

ASX ANNOUNCEMENT

23 November 2022

Australian Securities Exchange
Company Announcements Office

ANNUAL GENERAL MEETING PRESENTATION

Paragon Care Limited (ASX:PGC) ("Paragon Care") is holding its 2022 Annual General Meeting ("AGM") on Wednesday 23 November 2022 at 9.00am (AEDT) and is pleased to attach its AGM presentation.

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

About Paragon Care Limited

Paragon Care (ASX:PGC) is an Australian based listed company in the healthcare sector. It is a leading provider of medical equipment, devices and consumables for the Australian, New Zealand and Asian healthcare markets. These are high growth markets driven by the healthcare needs of an ageing population, continuously rising consumer expectations and increasing government spending. By combining a series of strategic acquisitions of class leading companies, Paragon Care has positioned itself to provide advanced technology solutions including equipment, consumables and services for acute and ancillary care environments.

A photograph of a male scientist in a white lab coat, safety glasses, and a white face mask. He is wearing blue gloves and using a blue pipette to transfer liquid into a blue rack of white test tubes. In the background, another person is visible, also working in the lab. The image is overlaid with a large, stylized blue arrow pointing towards the right.

ParagonCare

COMPANY PRESENTATION
23 NOVEMBER 2022

Annual General Meeting (AGM)

Paragon Care Limited
ASX : PGC

Summary information

This Presentation contains summary information about Paragon Care and its activities current as at 18/11/2022. The information in the Presentation is of a general nature and does not purport to be complete or comprise all information which a shareholder or potential investor may require in order to determine whether to deal in Paragon Care shares. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not financial product advice

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Past performance

Past performance information, including past share price performance, given in this Presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

Future performance

This presentation contains certain "forward-looking statements" including statements regarding Paragon Care's intent, belief or current expectations with respect to its business and operations, market conditions, results of operations and financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This Presentation contains such statements that are subject to risk factors associated with an investment in Paragon Care. Paragon Care believes that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially.

Overview



Shane Tanner
Chairman

ParagonCare



Paragon Care Group overview

ParagonCare



Devices



DESIGNS FOR VISION



Diagnostics



Paragon Care (PGC)

- Established 2008
- Australian based
- Entered med tech market in 2014 acquiring medical devices businesses
- Further expansion in Eye Care, Orthopaedics, Surgical, Critical Care, Neonatal, Laboratory, Immunohaematology and Veterinary markets followed
- Merger with Quantum Health Group in early 2022 provides gateway to Asian markets and expanded OEM opportunities



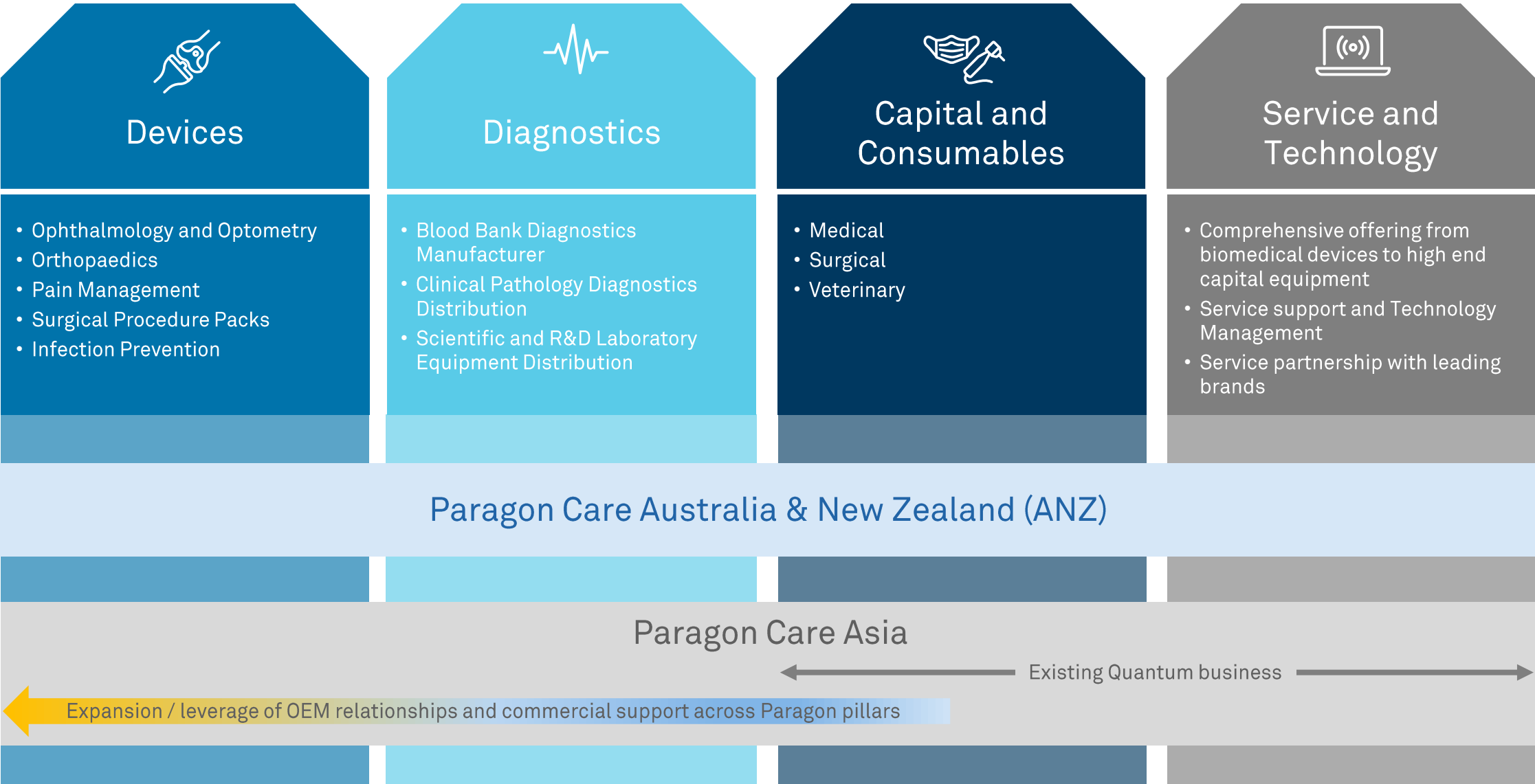
Capital & Consumables



Service & Technology



Revised Business Structure to support growth



Business Snapshot

ParagonCare

Strong foundation for growth

- An attractive set of healthcare businesses which now have a strong foundation for growth over the next 3-5 years
- Year to date business performance for FY23 is in line with expectations

Building a \$100m EBITDA business

- Our ambition is to build a \$100m EBITDA business over that timeframe through a combination of organic growth and more targeted M&A activity

Refining the strategy / improving execution

- An initial review of strategy has been undertaken which has clarified our longer term goals and refined organisational structure to better support the business
- A strategic review by pillar is also largely complete. Implementation now supported via additional resources to support planning and execution

Refocus on organic growth

- The focus for FY23 is on generating organic growth which is further enhanced by leveraging the SMS and Quantum acquisitions

FY22 Highlights

ParagonCare

5%

Increase in sales

Mainly driven by the inclusion of Quantum sales for five months

21%

Increase in underlying earnings

Mainly driven by the inclusion of Quantum results for five months

0.6¢

Per share final dividend declared (fully franked)

This brings the full year dividend for FY22 to 1.2 cents per share (fully franked)

Improved Balance Sheet

Provides additional flexibility for the future

This has also allowed PGC to fund the SMS acquisition while maintaining similar debt levels by the end of FY23

Senior management changes

- Mark Hooper appointed Group CEO in April 2022
- Josephine De Martino appointed CFO in October 2022

Board renewal

- John Walstab & Alan McCarthy join as part of Quantum merger
- Mark Simari to retire

Quantum Healthcare integration remains on track

- Merger completed in February 2022 and the business continues to perform in line with expectations
- The original Quantum business had operations across Australia and Asia with a focus on sales and support for higher end diagnostic imaging equipment
- The Australian business has now been absorbed within the existing Paragon pillars and the main focus for John Walstab (previous Quantum CEO) is growing Paragon Care's activities in Asia
- The strategy in Asia has three key lenses:
 - organic growth by leveraging Quantum's existing footprint
 - targeting new (and larger) OEM opportunities based on the ability to provide a comprehensive AsiaPac solution
 - selected M&A opportunities to build scale in existing markets / enter new markets
- Ongoing progress to leverage existing OEM relationships. As previously noted, the benefits will take some time to fully realise given there is generally a 6-9 month lead time for regulatory approvals



A ParagonCare Brand

Strategy and Growth



Mark Hooper
Group CEO and Managing Director

ParagonCare

The 'Light on the Hill'

ParagonCare

"Your partner in healthcare delivery"

A\$100m EBITDA per annum
within 3-5 years
(A\$1 bn market cap)

Proactive bias for
high quality earnings
(*sustainable / higher margin*)

Organic growth

- based on strategic plans by pillar
- supported by improved execution

M&A growth

- targeted at fewer / larger opportunities
- more tightly aligned to strategy

Growth mindset

Clear strategies by pillar

Comms to engage stakeholders (including team members)

ENABLEMENT

Enhanced business reporting

Proactive people assessment / upskilling

Project visibility / execution capability

Progress on Strategic Initiatives

Strategy work by pillar

- This work is now largely complete
- Will be reviewed and approved by the Board in late 2022
- Provides a more actionable growth plan for FY24 and beyond

Project visibility and improved execution

- Group Project Management Office (PMO) function now in place
- Provides more structure and support to projects / growth initiatives
- Gradually working through assessment of current project priorities

Bank refinancing update

- Credit approved commitments obtained from NAB & HSBC for debt and revolving cash facilities of circa A\$130 million and US\$30 million
- The refinancing will offer Paragon Care varied AUD & USD term and ancillary facilities with tenor of up to 4 years for core debt
- The commitments are subject to, among other things, completion of satisfactory documentation and conditions precedent being met (documentation expected to be complete prior to 31 December 2022)

Update for FY23 Trading / Outlook







Mark Hooper
Group CEO and Managing Director

ParagonCare



FY23 Trading Update: first quarter results are in line with expectations

 Devices	Pro forma revenue per annum c. \$90m	Targeted EBITDA margins 10%-15%	<ul style="list-style-type: none">• Gradual improvement in elective surgery although still variable across states / months• Demand for pain management devices being impacted more than expected by price list reform• Hospital nursing capacity in rebuilding phase in a post COVID environment
 Diagnostics	Pro forma revenue per annum c. \$40m	Targeted EBITDA margins 13%-15%	<ul style="list-style-type: none">• Core Immulab business continues to perform well• Demand for COVID Test materials continue but is slowing slightly• SMS integration progressing well and in line with original business case expectations
 Capital & Consumables	Pro forma revenue per annum c. \$140m	Targeted EBITDA margins 10%-15%	<ul style="list-style-type: none">• ANZ business performance has been slightly below expectations• This is also affected by a weakening NZD which impacts earnings conversion• Asia business performance has been above expectations – mainly in Thailand
 Service & Technology	Pro forma revenue per annum c. \$60m	Targeted EBITDA margins 15%-20%	<ul style="list-style-type: none">• Integration of Quantum and Paragon services continues• The Quantum services business is performing well• While there is positive progress, the rebuild of the Paragon Service & Technology business will take longer than previously expected

A Positive Growth Outlook remains

Clarity around strategy and improved execution

- The “light on the hill” provides clear context for PGC activities over the next 3-5 years
- The current focus for the pillars is their own strategic plan which then supports a more actionable growth path beyond FY23
- A further update will be provided at the 1H FY23 results in February 2023

Earnings outlook

- For FY23 we expect growth in Underlying EBITDA around 30% driven by the full year impact of Quantum and SMS and organic growth of around 5%-10% (weighted more towards the second half)
- First quarter business performance is in line with expectations
- Beyond FY23, PGC expects to have accelerated growth beyond 10% per annum (excluding acquisitions)



Thank You

ParagonCare