

# ParagonCare

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Australian Securities Exchange  
Company Announcements Office

## ACQUISITION OF SCANMEDICS

### Key Points:

- **Paragon Care to acquire Scanmedics Pty Ltd for \$4.25m**
- **Scanmedics expands Paragon Care's product range into Ultrasound, Newborn Care, Aesthetics and Temperature Management market**
- **The acquisition is strongly EPS accretive**

Paragon Care Ltd (ASX: PGC) today announces it has entered into an agreement to acquire 100% of Scanmedics Pty Ltd for \$4.25m. Scanmedics is a leading provider of solutions to the healthcare sector with expert interest in specialist ultrasound, newborn care, aesthetics and cosmetic medicine in Australia and New Zealand. The acquisition of Scanmedics offers Paragon Care exposure to fast growing specialist healthcare markets and further diversifies the company's product offerings across the healthcare spectrum.

Founded in 1996, Scanmedics have attained an enviable reputation for distributing high quality equipment and offering purpose driven specialised clinical education and technical support to its customer base. Based in Chatswood NSW, Scanmedics has grown strongly over the years where it now employs 22 people and is forecast to generate in excess of \$10m in revenue in FY15. The acquisition price represents an EV/EBITDA multiple of approximately 3.5x.

The acquisition will be predominantly debt funded from Paragon Care's existing bank facilities with Westpac Health. Paragon Care's net debt post acquisition will be approximately \$5m. This represents a comfortable gearing level of 26% (net debt to equity) and Net Debt/EBITDA ratio of 1.25x on an annualised basis.

Commenting on the acquisition, Paragon Care's Managing Director Mr Mark Simari said "I'm very excited about the expansion opportunities Scanmedics brings to the Paragon Care Group. Consistent with our strategy this acquisition expands on our existing product portfolio to strengthen the company's comprehensive full service offering. Scanmedics gives us access to more specialist clinics and expands our geographic footprint into New South Wales which provides a gateway to drive organic growth into Australia's largest healthcare market".

"Both Paragon Care and Scanmedics have a similar relationship based cultures underpinning our businesses and I expect cross selling opportunities of our expanded product range will emerge across our combined customer bases."

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While the Scanmedics brand will be maintained and enhanced, over time both company's back office functions such as accounting and procurement will be integrated onto the one platform offering greater economies of scale and operational efficiencies. Additionally, the vendors, management and staff of Scanmedics will remain in the business post the acquisition.

Completion of the acquisition is expected to occur by the end of September 2014.

More information on Scanmedics can be found at [www.scanmedics.com.au](http://www.scanmedics.com.au).

**Mark Simari**

Managing Director and Company Secretary

***About Paragon Care:***

*Paragon Care Limited (ASX: PGC) has a vision to be 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, LR Instruments and Richards Medical who combined supply durable medical equipment and consumable medical product to hospitals, medical centres and aged care facilities.*

[www.paragoncare.com.au](http://www.paragoncare.com.au)

*For further information please contact Mark Simari, Managing Director (1300 369 559)*