



BGD CORPORATION LIMITED

# AGM PRESENTATION

(TO BE RENAMED ZENITAS HEALTHCARE LIMITED ZNT: ASX)

15 DECEMBER 2016

# Agenda

## **A leader in the rapidly growing Community Healthcare market**

- Company Background
- Investment Highlights
- Vision and Initial Size
- Diversified Funding Sources
- Group Financial Performance
- Debt Facility
- Outlook and Pipeline
- Formal Business
- Q&A

# Company Background

- Born out of Boulder Steel Limited (BGD)
- \$2.5m Initial Capital Raising – December 2014 at 3 cents
- \$4m Capital Raising – December 2015 at 3.9 cents
- Voluntary Suspension from ASX 23 June 2016
- \$30m Capital Raising – December 2016 at 4.2 cents
  - Substantially oversubscribed
  - High quality institutional investor support
  - Three substantial (5%+) investors
  - 1:23.8 Share consolidation to \$1 issue price
- Relisting 30<sup>th</sup> December 2016

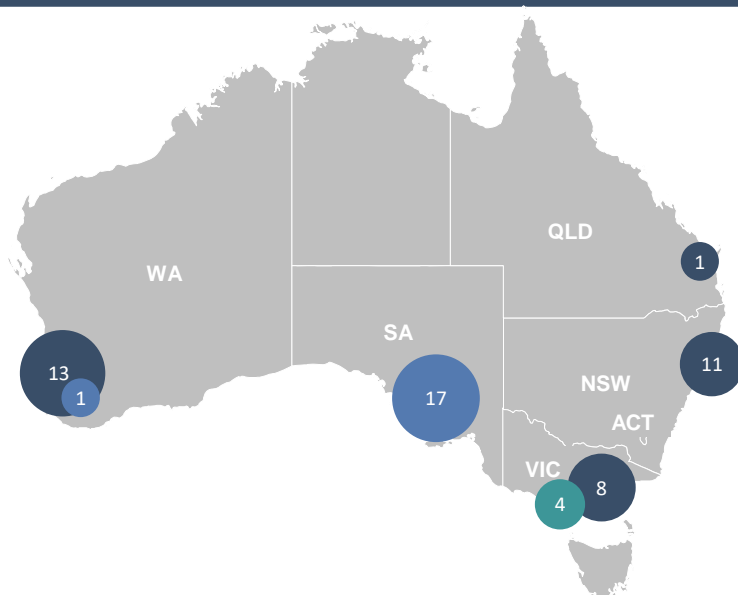
# Investment Highlights

<b>1. High-quality leadership team</b>	<ul style="list-style-type: none"><li>▪ Experience and expertise necessary to deliver strategy &amp; sustainable growth</li></ul>
<b>2. Incentivised clinician structure</b>	<ul style="list-style-type: none"><li>▪ Equity ownership delivering strong alignment with Shareholders</li></ul>
<b>3. Favourable government policy</b>	<ul style="list-style-type: none"><li>▪ Favouring community-based health services vs high cost of acute hospital care</li></ul>
<b>4. Robust demand drivers</b>	<ul style="list-style-type: none"><li>▪ Individual choice, government policy, ageing population and increased incidence of chronic disease</li></ul>
<b>5. Diversified funding</b>	<ul style="list-style-type: none"><li>▪ Diverse funding mix and majority non-government sources</li></ul>
<b>6. Material organic opportunities</b>	<ul style="list-style-type: none"><li>▪ Segment growth of 5.5% – 7.8% augmented by potential for organic growth; further business efficiencies not assumed in forecast period</li></ul>
<b>7. Attractive acquisition opportunities</b>	<ul style="list-style-type: none"><li>▪ Large player in fragmented markets creates opportunities to boost growth at attractive prices</li></ul>
<b>8. Strong funding position</b>	<ul style="list-style-type: none"><li>▪ Material funding capacity to enhance earnings profile</li></ul>
<b>9. Compelling valuation</b>	<ul style="list-style-type: none"><li>▪ Enterprise Value/pro forma consolidated forecast FY17 EBITDA after non-controlling interests of 6.8x</li></ul>

# Zenitas will be a leading Community-based Healthcare Provider

**Zenitas will be a leading listed player in community healthcare providing services across allied health, home care and primary care in the Australian market**

## Initial portfolio<sup>1</sup>



## What do we do?

Community-based care involves the provision of in-home and in health-centre clinic based care solutions to reduce the reliance on high-cost acute and post acute institutional care



### ALLIED HEALTH

Allied Health comprises a diverse range of healthcare professions, including physiotherapists, exercise physiologists, occupational therapy, podiatrists and other health practitioners



### HOME CARE

Home Care comprises consumer directed home and respite community-based care covering disability, aged and 24-hour care services



### PRIMARY CARE

Primary care comprises general practitioner services and lower acuity procedures

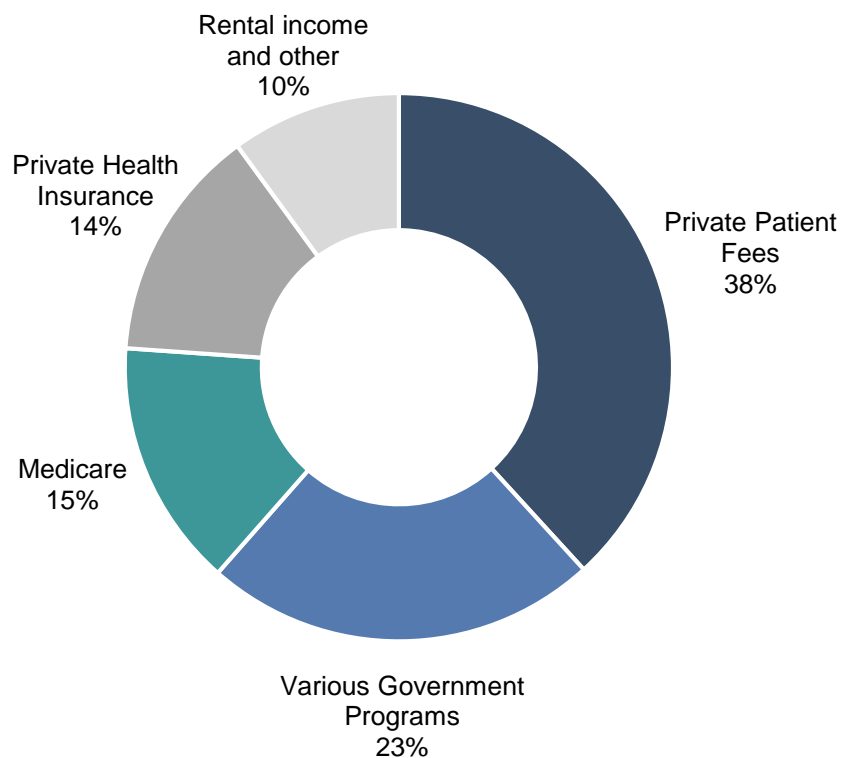
Segment	No. of locations	No. of healthcare professionals
Allied Health	33 <sup>2</sup>	330
Home Care	17 <sup>2</sup>	363
Primary Care	4	67
Total	54	760

Notes: 1. Includes businesses to be acquired as part of the proposed transaction, location and healthcare professional data as at 7 October 2016. 2. The Zenitas Allied Health business currently provides selected home care services in Western Australia.

# Diversified Funding Sources

## Zenitas revenue is predominantly funded from non-Government sources

### Gross revenue by funding source<sup>1</sup>



### Overview

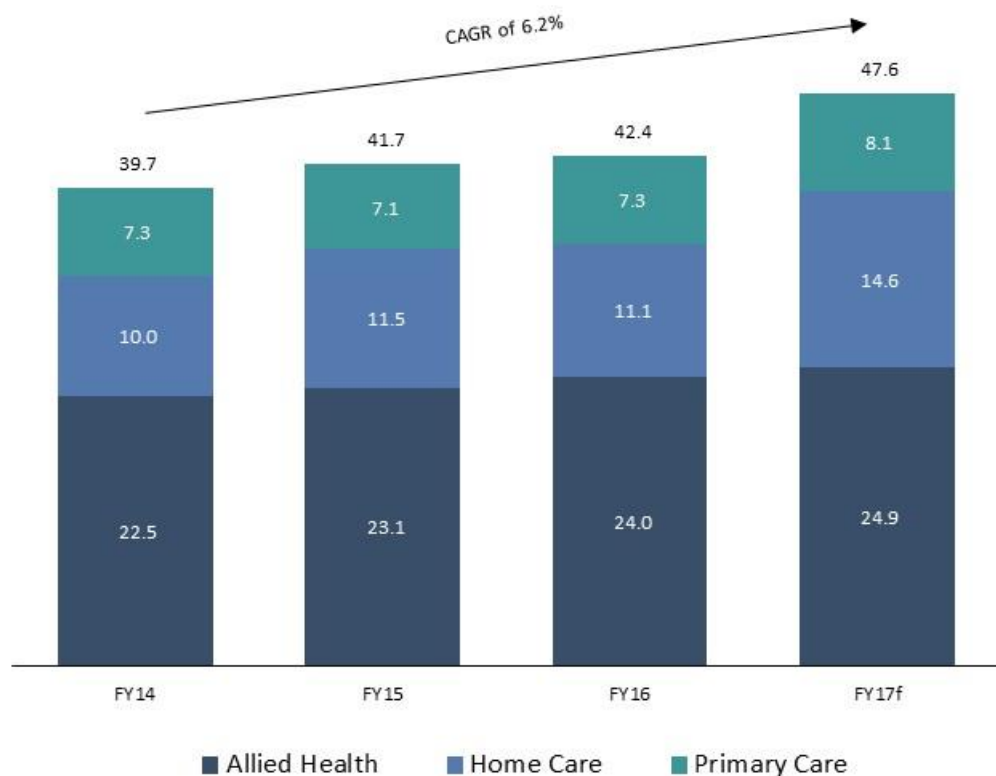
- Current funding mix is diversified between private and public funding sources
- Zenitas revenue is predominantly sourced from non-Government funding
- Funding mix is an important consideration in the healthcare sector

Notes: 1. Revenue represents FY16 and split is considered on a gross basis

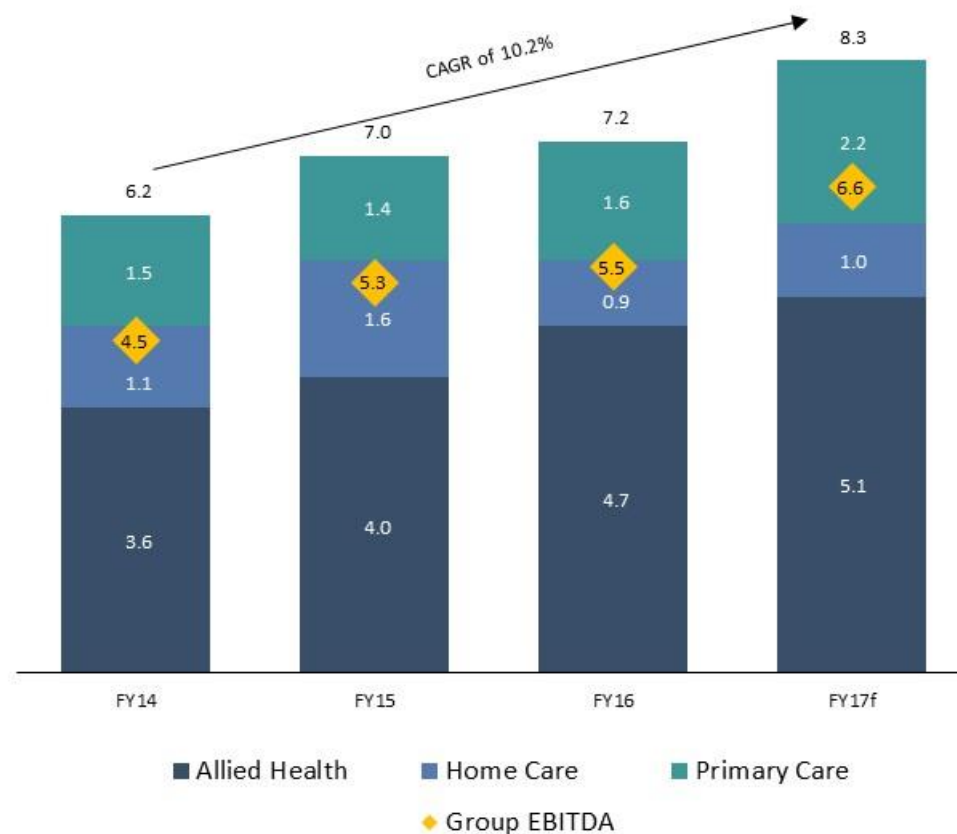
# Group Financial Performance

**Zenitas businesses demonstrate potential for long term revenue and EBITDA growth**

Net revenue<sup>1</sup> (\$m)



Operating EBITDA<sup>2</sup> (\$m)



Notes: 1. Net revenue reflects pro forma revenue net of practitioner fee expense 2. Before corporate costs and before minority interests 3. After corporate costs and before non-controlling interests.

# Debt Facility

- Credit approved facility from Westpac Banking Corporation – Victorian Healthcare Division
- \$16.2m multi level facility
- Primary use is to fund additional acquisitions
- Maintain conservative gearing ratio
  - <2 times Group EBITDA
- Normal Terms and Conditions – expect to execute formal agreements by 23 December 2016



# Outlook and Pipeline

- Historical and new businesses all tracking on or above plans at the end of the October 2016
- Full year pro forma forecast of \$6.6m Group EBITDA is confirmed
- Growth strategy involves developing the cross referral network of the current businesses combined with disciplined acquisitions.
  - To date Zenitas is pleased with the acquisition opportunities that have been identified, with an extensive pipeline of opportunities currently under review
  - Expect next round of key acquisitions to be announced in the latter part of the current financial year