

18 August 2015

Australian Securities Exchange  
Company Announcements Office

## **Paragon Care Limited (ASX: PGC)** **FY15 results — Building a track record of success**

Today integrated service provider to Australia's health and aged care markets Paragon Care Limited (ASX: PGC) released results for the full year result 30 June 2015. Financial highlights of the results were:

### **Summary**

Highlights of the consolidated results for the year ended 30 June 2015 include:

- Revenue up 66% to \$32.2m
- EBITDA of \$3.74m, up 110% over last year and in line with market guidance
- Net profit after tax of \$2.1m, up 94% over last year
- Earnings per share of 3.2 cents, up 60% after allowing for additional shares issued as part of the consideration for Scanmedics
- The company's balance sheet remains sound with a net debt to EBITDA ratio of 2.3x
- Paragon's share price more than doubled over the course of the financial year as investors continued to embrace our healthcare platform strategy
- Fully franked dividends for the year of 1.4 cents, up 12% from the 1.25 cents paid in the prior year

### **Operational Highlights**

The 2015 financial year has been a period of significant achievement with strong operating performance from our core businesses that continue to benefit from the favourable economic backdrop underpinning growth in the healthcare industry. Our organic and inorganic growth was particularly strong.

On the acquisition front, in October 2014 we successfully entered complementary lines of business through the acquisition of Scanmedics. The introduction of medical devices to the Paragon Care platform has been extremely successful with numerous opportunities being created by the merged businesses.

Pleasingly, the acquisition of Scanmedics has performed better than expected, delivering earnings per share accretion, with increased synergies and cost consolidations driving the outperformance. This has reinforced and strengthened our vision to offer customers a broad platform of products and services.

Paragon Care should enjoy strong organic growth with future acquisitions likely to further strengthen the Company's growth profile.

Commenting on the outlook Mr Simari said "After what was a pleasing 2015 financial year the company enters the new financial year with considerable momentum as our existing suite of products continue to perform strongly. I believe there are many opportunities in front of Paragon to build an integrated healthcare supplies distribution platform that we can leverage across complimentary product offerings. In this financial year I anticipate another year of double digit growth."

### **New Office**

To help facilitate our strong growth, Paragon Care is consolidating most of its Victorian office and warehouse facilities to larger premises in Scoresby, Melbourne commencing October 2015. Our physical space and human capital requirements continue to grow as the Group successfully expands. This new location will generate further synergies for existing businesses and future acquisitions, along with the consolidate core activities for our Melbourne operations with customer service, accounting, payroll and transactional processing into a single location on a single platform.

### **New Chief Financial Officer**

We would also like to welcome Stephen Munday as our new Chief Financial Officer, who commenced with the company in May. Stephen brings a wealth of highly relevant experience, having been in financial roles with various listed companies prior to joining Paragon.

## Dividends

The company has declared a fully franked final dividend of 0.8 cents per ordinary share in respect of the financial year ended 30 June 2015, to be paid on 18 September 2015. The dividend will be paid to all shareholders on the register of members as at the record date of 31 August 2015.

A fully franked interim dividend of 0.6 cents per ordinary share was paid in March 2015, which equates to a full year dividend of 1.40c per ordinary share, a 12% increase on the full year dividend of 1.25 cents per ordinary share paid in the 2014 financial year.

## Dividend Reinvestment Plan

Paragon Care operates a dividend reinvestment plan (DRP) that enables shareholders to elect to reinvest all, or up to a portion of, their dividends into additional shares in Paragon. The DRP will be available for the final dividend. Shares will be issued at a discount of 5% to the volume weighted average market price of shares sold on the ASX over the 5 trading days immediately preceding the record date. This provides shareholders with an opportunity to increase their investment in Paragon Care at a discounted price and without incurring any brokerage or other transaction costs.

The company's Annual General Meeting is to be held on 30 November 2015 with details to be communicated to shareholders in Due course.

## About Paragon Care:

*Paragon Care Limited (ASX: PGC) is one of Australia's leading providers of integrated services to Australia's health and aged care markets. These are high growth markets driven by the ageing of the population, continuously rising consumer expectations and increasing government spending. Paragon Care has seven operating businesses: Axishealth, Iona Medical, Volker Australia, Rapini, GM Medical, Richards Medical, LR Instruments and Scanmedics who combined supply durable medical equipment, consumable medical products and medical devices to hospitals, medical centres and aged care facilities.*

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