



Healthia Limited  
ACN 626 087 223

A photograph of a male runner in a blue shirt and black shorts running up a grassy hill. The runner is seen from behind, with his right leg forward and arms pumping. The background is a clear blue sky. A large, semi-transparent teal cross graphic is overlaid on the right side of the image, partially obscuring the runner and the sky.

**Investor Presentation  
Half-year ended 31 December 2020  
(H121)**



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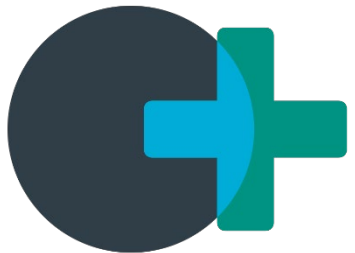
## Appendices

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## 1. H121 Highlights





# H121 Key Highlights

## Revenue



**\$61.5m**

+39% vs H120  
14.5% organic growth

## Underlying EBITDA<sup>1,2</sup>



**\$11.0m**

+91% vs H120

## Underlying NPATA<sup>1,3</sup>



**\$4.7m**

+86% vs H120

## Underlying EPS<sup>1,2</sup>



**6.86cps**

+78% vs H120

## Capital deployed



**\$59.9m**

## Dividend



2 cents per share  
fully-franked & fully  
underwritten

## Clinics



**207**

+55 clinics vs H120

## Finance Facility



**+\$20.0m**

Increase from \$50m  
to \$70m with banks

## Clinician Retention Rate



**92%**

Up from 85% in FY20

<sup>1</sup> Underlying profit reflects statutory profit as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity, in accordance with AICD/Finsia principles of recording underlying profit. Underlying profit has not been audited or reviewed.

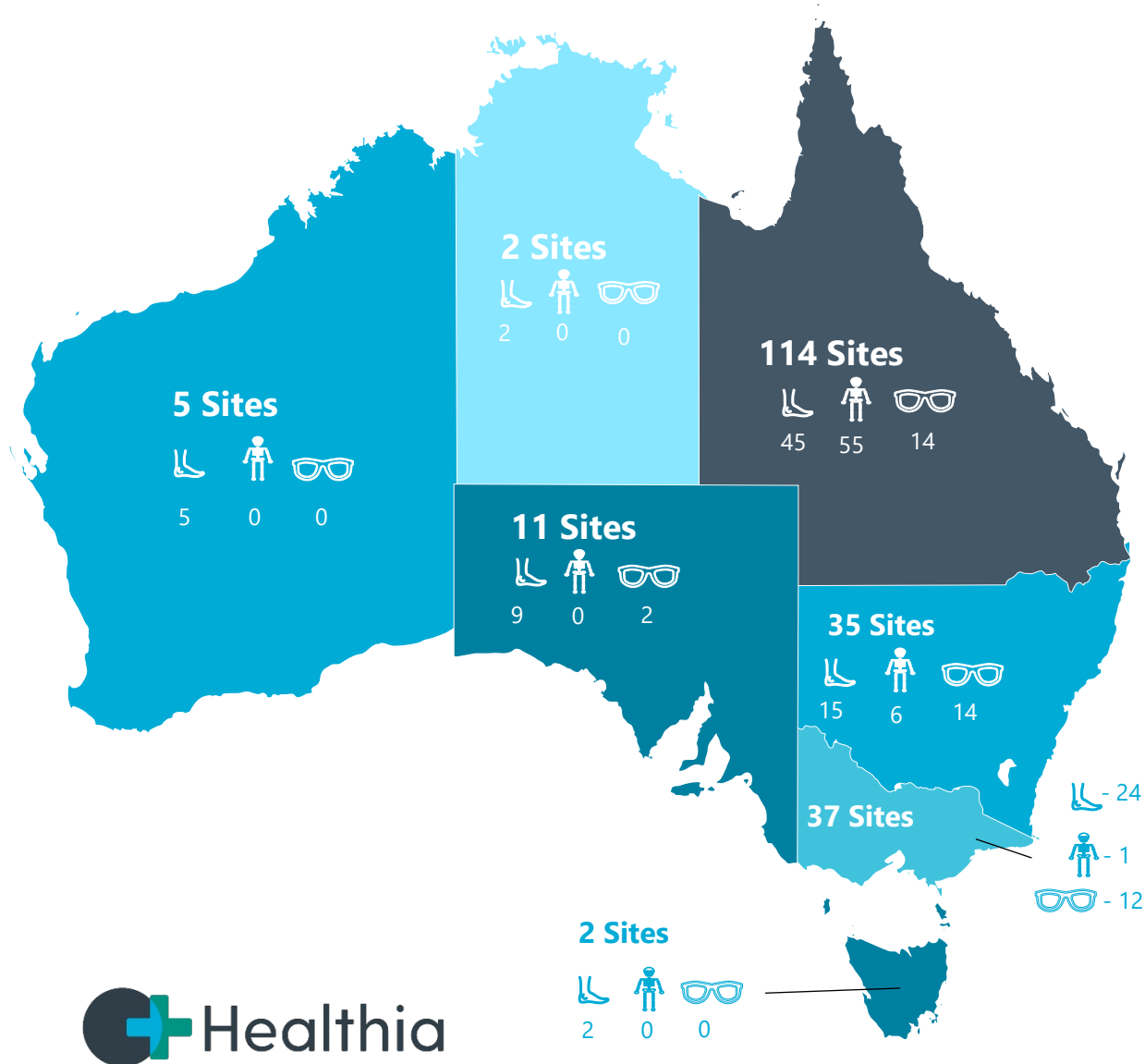
<sup>2</sup> EBITDA means Earnings Before Interest Tax Depreciation and Amortization, and removes impact of AASB16

<sup>3</sup> NPATA means net profit after tax plus amortization

<sup>4</sup> Underlying EPS or earnings per share is calculated as NPATA attributable to the owners of Healthia Limited divided by the weighted average number of ordinary shares on issue for the period (H121: 69,151,735).



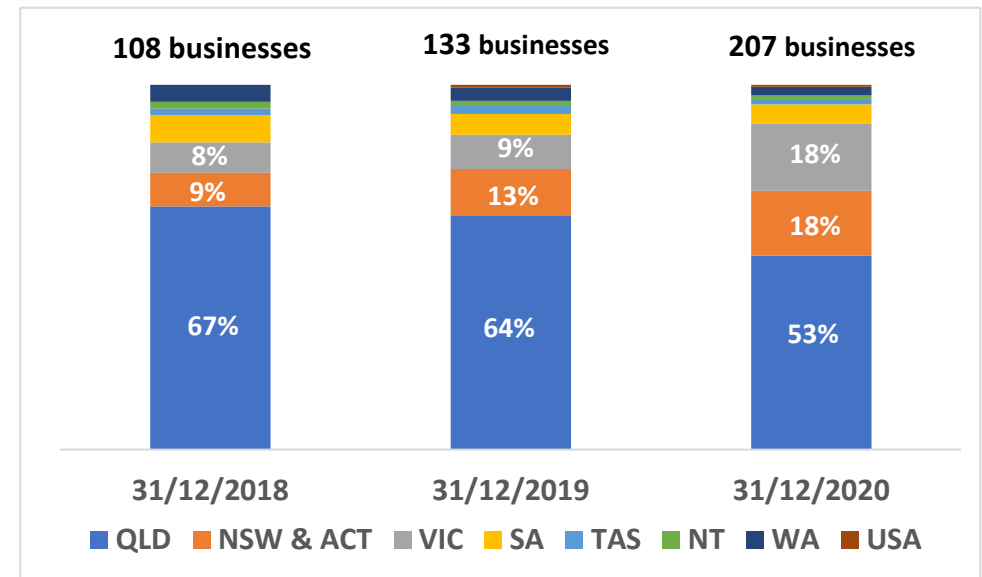
# H121 Portfolio Highlights



## Healthia Businesses Owned as at 31/12/2020

	Feet & Ankles	Bodies & Minds	Eyes & Ears	Total	%
	Businesses	Businesses	Businesses	Businesses	
Queensland	45	55	14	114	55.1%
New South Wales & ACT	15	6	14	35	16.9%
Victoria	24	1	12	37	17.9%
Tasmania	2	-	-	2	1.0%
South Australia	9	-	2	11	5.3%
Western Australia	5	-	-	5	2.4%
Northern Territory	2	-	-	2	1.0%
United States of America	1	-	-	1	0.5%
Total at 31/12/20	103	62	42	207	100.0%
% of Total	50%	30%	20%	100%	

## Geographic Split of Businesses Owned from 31/12/2018 to 31/12/2020

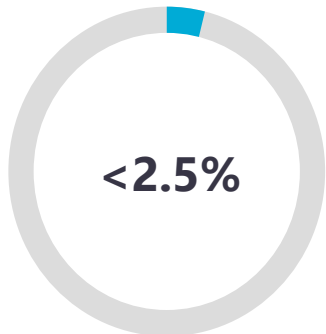




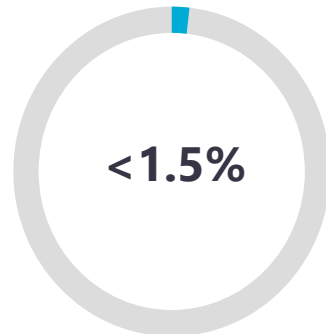
# H121 Increase in Addressable Market

The addition of a third operating segment (Eyes & Ears) has seen an increase in addressable industry revenue of +50%

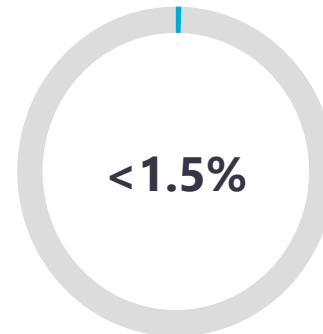
FEET & ANKLES



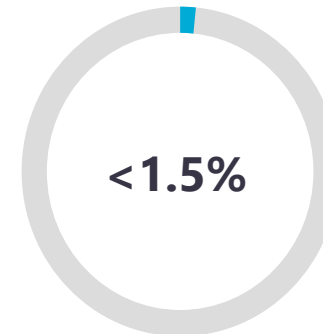
BODIES & MINDS



EYES & EARS



TOTAL ADDRESSABLE REVENUE

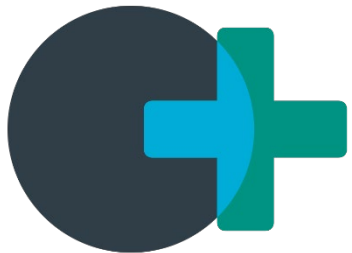


Significant headroom for growth with circa 1.5% share of total addressable industry revenue

Notes: (1) Australian Podiatry Industry Revenue of \$864m (Source: IBISWorld Industry Report Q8539 dated December 2016) + Insole United States Industry Revenue of \$1.8bn (Source: Transparency Market Research, "Foot Orthotic Insoles Market - Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2018-2026"). (2) Australian Physiotherapy Industry Revenue of \$2.5bn (Source: IBISWorld Industry Report Q8533 dated September 2020) + Other Allied Health Services in Australia Industry Revenue of \$1.3bn (Source: IBISWorld AU Industry (ANZSIC) Report Q8533 dated September 2020) (3) Australian Optometry Industry Revenue of \$2.2bn which is equal to the industry revenue of \$3.8bn less the market share held by Luxottica and Specsavers (Source: IBISWorld Industry Report Q8532 dated February 2020) + Audiology AUD Industry Revenue of \$1.1bn (Source: IBISWorld Industry Report Q8539 dated December 2016) (4) Total addressable revenue has only been included for industries where information was available or reliable. Addressable industries revenue excludes address industry revenue from Australian insole market, Australian allied health wholesale supplies, Australian optical eyewear supplies and Australian retail footwear.



## 2. H121 Financial Performance





# Underlying Performance

## Healthia Limited – Underlying H121 performance compared to Underlying H120 performance

*This table has not been audited/reviewed*

	31/12/2020 \$'000's	31/12/2019 \$'000's	Change \$	Change %
	Underlying <sup>2</sup>	Underlying <sup>2</sup>		
Revenue <sup>1</sup>	61,475	44,264	17,211	38.9%
Underlying EBITDA <sup>3,4</sup> (removing impact of AASB16)	10,983	5,760	5,223	90.7%
Underlying net profit before income tax expense	8,928	3,354	5,574	166.2%
Underlying net profit after income tax expense	5,863	2,880	2,983	103.6%
Amortisation expense	387	282	105	37.2%
Underlying NPATA <sup>5</sup>	6,250	3,162	3,088	97.7%
Non-controlling interest (NCI)	1,741	733	1,008	137.5%
Net post-tax P&L impact of AASB16 adoption <sup>6</sup>	237	130	107	82.3%
<b>Underlying NPATA attributable to the owners of Healthia Limited (removing impact of AASB16)<sup>5</sup></b>	<b>4,746</b>	<b>2,559</b>	<b>2,187</b>	<b>85.5%</b>
Underlying EBITDA margin (removing impact of AASB16) <sup>3,4</sup>	17.87%	13.01%	4.86%	486 bps
Underlying NPATA margin (removing impact AASB16) <sup>5</sup>	7.72%	5.78%	1.94%	194 bps
Underlying Basic EPS (cents, removing impact AASB16) <sup>7</sup>	6.86	3.85	3.01	78.2%
NCI / Underlying NPATA <sup>8</sup>	27.86%	23.18%	4.68%	468 bps

1. Revenue (underlying) excludes non-recurring incomes, i.e. Government Grants (\$7,606,000) and Interest (\$4,000).

2. Underlying profit reflects statutory profit as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity, in accordance with AICD/Finsia principles of recording underlying profit. Underlying profit has not been audited or reviewed

3. Underlying EBITDA is a non-IFRS measure and equals earnings before interest, tax, depreciation and amortisation.

4. Underlying EBITDA has been adjusted for the impacts of AASB16. Lease payments of \$4.64m have been included to provide users with a like for like comparison to H120.

5. Underlying NPATA is a non-IFRS measure and equals net profit after income tax expense plus amortisation of customer list intangibles.

6. The net post-tax P&L impact of the new leasing standard, AASB16, has been added back to NPATA to provide users with a like for like comparison to H120. The pre-tax impact of AASB 16 'Leases' in the current period is comprised of the following: occupancy costs decreased by \$4.64M, depreciation expense increased by \$4.13M, and finance costs increased by \$0.84M.

7. Underlying EPS or earnings per share is calculated as NPATA attributable to the owners of Healthia Limited divided by the weighted average number of ordinary shares on issue for the period (H121: 69,151,735, H120: 63,034,653).

8. Non-Controlling Interest (\$1,741,000) divided by Underlying NPATA (\$6,250,000).

Underlying H121 revenue of \$61.48 million, representing growth of 39% over the period ended 31 December 2020 (H120)

The increase in Underlying EBITDA is primarily driven by the 55 acquired allied health businesses during the period compared to the timing of acquisitions made during the prior period and the 14.5% organic revenue growth achieved. H121 results include 1 month of TOC ownership

Underlying H121 EBITDA (removing the impact of AASB16) of \$10.98 million, representing growth of 91% over H120

Underlying H121 NPATA of \$4.75 million, representing growth of 86% over H120

Underlying H121 Basic EPS of 6.86 cents per share, representing growth of 78% over H120

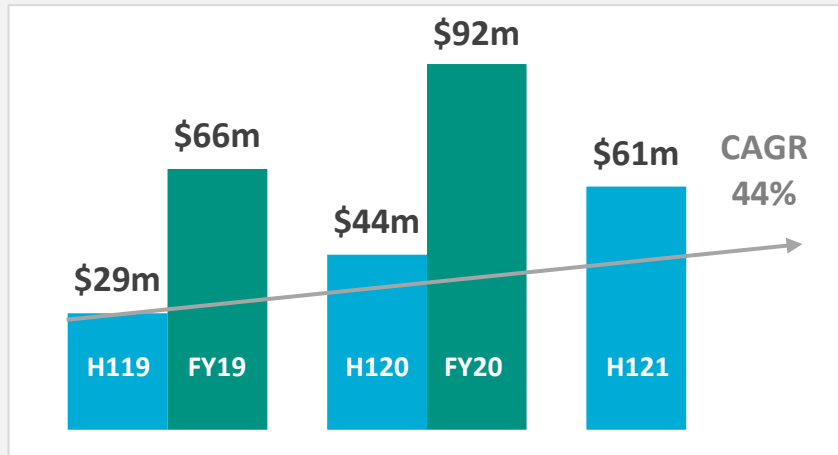
Fully franked interim dividend of 2.00 cent per share. A fully underwritten Dividend Reinvestment Plan has been put in place to preserve cash reserves

**Note that a reconciliation from Underlying to Statutory Performance is detailed in slide 16.**

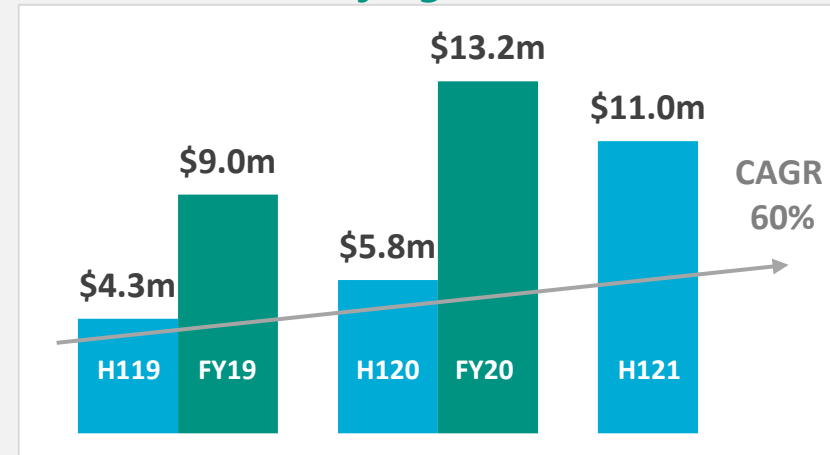


# Growth Trajectory

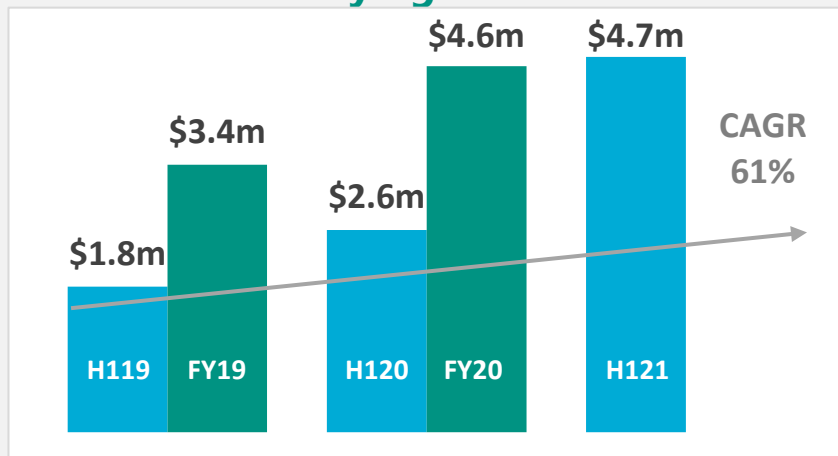
## Revenue



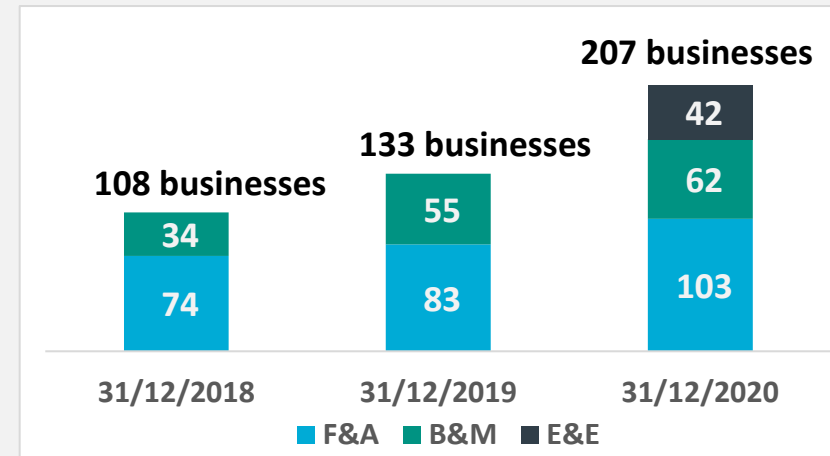
## Underlying EBITDA<sup>1,2</sup>



## Underlying NPATA<sup>1,3</sup>



## Businesses owned<sup>4</sup>



<sup>1</sup> Underlying profit reflects statutory profit as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity, in accordance with AICD/Finsia principles of recording underlying profit. Underlying profit has not been audited or reviewed.

<sup>2</sup> EBITDA means Earnings Before Interest Tax Depreciation and Amortization, and removes impact of AASB16

<sup>3</sup> NPATA means net profit after tax plus amortization

<sup>4</sup> F&A refers to the Feet and Ankles division. B&M refers to the Bodies and Minds division. E&E refers to the Eyes and Ears division.



# H121 Cash Flow Highlights

## Underlying cash flow conversion for period ended 31 December 2020

*This table has not been audited / reviewed*

	31/12/2020	31/12/2019
	\$'000's	\$'000's
Underlying EBITDA <sup>1,2</sup>	10,983	5,760
Changes in working capital	(776)	760
Underlying Operating Cash Flows (pre-tax, ungeared) <sup>3</sup>	11,759	5,000
Conversion (%)	107.1%	86.8%

1. Underlying profit reflects statutory profit as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the consolidated entity, in accordance with AICD/Finsia principles of recording underlying profit. Underlying profit has not been audited or reviewed.

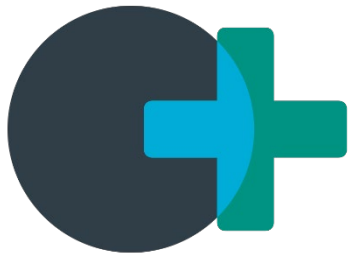
2. Underlying EBITDA excludes the impact from the adoption of AASB16 on lease payments of \$4.64M.

3. Underlying operating cash flows (pre-tax, ungeared) reflects statutory operating cash flows less lease payments of \$4.64M, less government grants of \$10.79M, add finance costs of \$1.57M, add tax of \$2.17M, add acquisition and integration costs of \$2.21M, add JobKeeper top-up & COVID-19 related wage expenses of \$2.02M and add one-off bad debt expense of \$0.1M.

Strong underlying cash flow to underlying EBITDA (removing the impact of AASB 16) conversion of 107.1% during the period (H120: 86.8%).



### 3. FY21 Outlook







# Outlook

Healthia will continue to focus on its **4-tiered strategy** being:

1. patient focused outcomes;
2. organic growth;
3. future accretive acquisitions; and
4. vertically integrated businesses units.

The success of Healthia's business is the result of putting its people first. Healthia will continue to provide its clinicians with industry leading education, tools and support to continue to drive strong performance into the future.

The development of the **64 new graduate health professionals** which commenced in early 2021, comprising 27 physiotherapy graduates, 14 podiatry graduates, 10 occupational therapist graduates, 5 exercise physiologist graduates, 4 optometry graduates, 3 speech pathologists and 1 dietitian. These graduates will support the groups continued organic growth

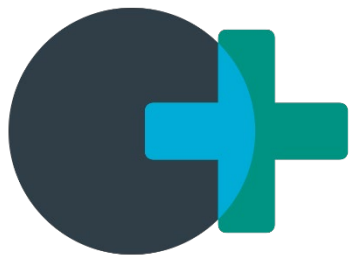
The continued integration of recently acquired The Optical Company remains a focus of the Consolidated Entity for the remainder of the financial year.

Healthia will focus on continuing to build on the momentum created from organic growth activities, including further enhancing the centralized support to clinical teams, finding additional opportunities to co-locate services and introduce new services into existing locations, and work on new ways to engage its teams.

We expect to deploy a minimum of **\$20m of capital** for the acquisition of new allied health businesses over the next 12 months, utilising a combination of the undrawn debt amount, operating cash flow and clinic class shares to fund this acquisition growth.

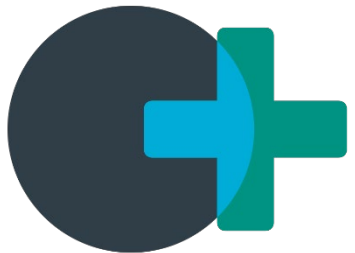


# Appendices





## A. Business Overview





# Vision & Structure

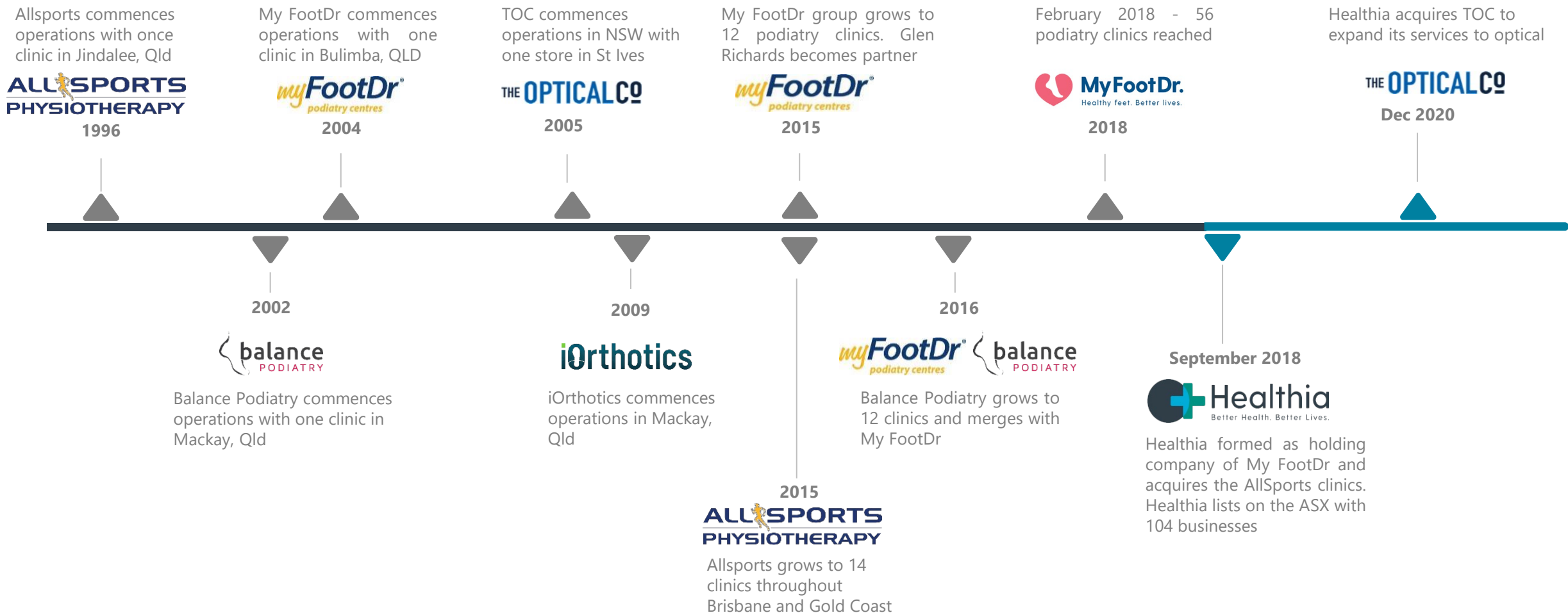
Healthia's vision is to be Australia's leading diversified healthcare provider





# History of Healthia

Group of established & reputable allied health clinics which have operated over a long period of time





# Healthia's Model

Healthia has developed a clinically focused growth model which aims to drive organic growth and clinician retention.



## Experienced Team

- Businesses led by founding clinicians
- Founding clinicians supported by experienced board and senior management team
- Board and Senior Management team have over 100 years of collective experience in running multi-location health practices



## Organic Growth

- Patient focused
- Clinician Retention Program
- Clinician Education Programs
- Clinical Advisory Committees
- Centralised support including benchmarking and coaching
- Centralised web based practice software system (Nookal & Optomate)
- Targeted marketing and patient retention strategies
- Cross referrals and patient engagement strategies
- Introduction of additional services



## Roll Out

- New multidiscipline allied health clinics and/or professional service and footwear retail clinics
- Each new clinic to be supported by demographic studies, prepared by an independent third party



## Vertical Integration

- Healthia owns and operates two Orthotics Laboratory (iOrthotics), an Allied Health Supplies Business (DBS Medical) and a wholesale eyewear frame distribution business (AED)
- Margin improvement from vertically integrated model
- Centralised ordering of clinical consumables, orthotic manufacturing and eyewear frames



## New Acquisitions

- Acquisition growth driven by the fragmented nature of targeted allied health industries
- Attractive acquisition multiples ranging between 3 to 4.5 times EBITDA (pre-AASB16)



# Acquisitions

Healthia deployed capital of \$59.9m during the H121 period

Due to the +51% increase in addressable industry revenue, Healthia has revised its target of deployed capital on new acquisitions from >\$15.0m to >\$20.0m, utilising the current finance facility headroom (\$24.3m undrawn of \$70.0m facility), strong operating cash flows, deferred vendor payments and clinic class shares.

## Summary of acquisitions settled between 1 July 2020 and 31 December 2020

	Revenue	EBITDA <sup>1,2</sup>	Cash	Clinic Class Shares <sup>3</sup>	Consideration		Total Consideration	EBITDA <sup>1,2</sup> Multiple* (before group support costs)
	\$'000's	\$'000's	\$'000's		Ordinary Shares <sup>3</sup>	Contingent Consideration	\$'000's	
Feet & Ankles	6,288	947	2,990	0	1,322	1,350	5,661	6.0x
Bodies & Minds	7,379	1,390	4,802	990	0	203	5,994	4.3x
Eyes & Ears	35,810	5,690	32,449	0	12,732	3,075	48,256	8.5x
Total	49,477	8,028	40,240	990	14,053	4,628	59,911	7.5x

In addition to the above, Healthia has:

- Settled the acquisition of an additional 3 physiotherapy clinics in South Australia on 4 February 2021. Consideration for the acquisition was \$1.427 million including \$1.142 million in cash consideration and \$0.285 million in Clinic Class Share consideration. These clinics are expected to contribute annualised Revenue and EBITDA of \$2.528 million and \$0.435 million respectively
- Signed a binding agreement reached to acquire an additional physiotherapy clinic in Victoria with customary conditions precedent. Consideration for the acquisition is \$1.542 million including \$1.234 million in cash consideration and \$0.308 million in Clinic Class Share consideration. The acquisition is expected to contribute annualised Revenue and EBITDA of \$1.76 million and \$0.32 million respectively and is expected to settle before 31 March 2021.

<sup>1</sup> Revenue and EBITDA numbers are based on a historical 12 months of trading, normalised in accordance with Healthia's acquisition and accounting policies, removing the impacts of AASB16.

<sup>2</sup> EBITDA means Earnings before Interest, Tax, Depreciation and Amortisation, removing the impacts of AASB16. EBITDA excludes the impact of minority interests which continue to be owned by Clinic Class Shareholders.

<sup>3</sup> Clinic Class Shares are non-voting shares issuable by certain subsidiaries of Healthia Limited. These shares enable the holder to participate in dividends declared, calculated on the performance of the clinic in which the Clinic Class Shares are issued. The Clinic Class Shares are designed to create alignment between the interests of clinicians and shareholders.



# Board of Directors

Experienced board members with deep industry expertise in each of Healthia's key operating segments



**GLEN RICHARDS**

**Non-Executive Chair**

Dr Richards has over 29 years of experience in the retail and professional services sectors with extensive operational experience in fast growing companies, especially in health care and allied health sectors. Dr Richards was the founding Managing Director of Greencross Limited and Co-Founder of Mammoth Pet Holdings Pty Ltd, prior to its merger with Greencross Limited in 2014. Glen is currently Chairman of People Infrastructure Ltd, Naturo Technologies and Cardionexus Pty Ltd. Non executive director of Adventure Holdings Pty Ltd and De Motu Cordis Pty Ltd.



**PAUL WILSON**

**Non-Executive Director**

Paul was a co-founder, director and shareholder of Mammoth Pet Holdings Pty Ltd (Pet Barn) prior to the merger with Greencross Limited.

Prior to founding Mammoth, Paul was the Chief Operating Officer of ShopFast, Australia's largest online grocery retailer (sold to Coles in 2003).

Paul has worked in the retail industry for 26 years with roles including, General Manager of Caltex/Boral JV, Vitalgas.



**LISA DALTON**

**Non-Executive Director**

Lisa is an experienced director, senior executive and company secretary with expertise in the healthcare, medical, utilities, manufacturing, childcare, energy, mining and construction sectors.

Lisa has experience in leading teams responsible for strategy, governance, risk management, human resources, communication, stakeholder relations and program management.



**WES COOTE**

**Group Managing Director & Group CEO**

Wesley is the former Chief Financial Officer and Company Secretary of Greencross Ltd. Prior to Greencross, Wesley worked in Chartered Accounting where he provided businesses advice within the health sector, property sector and financial services industry.

Wesley holds a Bachelor of Commerce from the University of Queensland and is a member of the Institute of Chartered Accountants, as well as a member of the Governance Institute of Australia.



**TONY GANTER**

**Chief Business Development & Strategy Officer**

Tony has over 28 years' experience in the management and operation of private physiotherapy and sports medicine clinics and high-performance medical teams in professional sport. He possesses knowledge of the professional, administrative and management skills required to operate physiotherapy and sports medicine centres.

Tony remains active as a treating physiotherapist which enables him to keep in touch with the challenges of both professional health care and clinic ownership.



**DARREN STEWART**

**Executive Director**

Darren is a registered podiatrist and in 2004 co-founded the My FootDr Business with Greg Dower. The two had grown the group to 13 clinics by December 2015.

In 2015, Darren and Greg saw the opportunity to grow their network of Clinics through the acquisition of well-established podiatry clinics. Before merging with Balance Podiatry Group in December 2016, they had grown the network to 19 clinics.

Darren provides strategic leadership and direction to the My FootDr Business.



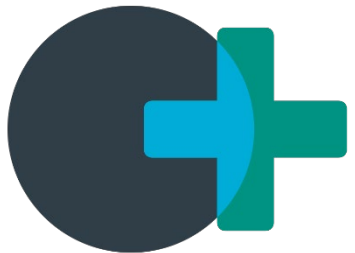
**COLIN KANGISSER**

**CEO – Eyes & Ears Division & Director**

Colin is a registered optometrist with over 30 years' optical experience. He founded, grew and exited multiple retail chains including Optic Express and Kays Optical prior to holding executive leadership positions with the OPSM Group and founding TOC in 2005. Colin will continue as CEO of the Eyes & Ears division and become a Director of Healthia Limited post completion.



## B. Other Financial Information





# Statutory Results

## Healthia Limited - Statutory Financial Performance

	31/12/2020	31/12/2019	Change	Change
	\$'000's	\$'000's	\$'000's	%
Revenue and Other Income	69,085	44,264	24,821	56.1%
Net profit before income tax expense	11,565	1,877	9,688	516.1%
Net profit after income tax expense	7,676	1,403	6,273	447.1%
Non-controlling interest (NCI)	2,766	733	2,033	277.3%
<b>NPAT attributable to the owners of Healthia Limited<sup>1</sup></b>	<b>4,910</b>	<b>670</b>	<b>4,240</b>	<b>632.9%</b>
EPS (cents) <sup>2</sup>	7.10	1.06	6.04	569.8%

1. Net profit after income tax expense, net of Non-Controlling Interest (NCI)

2. EPS or earnings per share is calculated as NPAT attributable to the owners of Healthia Limited divided by the weighted average number of ordinary shares on issue for the period (H121: 69,151,735, H120: 63,034,653).

1. Net profit after income tax expense, net of Non-Controlling Interest (NCI)

2. EPS or earnings per share is calculated as NPAT attributable to the owners of Healthia Limited divided by the weighted average number of ordinary shares on issue for the period (H121: 69,151,735, H120: 63,034,653).

Total income for the period (Revenue plus Other Income), increased by \$24.82m or 56.1%

Both periods have been affected by significant non-recurring income and costs. In particular, JobKeeper income of \$7.61m (H120: \$0) and acquisition and integration costs of \$2.21 million (H120: \$1.311 million) were recorded in H121.



# Reconciliation to Statutory

A reconciliation of Underlying NPATA and Statutory NPAT is presented to the right.

Full reconciliation is presented at Table 4 of the Healthia's Half Year Financial Report

Further commentary on the adjustments can also be found in the Review of Operations section contained within Healthia's Half Year Financial Report.

## Reconciliation of Underlying NPATA to Statutory NPAT

Note This table has not been audited / reviewed

31/12/2020

\$'000's

Underlying NPATA attributable to the owners of Healthia Limited (including adoption of AASB16) <sup>1</sup>	
1	4,746
2	Less: Acquisition & one-off costs (2,209)
3	Less: Share-based payments expense and associated costs (258)
4	Less: Bad debt expense (100)
5	Less: NCI attributed to Jobkeeper (1,025)
6	Less: Net impact of AASB16 (237)
7	Less: Amortisation (387)
	Less: Net tax expense (1,211)
8	Plus: Net income from JobKeeper 5,591
Statutory NPAT attributable to the owners of Healthia Limited	
	4,910

1. Underlying NPATA is a non-IFRS measure and equals net profit after income tax expense plus amortisation of customer list intangibles. Underlying profit reflects statutory profit as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the consolidated entity, in accordance with AICD/Finsia principles of recording underlying profit. Underlying NPATA has not been audited;



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Except for historical information, there may be matters in this publication that are forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainty. Forward-looking statements, which are based on assumptions and estimates and describe the Company's future plans, strategies, and expectations are generally identifiable by the use of the words 'anticipate', 'will', 'believe', 'estimate', 'plan', 'expect', 'intend', 'seek', 'forecast', 'budget' or similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties both general and specific that contribute to the possibility that predictions, forecasts, projections and other forward-looking statements will not occur. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions and prevailing exchange rates and interest rates. Actual performance or events may be materially different from those expressed or implied in those statements.

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[allsportphysio.com.au](http://allsportphysio.com.au)  
[theopticalcompany.com.au](http://theopticalcompany.com.au)



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