

ASX ANNOUNCEMENT

30 January 2023

TRADING UPDATE, UNDERLYING FY23 EBITDA GUIDANCE OF GREATER THAN \$40M RECONFIRMED AND RESIGNATION OF CFO AND JOINT COMPANY SECRETARY

- **H1FY23 EBITDA(u)¹ expected to be \$17.7m to \$18.3m, in line with expectations.**
- **Based on expected H1FY23 performance and January trading, Healthia reconfirms FY23 EBITDA(u) guidance of greater than \$40.0m.**
- **Healthia also advises that Group CFO and Joint Company Secretary Chris Banks has resigned to pursue a CFO opportunity with Fitness & Lifestyle Group. The Board of Directors has commenced a search process for a new CFO and expect to provide an update on or before the release of the final H1FY23 results.**

TRADING UPDATE

Healthia Limited (**Healthia** or the **Company**) today provides an update on financial performance for the 6-month period ended 31 December 2022 (**H1FY23**) based on preliminary and unaudited results.

Further to the trading update provided at Healthia's AGM in November 2022², Healthia is pleased to have delivered strong trading performance over the November and December trading period.

Total sales for H1FY23 are expected to be approximately \$122.5m - \$127.5m, representing 31.7% to 37.1% growth on the prior corresponding period and like for like sales growth of c.5.4%³. Trading month to date in January continues to show positive momentum.

Reported EBITDA(u) for H1FY23 is expected to be in the range of \$17.7m to \$18.3m, representing 45.1% to 50.0% growth on the prior corresponding period, and in line with expectations. As previously disclosed, trading performance for H1FY23 was impacted by the Queen's Memorial Day public holiday and the Healthia Inspired Conference (resulted in c.\$0.96m lost revenue from the public holiday and c.\$0.65m cost for Healthia's biennial conference).

Based on the H1FY23 performance and January trading, Healthia reconfirms its expectation to deliver EBITDA(u) in FY2023 of greater than \$40.0 m⁴. Trading for the 6-month period ended 30 June 2023 (**H2FY23**) is expected to benefit from the recruitment of over 110 (FY22:154) recent graduate clinicians and therapists in February 2023 and continued organic growth.

In addition, Healthia is pleased to confirm it will continue its portfolio expansion through the disciplined acquisition of complementary businesses which support long-term value accretion and expects to deploy a minimum of \$20.0m of capital on acquisitions in FY23⁵ in line with its disclosed target.

Healthia's Group CEO and Managing Director, Wesley Coote, said: *"Trading conditions in H1FY23 have shown the business is moving back toward pre-pandemic levels, with impacts from patient cancellations and staff absenteeism subsiding. We are pleased with the expected underlying H1FY23 performance, particularly over key trading months in November and December. Trading to date in January is pleasing and in line with our expectations, with a strong recovery against last year which was impacted by COVID-19. We are proud of the engagement of our team and business and look forward to continuing to deliver on our organic and acquisition growth, via our 4-3-4 strategies, for the remainder of FY2023."*

Healthia will announce its final H1FY23 audited results to the ASX on or before the 28th of February 2023.

¹ Underlying EBITDA reflects statutory EBITDA 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. EBITDA(u) is presented on a pre-AASB16 basis. Underlying EBITDA has not been audited.

² Previously disclosed unaudited EBITDA(u) for the 5 months period to 30 November 2022 as \$13.4m.

³ Like for like sales growth reflects revenue growth which has been calculated by excluding any closed businesses and businesses not held during the prior period. An adjustment has also been made so that trading days are consistent across the periods.

⁴ Excludes the contribution from any acquisitions that will be completed in FY23.

⁵ \$8.3m of capital deployed year to date relating to the Sunshine Coast Hand Therapy (settled 21 July 2022. \$0.13m EBITDA(u) contribution in H1FY23), Watsonia Physiotherapy (settled 20 October 2022. \$0.07m EBITDA(u) contribution in H1FY23) and Corio Bay Health Group (settled 1 December 2022. \$0.13m EBITDA(u) contribution in H1FY23) acquisitions.

HEALTHIA CFO AND JOINT COMPANY SECRETARY RESIGNATION

Healthia also advises in accordance with ASX Listing Rule 3.16.1 that Chief Financial Officer (**CFO**) and Joint Company Secretary, Chris Banks, has resigned to pursue a CFO opportunity with leading Asia Pacific health and wellness company, Fitness & Lifestyle Group. Chris will continue to support Healthia until completion of the H1FY23 results to ensure a smooth transition.

Healthia's Group CEO and Managing Director, Wesley Coote, thanks Chris for the significant contribution he has made to the Company since its listing on the ASX in 2018.

"On behalf of Healthia's Board of Directors, and everyone at Healthia, I would like to acknowledge and thank Chris for the key role he has played in the growth of the business since its listing and to express our appreciation for the hard work and commitment he has made to Healthia. I would personally like to thank Chris for the support he has provided to me over the past 6 years. The Board and I wish Chris all the very best for the future and in his new role."

The Board of Directors has commenced a search process for a new CFO and expect to provide an update on or before the release of the final H1FY23 results.

Julia Murfitt will remain as Company Secretary and the Company advises, in accordance with Listing Rule 12.6, that Ms Murfitt is now the person responsible for communication with the ASX in relation to ASX Listing Rule matters.

This announcement has been authorised by the Board of Directors.

CONTACT

Investors are encouraged to keep up to date with Healthia news and research by subscribing at:

<https://www.healthia.com.au/join-us/>

If you have any further questions, please contact:

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FORWARD LOOKING STATEMENTS

The forward-looking statements contained in this document are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Healthia Limited, its Directors and management, and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. **You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.** Any such statements, opinions and estimates in this document speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about the market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only.

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