

Morgan Stanley Investor Conference

8th June 2016

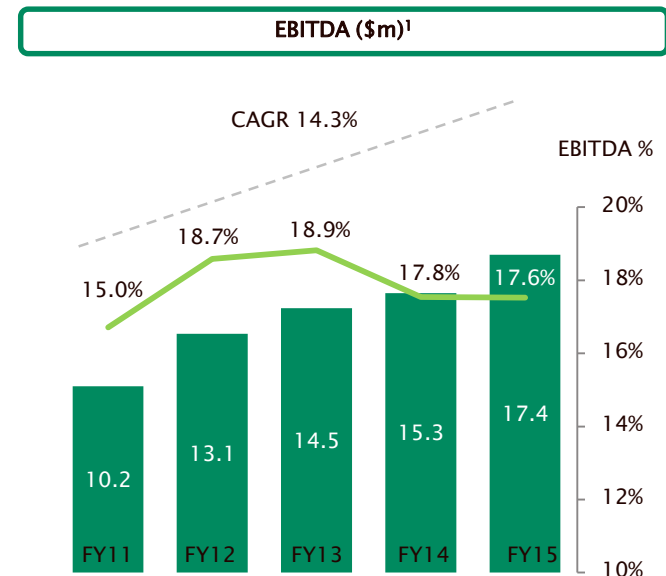
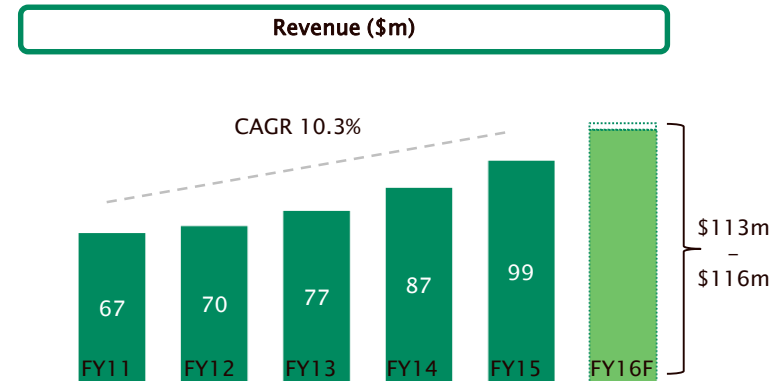
Matt Muscio
Chief Executive Officer



Overview of LifeHealthcare

LifeHealthcare (“LHC”) is a leading independent provider of high end medical devices in Australia and New Zealand across clinically specialised divisions

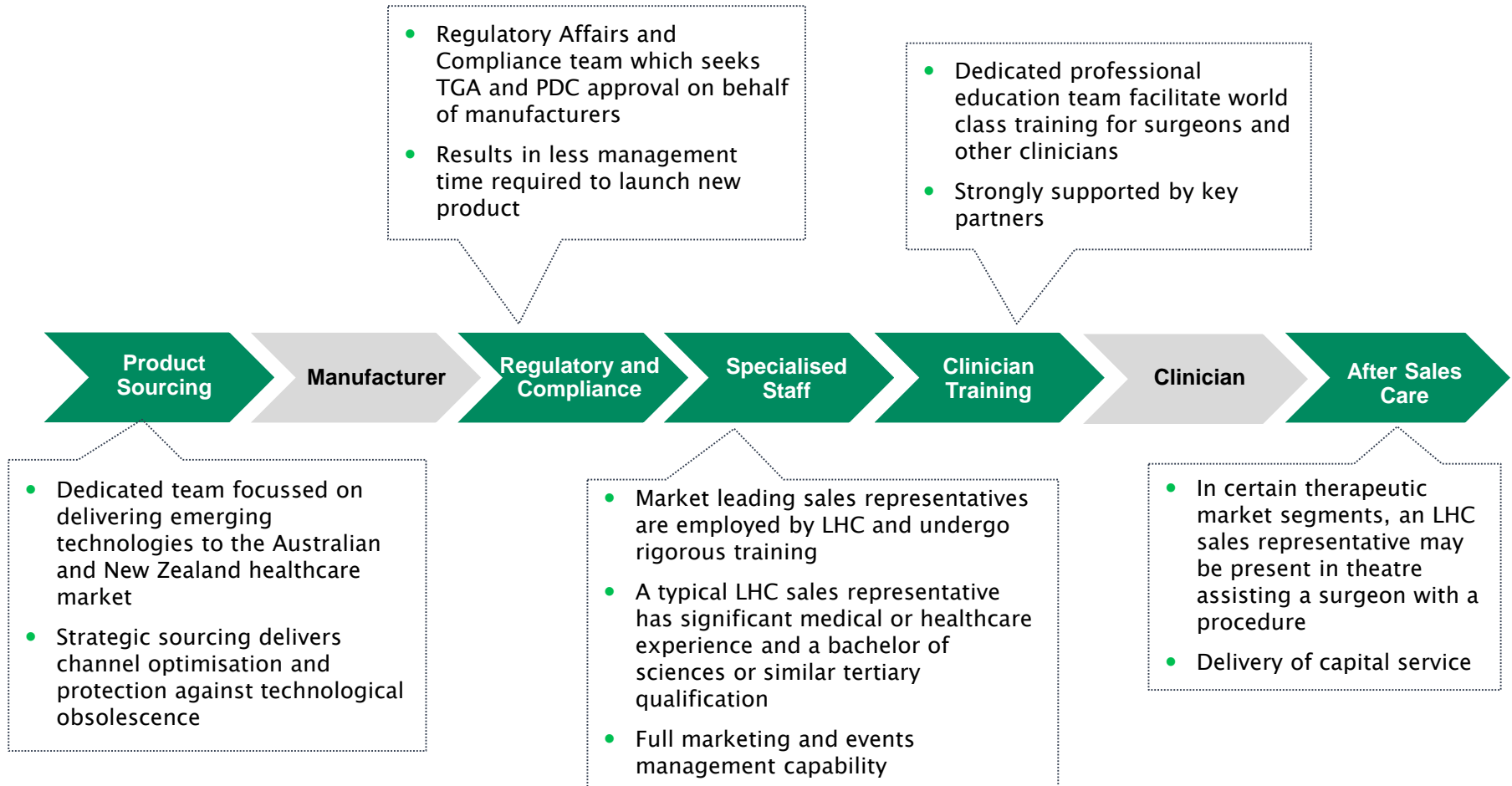
- ✓ Founded in 2006 from an integration of a number of long standing businesses, LHC has grown to be one of the leading independent medical device companies in ANZ with over 180 employees, including sales representatives covering all states of Australia and New Zealand
- ✓ LHC focuses on specialty clinical channels and products such as Spine, Neurosurgery, Orthopaedics, Ultrasound and Coronary Intervention
- ✓ Business model focused on global sourcing and provision of local solutions
- ✓ Full service offering providing tailored solutions for customers including one-to-one surgeon training, clinician training, tailored professional education services, product development and after sales care
- ✓ Strong market presence, top 3 market share position in core channels in which LHC is present



Note: 1 Proforma EBITDA excluding non recurring transaction costs

Full Service Integrated Business Model

LHC provides a full service offering delivering tailored solutions for customers within the Australian and New Zealand healthcare market



Competitive Advantage

LHC's competitive advantage is generated through its' high degree of market orientation and compelling value proposition



Value Proposition

- Scale of a multinational without being constrained by a single foreign parent company
- Rapid access to innovation
- Global reach, local tailored solutions, best in class products
- Local ownership means you can always reach the decision makers
- Focused on the needs of only Australian and New Zealand customers
- We act with speed and conviction

Therapeutic Channels

	Spine/Neuro	Cardiology	Orthopaedics	Regenerative Biologics	New Channel(s)
Strategic Objective	Market Penetration	Market Penetration / Portfolio Development	Portfolio Development	Diversification	Diversification
Growth Strategy	<ul style="list-style-type: none"> Continued focus on new surgeon expansion Penetrate MIS segment Strengthen spine capital enablers (Robotics) Optimise procedural revenue with Biologics portfolio development 	<ul style="list-style-type: none"> Maintain #1 in Cardiac Ultrasound Expand POC Ultrasound applications in sub-specialities Convert competitor FFR share with Volcano IFR Broaden PCI portfolio 	<ul style="list-style-type: none"> Penetrate Complex Revision segment Broaden Complex portfolio Enter new segments (Extremities, Sports, Primary Joint) Explore acquisition opportunities to extend footprint 	<ul style="list-style-type: none"> Build Biologics expertise in Sales & Marketing Penetrate existing adjacent segments (Spine, Ortho, Lapro) Develop Plastics and Wound Healing Market Identify advanced regenerative technologies 	<ul style="list-style-type: none"> Identify acquisition targets in attractive segments Make strategic investments in technology & channel infrastructure Implement LHC model to enhance growth
Internal Drivers	People and Culture Market Orientation Operating Effectiveness				

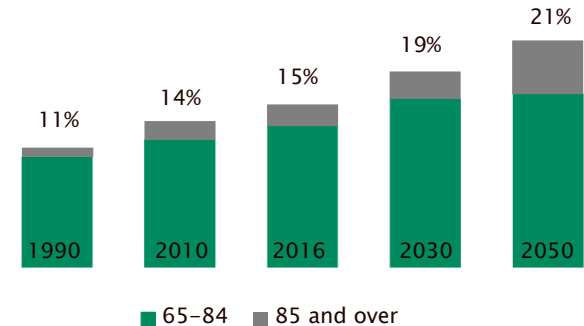
Strong Fundamentals and Capability

Industry fundamentals remain strong and the company continues to experience strong margins and stable EBITDA

- Demand for healthcare continues to be strong and driven by an ageing population, emerging technology and rising rate of chronic disease
- Innovation mandate, including the National Health & Medical Research Council Funding and Innovation & Science Australia Bio Medical Fund, will drive medical research and development in Australia
- Balanced revenue stream across capital, implantable and non implantable technology
- Sustainable strong margins and value created via sales infrastructure and strategic assets coupled with stable EBITDA
- Well positioned for growth in existing and new therapeutic channels
 - Regenerative Biologics progressing well with NZ launch of RTI in April

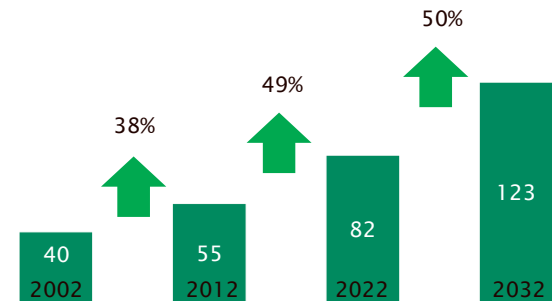


Australian population aged over 65 (%)



Source: Australian Bureau of Statistics (latest projection data as at 2012)

Australian Healthcare Spend on Chronic Disease (\$bn)



Source: Australian Institute of Health and Wellbeing (www.aihw.gov.au)
Note: Total healthcare expenditure in 2032 of \$246bn of which chronic illnesses included in the chart above amount to \$123bn. The chronic illnesses included are: cardiovascular, respiratory, dental, neurological, cancer, endocrine & nutritional, diabetes

Private Health Insurance Review

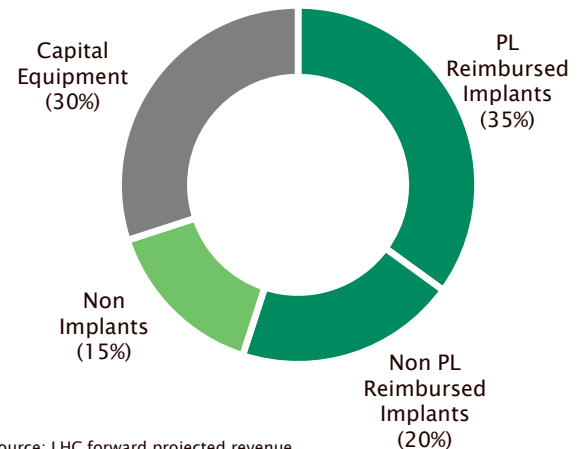
Current government has indicated it will provide \$2.2m funding towards private sector prosthesis reform with no anticipated impact to the Prosthesis List in 2016

- Industry Working Group on Prosthesis Reform (“IWG”) established to deliver competitive pricing of devices, whilst ensuring patient access to technology
- Request for information from the IWG suggests an initial focus on five prosthesis categories of Cardiac Rhythm Management, Intra-ocular Lenses, Primary Knee Replacement, Primary Hip Replacement and Cardiac Stents
- Budget released in May indicated the government will provide \$2.2m over three years from July 2016 to establish the Private Health Sector Reform Committee and expand PLAC to further develop prosthesis reform
- Announced no cut in August 2016 Prosthesis List (“PL”) however expect cuts in initial focus areas to take place in either February or August 2017 PL

Implications for LHC

- Approximately 65% of revenue is via competitive procurement with remaining 35% of revenue derived from the PL across Spine, Orthopaedics, Neurosurgery, Biologics and Bariatric devices
- Analysis of LHC pricing for all PL products indicates a 4% variation between private and public markets on a weighted average basis
- LHC does not currently compete in Cardiac Rhythm Management, Intraocular Lenses or Primary Knee Replacement and does not supply Primary Hip Replacement or Cardiac Stents on a material basis

LHC revenue breakdown (%)



Source: LHC forward projected revenue

Outlook

LHC anticipates full year revenue will be in the range of \$113m to \$116m with EBITDA margins remaining consistent with historical performance

- LHC has been successful in securing key capital equipment tenders through Q3 FY16
- Everest XT launch and improved contribution from the top 15 surgeons has driven modest organic growth in implants however surgical volumes remain soft
- Margins remain stable through ongoing management of product mix and procurement strategies
- Improved EBITDA quality as a result of stable expense profile and leveraging investments in people and working capital across the full year
- Cash positive for H2 FY16 with improved working capital ratios



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