.**



# Built-in RTLS

*Real-time location has become a critical component to facilities due to its actionable data and efficiencies gained through automation.*

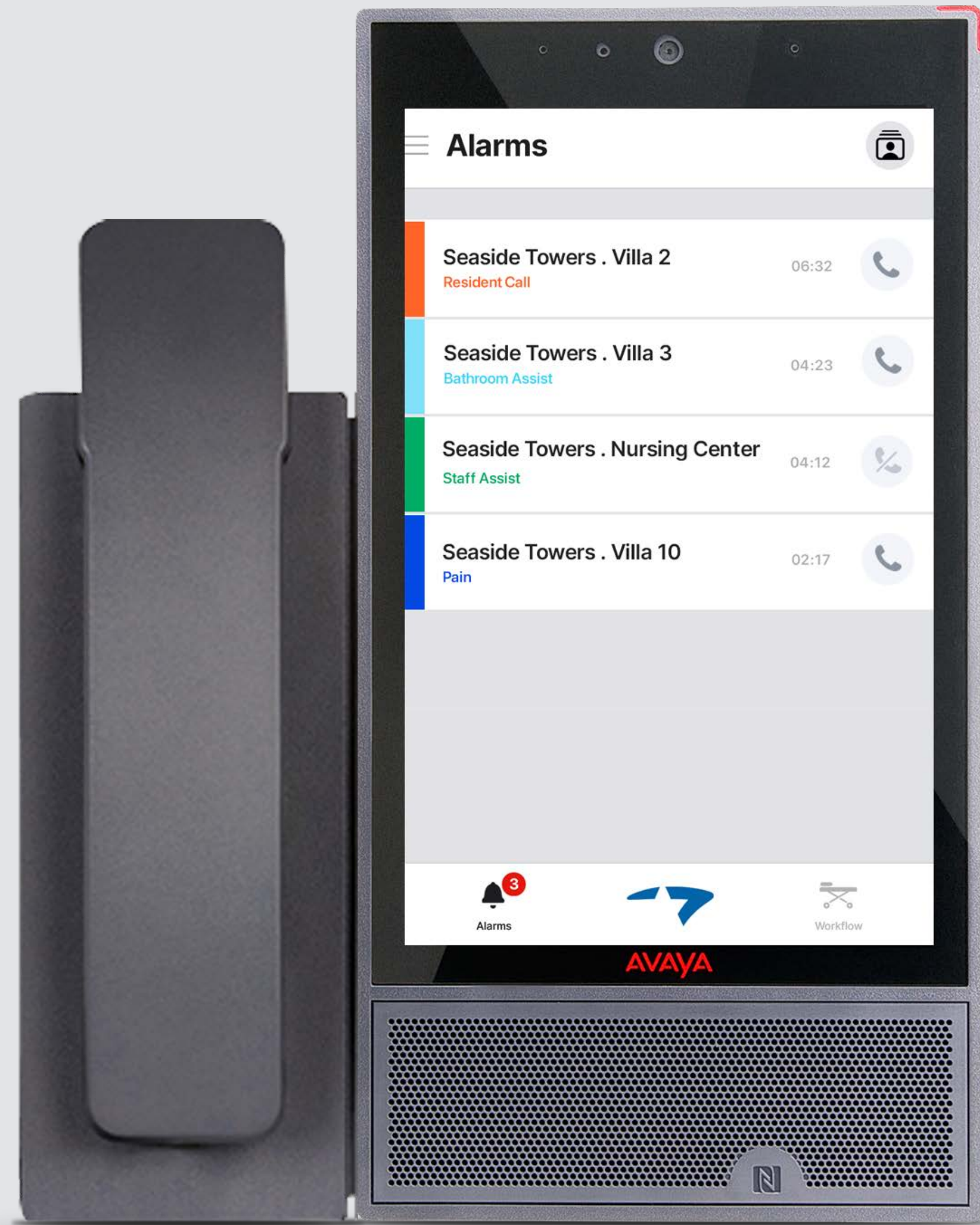
Uses existing nurse call infrastructure for a cost-effective solution

Data and events drive automated processes

Robust reporting meets facility requirements and regulatory standards

Enabled with new smart call points and badges





# New Master Station

Component shortage has affected our older stations

Replacement is Android-based device

Built by Avaya, audio specialists

Manages alarms

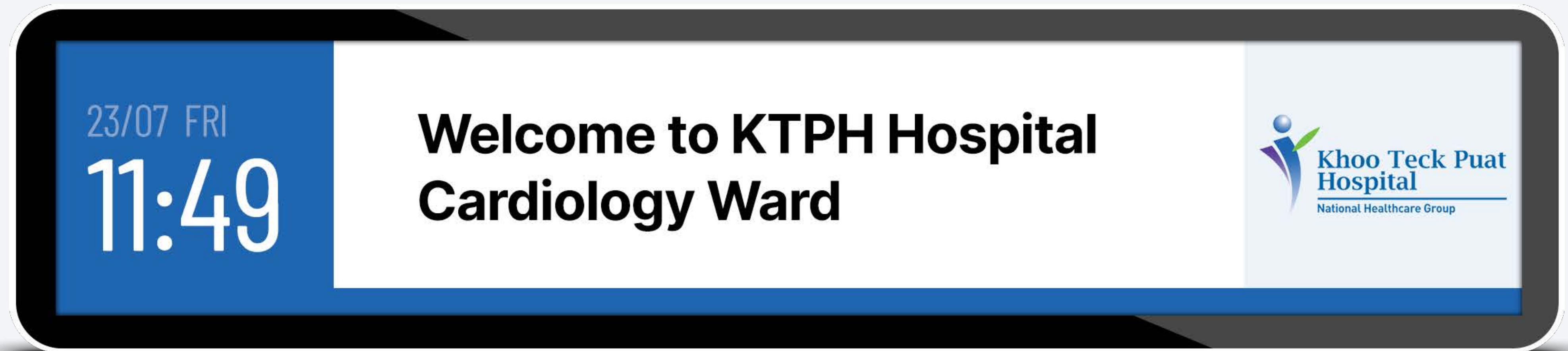
Communications hub

Workflow capable

Standardising on Android means less work, easier maintenance



# New **LCD-Based** Annunciator

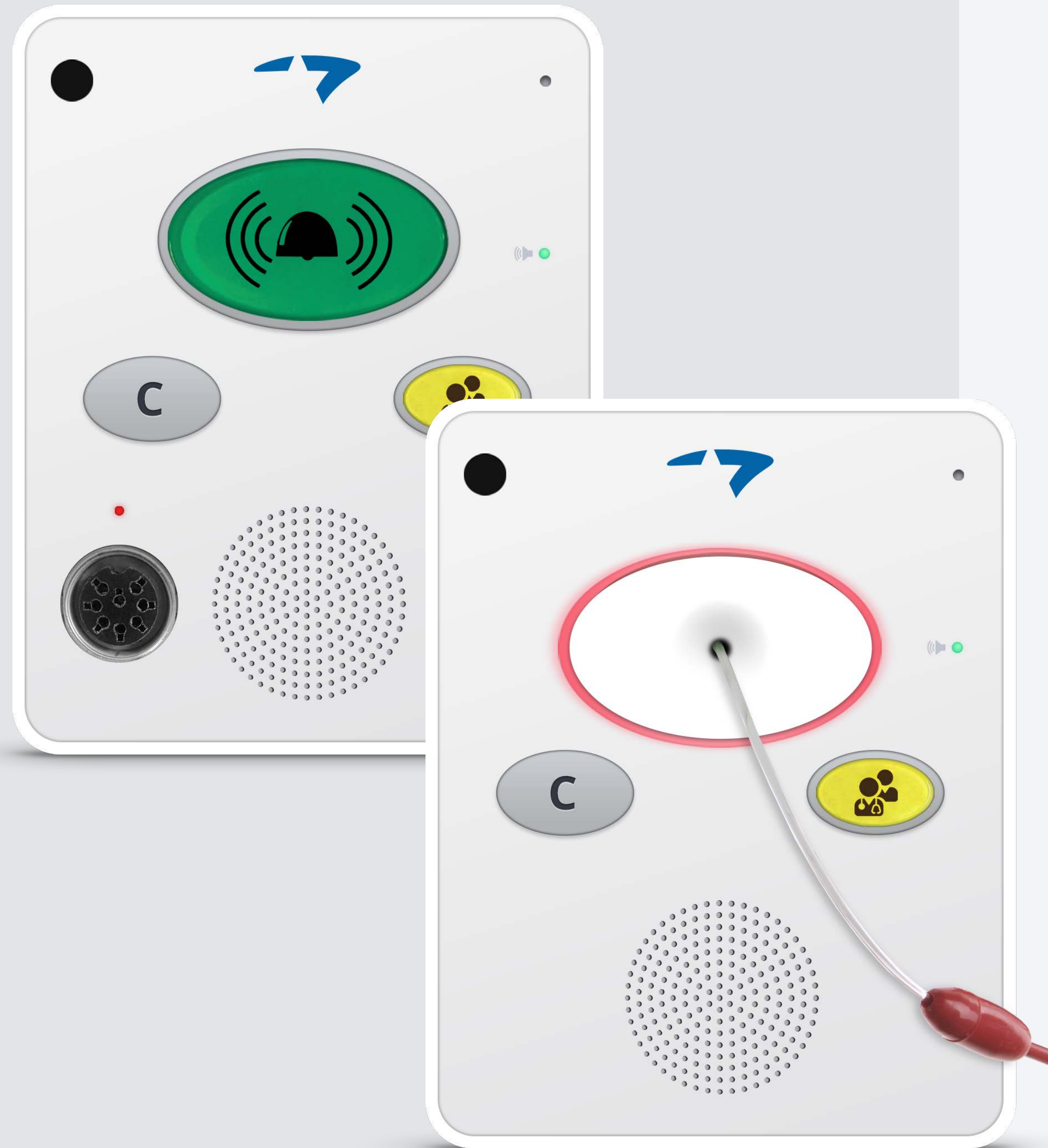


Display non-western characters

Customisable messages

Flexible application

Customer branding



# New Patient Station

Cost-effective room controller

Multiple configurations

VOIP Audio

Acute- and aged-care

Built-in RTLS

Enterprise ready



# Pulse Mobile

Trend towards “Care Communications & Collaboration” apps

Secure text and freeform VOIP calls

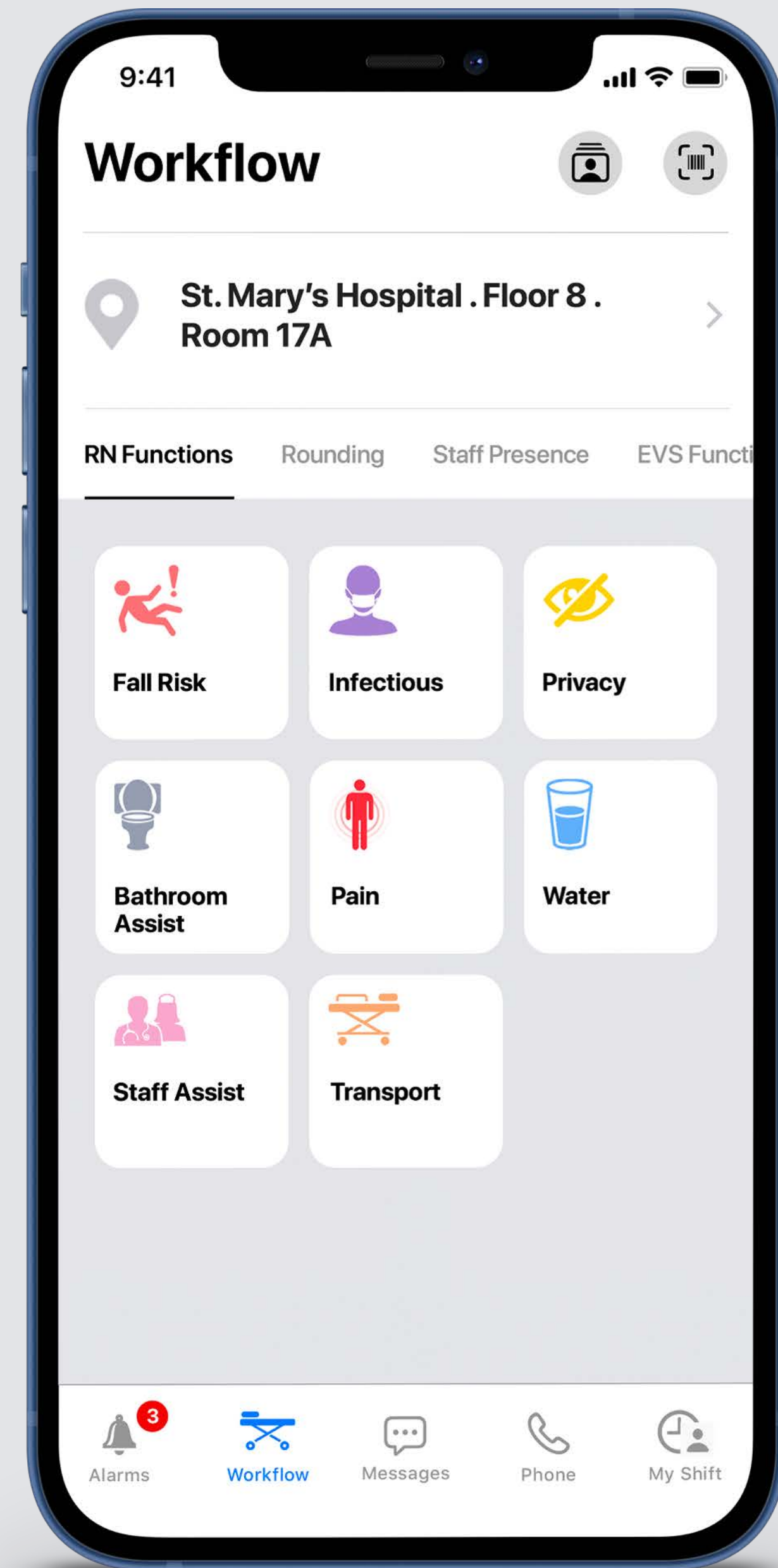
Task lists / reminders

Assignments

Rounding

Advanced workflow

Native nurse call system control





# Financial Performance



# FY21 Financial Snapshot

## REVENUE

**\$31.3M**

↓ (\$0.3M) or (1 %) on pcp

## SOFTWARE & SMA REVENUE

**14.2% of revenue**

↓ 1.3% points on pcp

## MARGIN

**53.5%**

↑ 1.5% points on pcp

## EBITDA

**\$5.0M**

↑ \$1.3M or 37% on pcp

## NPAT

**\$3.4M**

↑ \$0.9M or 37% on pcp

## NET CASH

**\$7.8M**

↑ \$1.4M on pcp

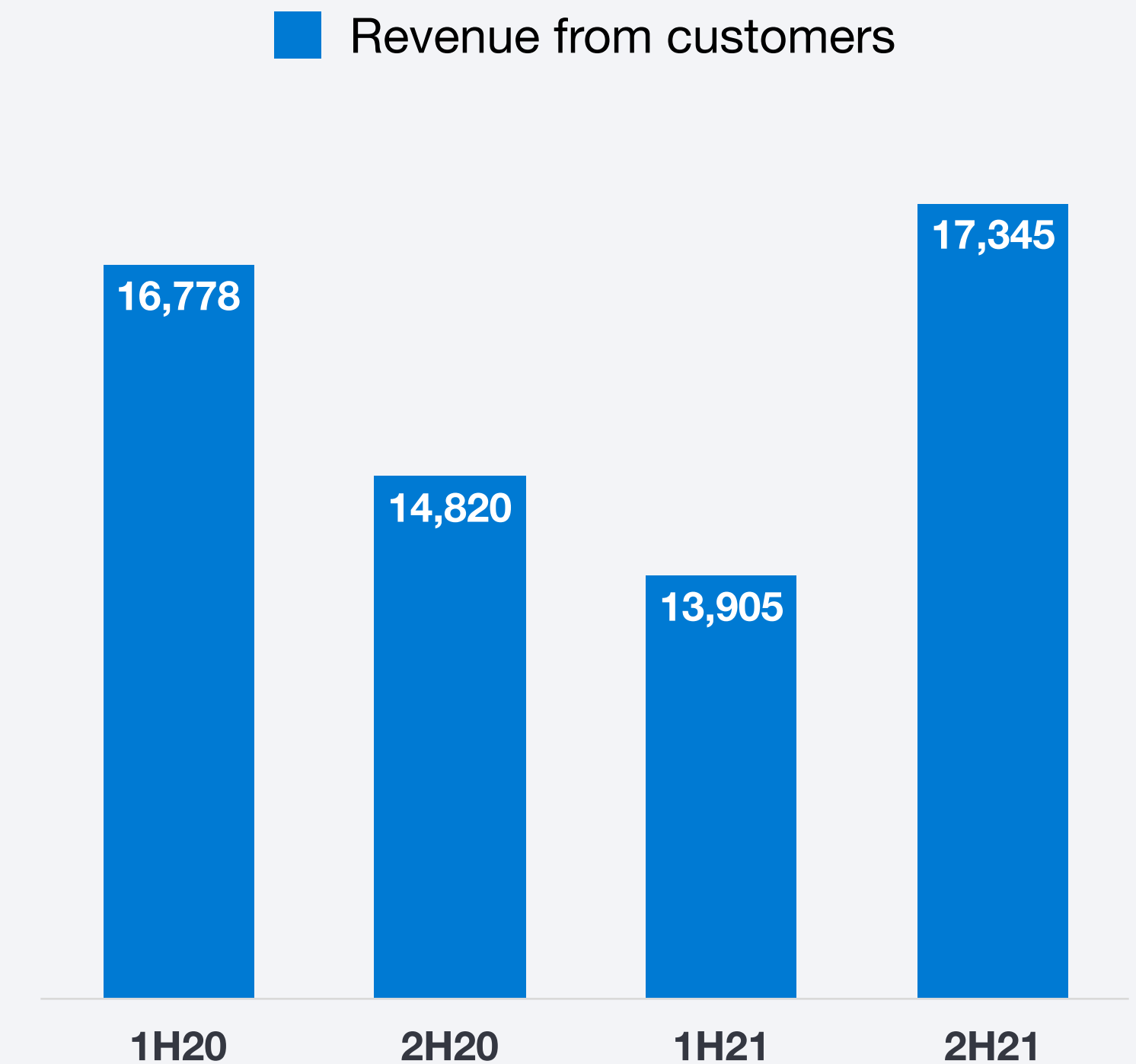


# Revenue from customers

Revenue from customers were \$31.3m for the year. Despite continued COVID-19 restrictions impacting our ability to get on site to install, we saw a 25% increase in 2H revenue to \$17.3m.

- Equipment revenue was up \$1.3m or 6% on pcp despite the continued COVID-19 restrictions
- Installation revenues remained the most COVID-19 impacted, being down \$1.2m or 19% on pcp.
- Software and SMA revenues at 14% of total revenue from customers remained impacted by COVID-19 restrictions as high solution sales require face to face interactions

Our Open Sales Order book has continued to grow to a new high, and now stands at \$20.1m. We believe once COVID-19 restrictions ease our revenues will grow further.



*COVID-19 restrictions continue to hamper revenue. However once COVID-19 restrictions ease our revenues will grow further.*



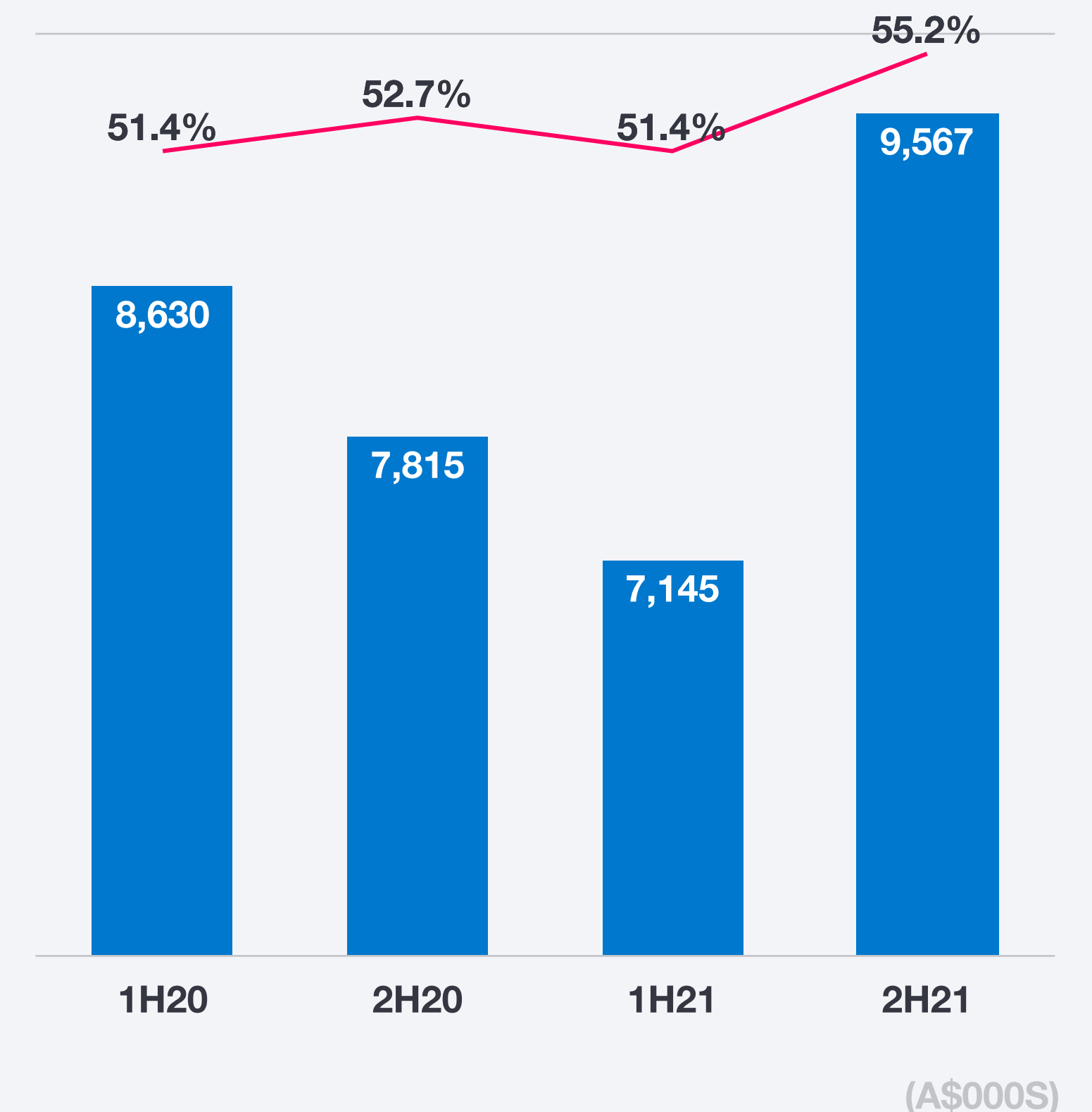
# Gross Profit + Margin

Gross margin % in FY21 increased in 2H to 55.2% – a pleasing result given the COVID-19 related supply chain cost increases. Contributing to this were:

- Part way through the year we reached a strategic milestone, being the complete outsourcing of the manufacture of our products to contract manufacturers, allowing for the closure of our Dallas based factory
- We significantly reduced our reliance on China to feed into our supply chain thereby reducing the impact of tariff issues into the USA
- Supply chain challenges with COVID-19 affecting supply and raising prices of key raw materials shared with other industries partly offset by new higher margin products
- Foreign exchange benefits from a lower USD during the year

Higher revenues in 2HFY21 combined with a higher gross margin % drove the increase in Gross Profit to \$9.6m in the second half.

The most significant risk for the Company remains a global shortage of certain semiconductors, which has resulted in higher prices and historically long delivery timelines.



*Whilst supply chain and logistics challenges remain, the Company has successfully navigated the last 18 months of COVID-19.*



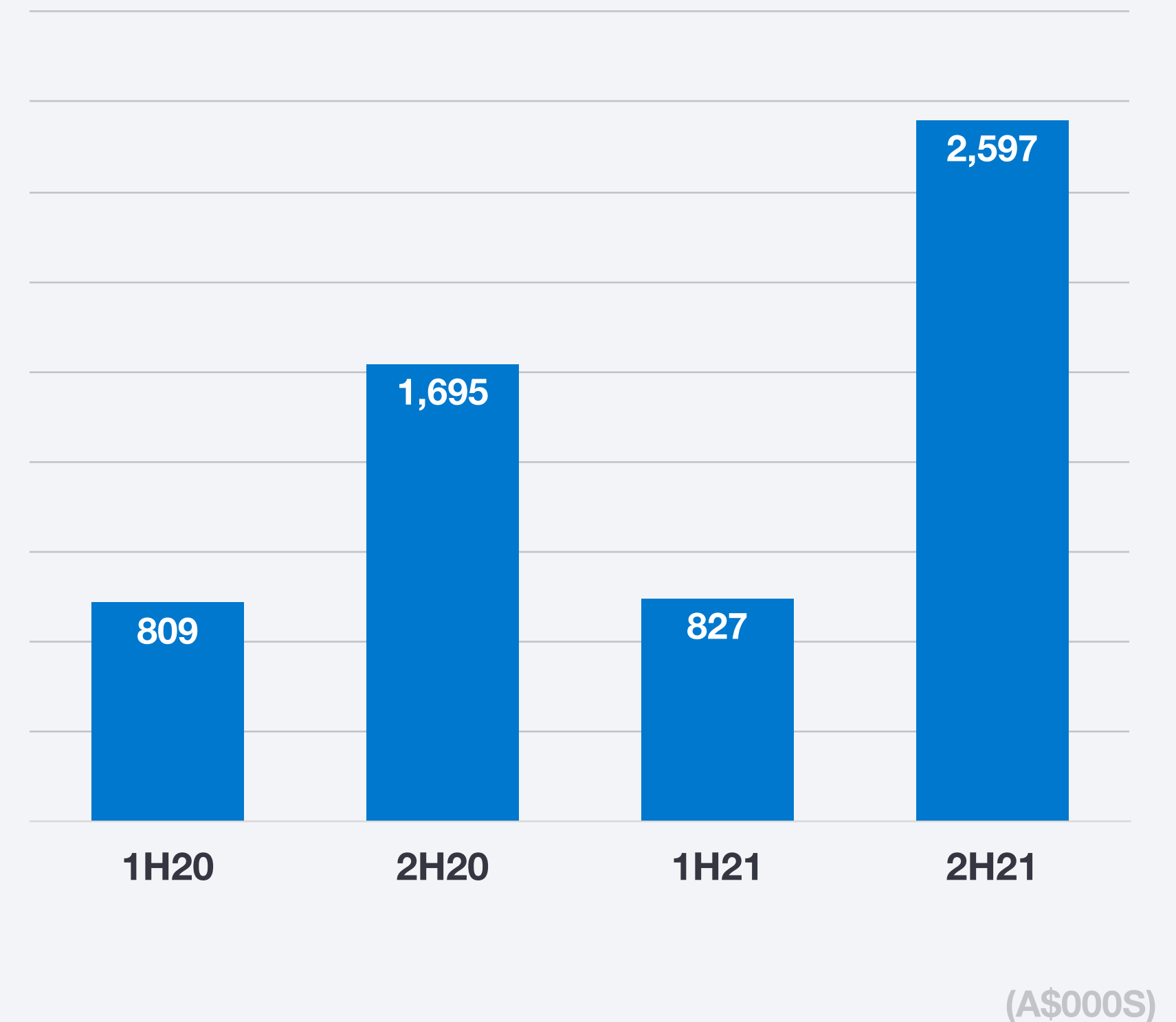
# Earnings

Statutory NPAT is \$3.4 million for FY21 compared to \$2.5 million for FY20.

The second half NPAT of \$2.6 million drove the full-year result as we benefited from a rebound in revenues, particularly in the last quarter.

Included in the profit for the year was \$1.5 million of grant Income arising from COVID-19 related government stimulus packages received from various jurisdictions in which the Group operates.

REPORTED NPAT

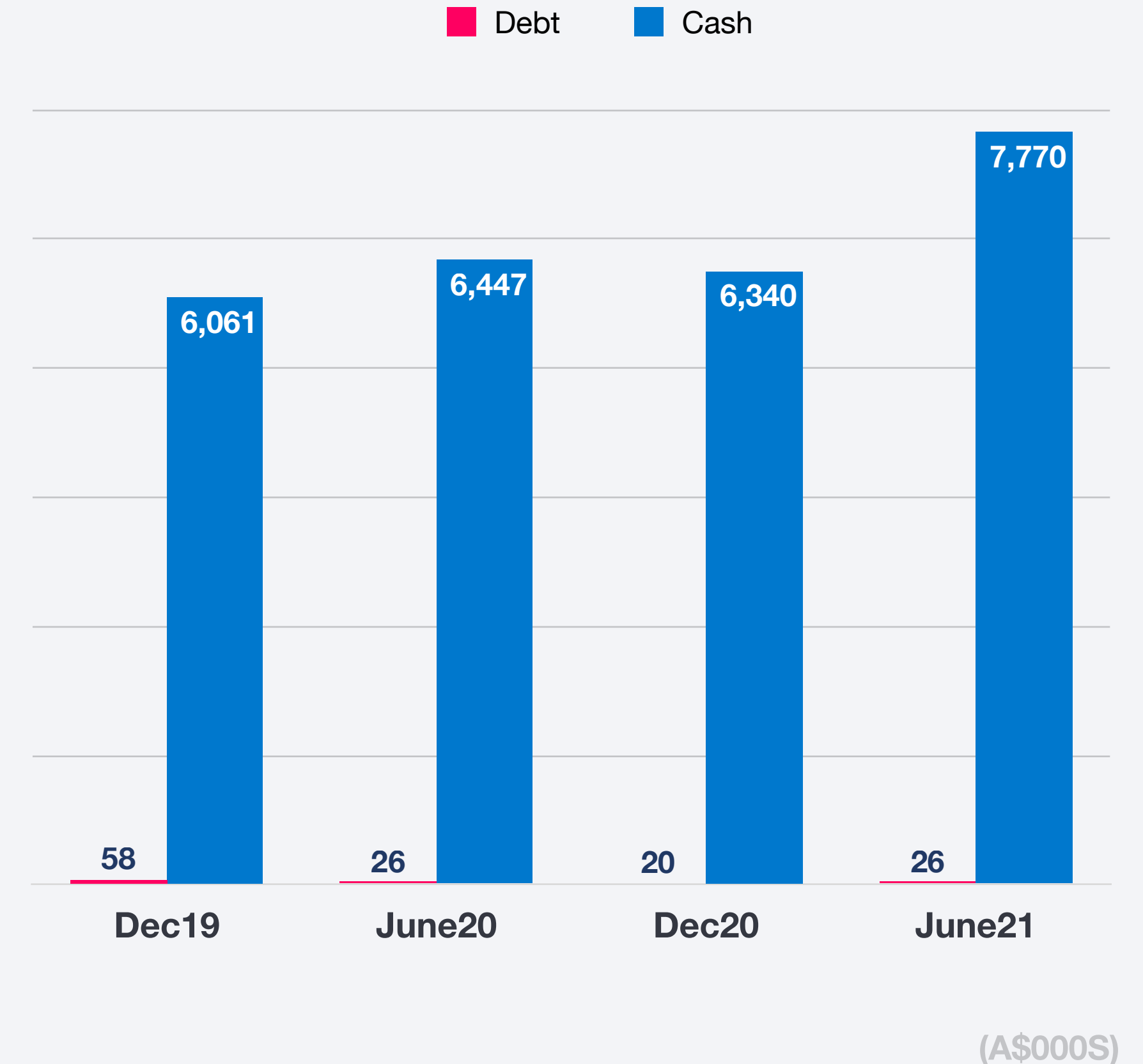


*Austco Healthcare’s continued profits, despite COVID-19, demonstrates the benefits arising from restructures and initiatives implemented over the past couple of years.*



# Cash + Debt

- Cash on hand remains strong at \$7.8m
- The majority of the proceeds from the December 2019 capital raising have not yet been deployed on the proposed Sales initiatives given the interruptions caused by COVID-19. We plan to commence the on boarding of sales focused resources based in the US, Europe and Australia in FY22
- Cashflow from operations remained strong at \$3.2m
- The Company has no effective debt
- Strong cash balances allows the Company to review M&A opportunities



*A solid cash position allows the Company to take advantage of initiatives focussed on both organic and non-organic revenue growth.*



# Appendices



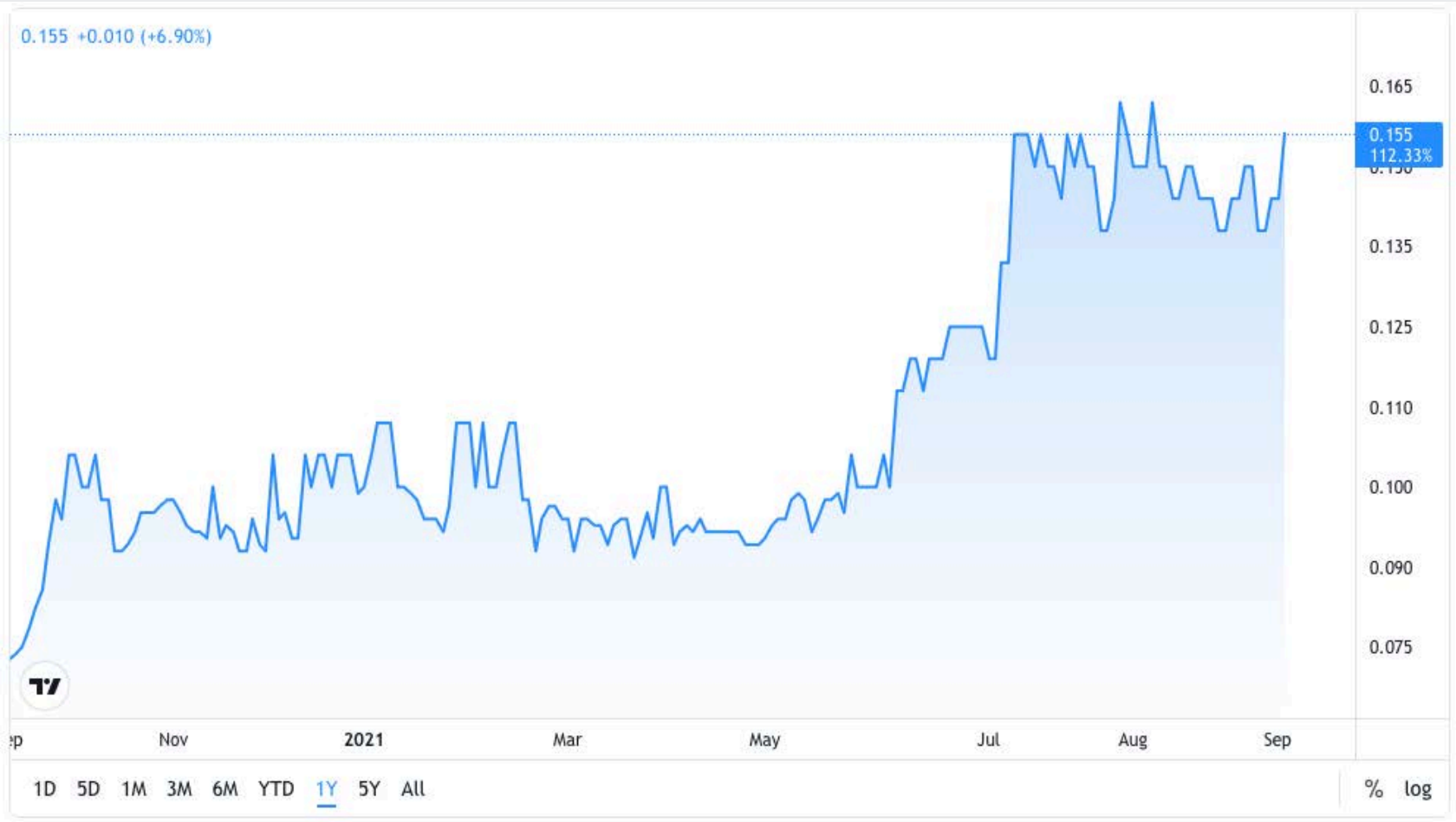
# Austco Dashboard



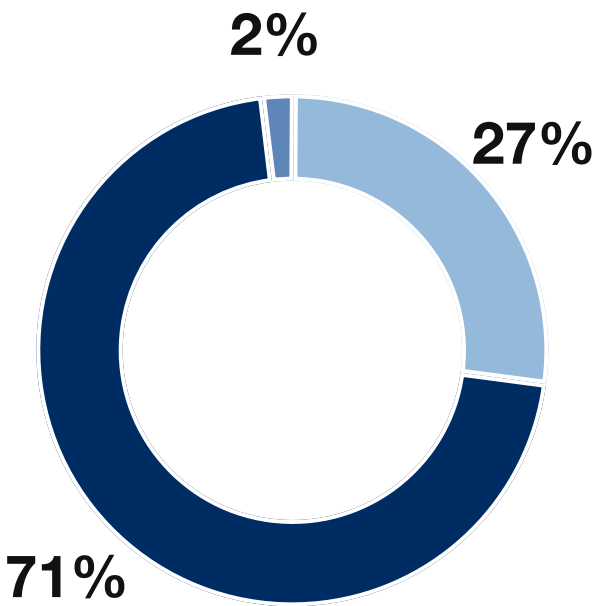
## MARKET INFORMATION\*

|                     |             |
|---------------------|-------------|
| Shares on Issue     | 284,188,951 |
| Options on Issue    | 14.2M       |
| Market Cap          | \$41.2M     |
| 52-Wk High          | \$0.165     |
| 52-Wk Low           | \$0.087     |
| Current Share Price | \$0.145     |

## SHARE PRICE MOVEMENT (12 MONTHS)



## SHARE REGISTER



- Board and Management
- Institutional Shareholders
- Retail Shareholders

## FINANCIAL INFORMATION FY21

|         |            |
|---------|------------|
| P/E     | 15.1       |
| EPS     | 1.21 cents |
| Gearing | -          |
| Revenue | AUD\$31.3M |
| NPAT    | AUD\$3.42M |

\* Information current as at 1 September 2021

## DIRECTORS & EXECUTIVES

|                  |                         |
|------------------|-------------------------|
| Graeme Billings  | Chairman                |
| Brett Burns      | Non-Executive Director  |
| Anthony Glenning | Non-Executive Director  |
| Clayton Astles   | Managing Director       |
| Brendan Maher    | Chief Financial Officer |

## COMPANY INFORMATION

|               |                   |
|---------------|-------------------|
| Founded       | 1986              |
| IPO           | Sept 2004         |
| No of Offices | 6                 |
| No of staff   | 93                |
| Trading Brand | Austco Healthcare |



# Global Market

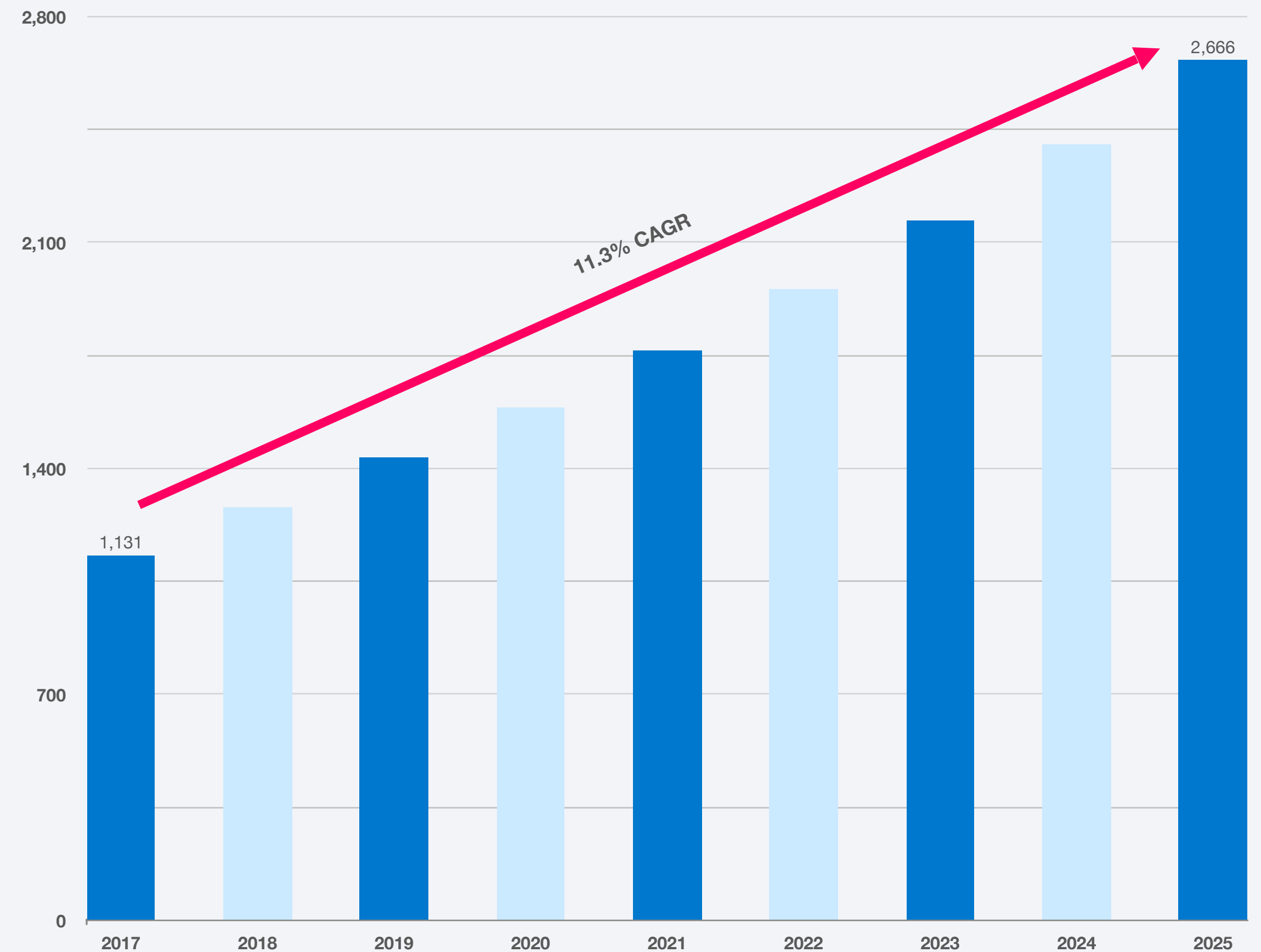
*We expect an outcome from COVID-19 will be the increased level of expenditure globally in the nurse call market which would see even stronger growth rates in the industry.*

Strong global demand and the ongoing pressure for efficiencies in health budgets will underpin the growth of sophisticated nurse call work flow solutions.

The market for nurse call systems is expected to more than double between 2017 and 2025, driven by:

- ageing populations
- increasing demand for better clinical outcomes
- continual pressure on health budgets for greater financial efficiencies and higher levels of patient care.

Global nurse call market \* (USDm)





# Disclaimer

This presentation was prepared by Austco Healthcare Limited and was authorised for release by the Board of the Company.

This publication does not constitute an offer, invitation or recommendation for the sale or purchase of any securities in any jurisdiction.

References to, and the explanation of, legislation and regulatory issues in this Publication are indicative only and should not be relied on. They do not purport to summarise all relevant legislation and regulatory issues or to be a full explanation of any particular matter.

## Past Performance

Past performance information given in this Publication is given for illustrative purposes and should not be relied upon as an indication of future performance.

## Forward Looking Statements

The information contained herein involves elements of subjective judgment and analysis and may be identified by words such as 'may', 'could', 'believes', 'expects', 'intends' or other words that involve risk and uncertainty (collectively, forward looking statements). Any forward looking statements expressed in this Publication are subject to change without notice. They do not constitute, and should not be regarded as, a representation that the relevant results will actually be achieved or that the underlying assumptions upon which forward looking statements may be based are valid or reasonable. Actual results may vary from the forward looking statements and such variations may be material.

## Other Information

All financial amounts contained in this Publication are expressed in Australian currency unless otherwise stated. Any discrepancies between totals and sums and components in tables contained in this Publication are due to rounding.

## Disclaimer

Other than to the extent required by law, neither Austco nor any of their

respective affiliates, associates, shareholders, directors, officers, employees, agents, representatives and advisers (the Austco Parties) make any representation or warranty (express or implied) as to, and assume responsibility or liability for, the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information, statement or opinion contained in this Publication or in any accompanying, previous or subsequent material or presentation in connection with the subject matter of this Publication.

Without limiting the foregoing, none of the Austco Parties:

- makes or purports to make any statement or representation (including, but not limited to, any representation with respect to any forward looking statement) contained in this Publication;
- is responsible for the contents of this Publication;
- has verified the accuracy or completeness of this Publication; or
- is liable in any way for any misstatement in, or errors in or omission from, this Publication or in any accompanying, previous or subsequent material or presentation in connection with the subject matter of this Publication, except and then only to the extent required by law.

## United States

In particular, this Publication is not an offer of securities for sale in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the United States Securities Act of 1933 (the Securities Act)). Austco, its affiliates and related bodies corporate are not and will be registering any securities under the Securities Act or the securities laws of any state of the United States or any other jurisdiction other than the Commonwealth of Australia.

This document has been prepared for publication in Australia and may not be released or distributed in the United States or to U.S. persons. Failure to comply with this directive may result in a violation of the Securities Act and/or another applicable law of the United States or another jurisdiction.



**Clayton Astles**

CEO & Executive Director

Telephone Aust: +61 411 531 170

Telephone US: +1 416 565 7457

Email: [clayton.astles@austco.com](mailto:clayton.astles@austco.com)

**Brendan Maher**

CFO & Company Secretary

Telephone: +61 439 369 551

Email: [brendan.maher@austco.com](mailto:brendan.maher@austco.com)