

ASX Announcement

Zenitas Healthcare Limited (ASX: ZNT)

31 May 2018

INVESTOR PRESENTATION – WILSONS RAPID INSIGHTS CONFERENCE

Zenitas Healthcare Limited (ASX:ZNT) (“**Zenitas**” or “**the Company**”) provides a copy of the Investor Presentation to be presented at the Wilsons Rapid Insights Conference today.

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About us

Zenitas is a community-based healthcare operator providing integrated care solutions that are primarily aimed at reducing the reliance on high cost acute and post-acute institutional care. Zenitas’ strategy is to provide a range of allied health, home care and general practitioner services in Australia.

Wilson's Rapid Insights Investor Presentation

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Introduction

- > Zenitas' Vision is to be a leading provider of community-based healthcare services, providing integrated care solutions which are primarily aimed at reducing the high cost of acute hospital care
- > The community healthcare markets in which Zenitas operates have demonstrated strong growth and are supported by favourable macroeconomic conditions
- > Market guidance reaffirmed for FY18 Underlying EBITDA of \$13m - \$13.5m prior to announced acquisitions
- > Recent acquisition announcements significantly diversify Zenitas' revenue and earnings base through geographic coverage and services offered
- > Post announced acquisitions, Zenitas FY18 proforma gross revenue base will be \$170m with EBITDA of \$19.0m¹

1. Post acquisition of Peninsula Sports Medicine Group, Agewell, Orion Services, Padbury Family Practice, Australian Home Care Services and Beleura.

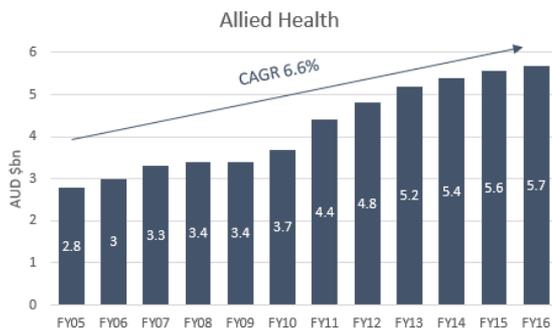
Growing Industry Dynamics

Zenitas operates in the allied health, home care and primary care markets which have demonstrated stable growth over a 10 year period

Allied Health



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

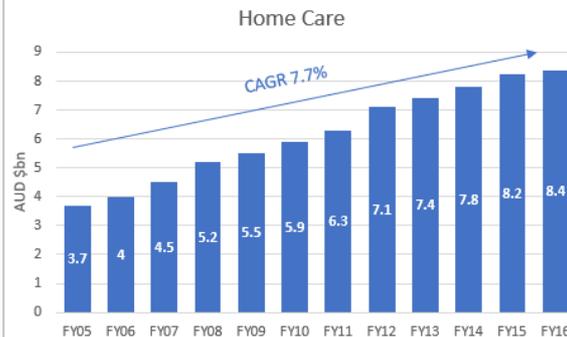


Industry revenue FY2016 - \$5.7bn

Home Care



comprises home and respite community-based care covering disability, aged and 24-hour care services

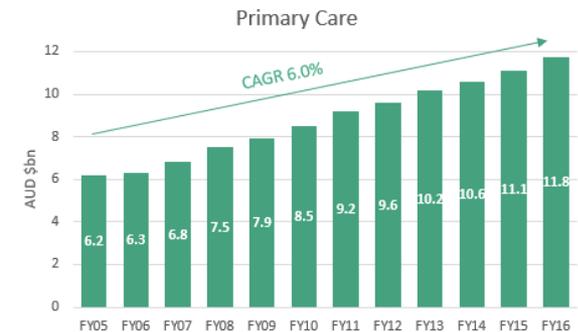


Industry revenue FY2016 - \$8.4bn

Primary Care



comprises general practitioner services and other low acuity type procedures



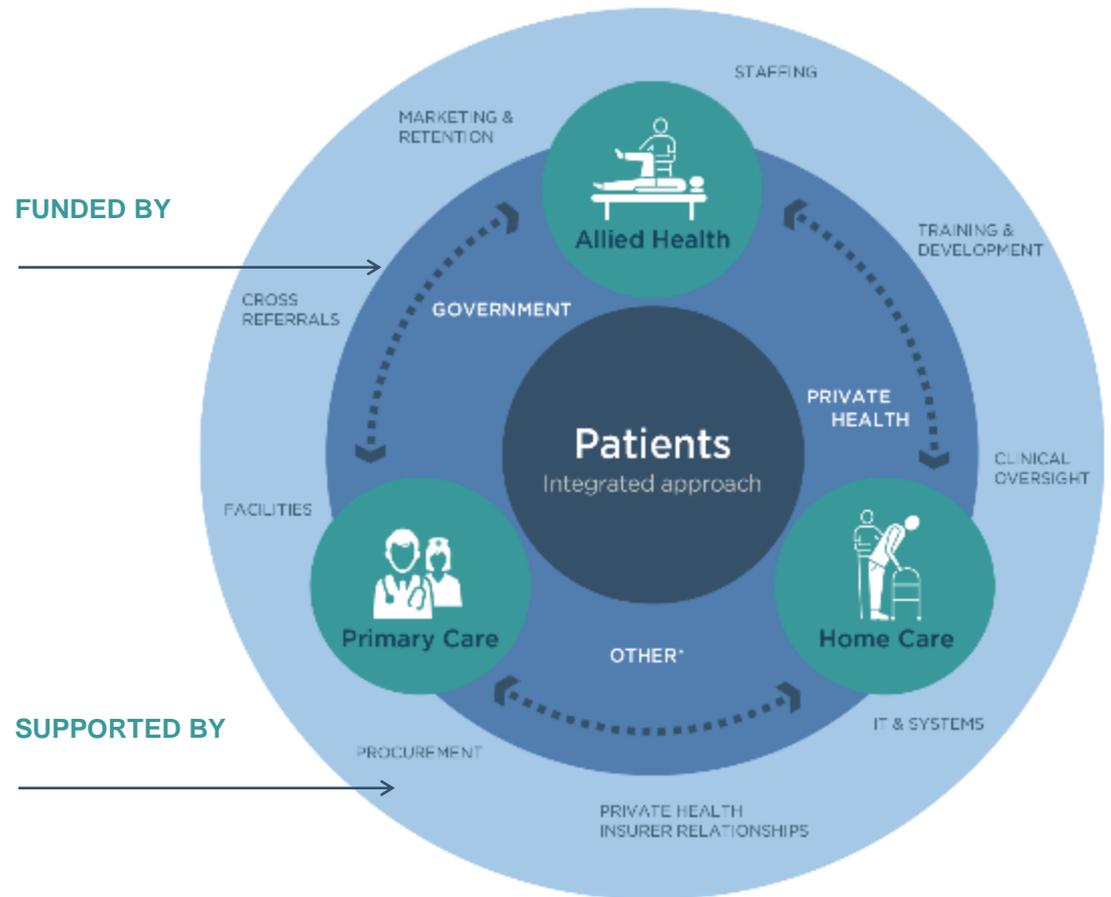
Industry revenue FY2016 - \$11.8bn

Zenitas Vision - To be the leading provider of Community Based Healthcare in Australia

Zenitas Strategy provides a range of community-based health services that provide integrated care solutions which are primarily aimed at reducing the high cost of acute hospital care

Zenitas is executing on its stated strategy by delivering:

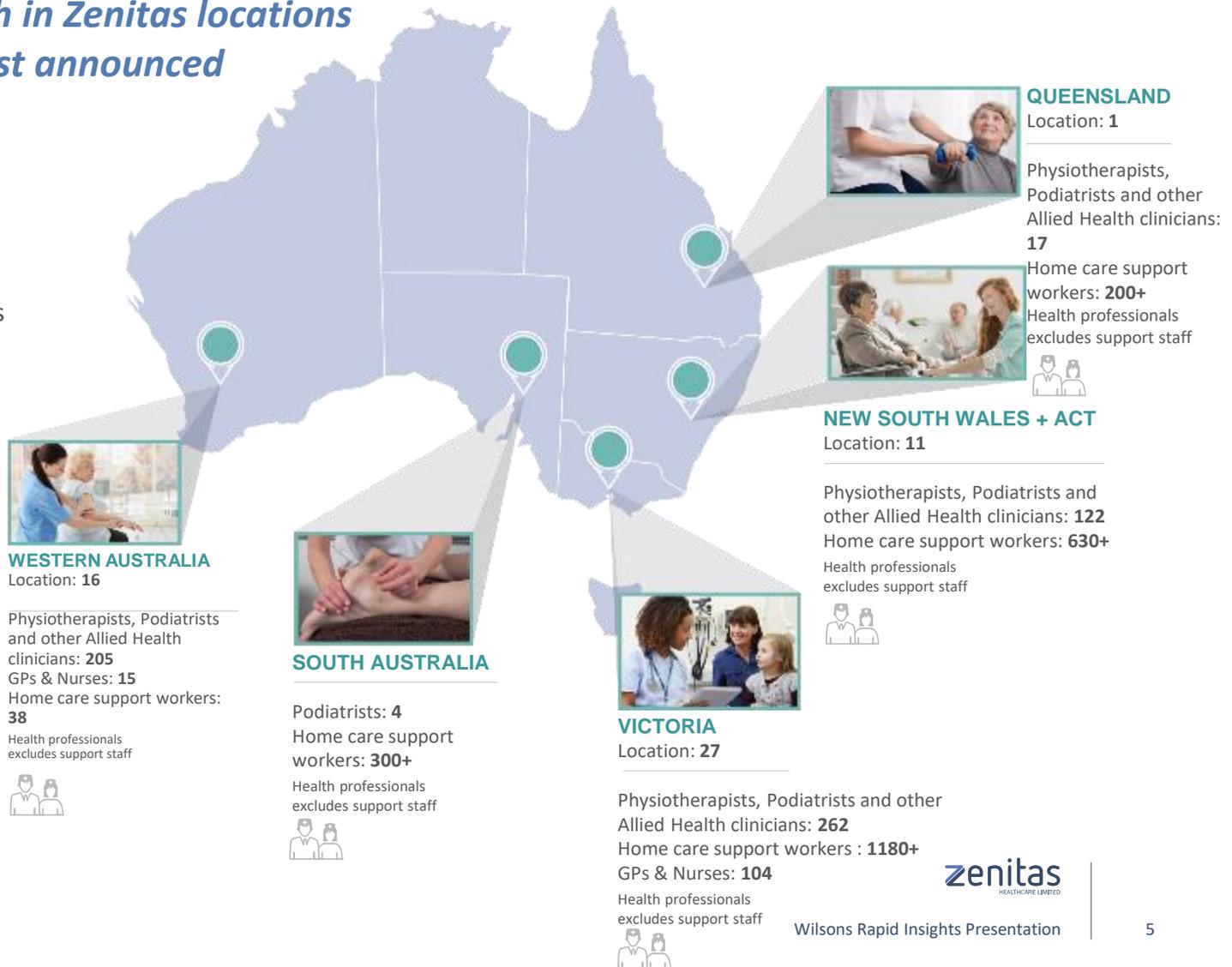
- > Organic Growth of 7.5% for 1H18
- > Strong Pipeline of acquisition opportunities
- > Outstanding performance from recent acquisitions including Nextt and Dimple



Zenitas National Footprint

Significant growth in Zenitas locations and clinicians (post announced acquisitions)

Total:
3000+ Health professionals
350+ Staff
55 Locations



Delivering on Zenitas Strategy

Successful \$30m Capital Raising executed in October 2017

- > Successful \$30m capital raising in October 2017 to fund pipeline of acquisitions
- > Strong support from existing and new investors, with the raising significantly oversubscribed
- > China Medical & Healthcare Group increased its interest to 11% and Dr Jonathan Seah joined the ZNT Board of Directors

Organic Growth of 7.5% from initiatives

- > Zenitas businesses are performing in line with company expectations
- > Marketing initiatives implemented including Search Engine Optimisation and Marketing (SEO/SEM) activities to improve lead generation and patient conversion
- > Increase in cross referrals with ~47% of patient referrals retained YTD
- > Development of mobile health strategy across several modalities including physiotherapy, podiatry and GP services
- > Significant progress in building clinician capability, training and leveraging patient databases
- > Development of local area health campaigns and initiatives eg HMR & CDM
- > Delivery of procurement initiatives and the centralisation, automation and outsourcing of corporate functions

Acquisitions and Integration

- > Dimple business fully integrated within Zenitas and synergies realised
- > Nextt Care integration plan on schedule and business performing well, revenue synergy plans underway
- > Peninsula Sports Medicine Group and Agewell acquisitions completed
- > Orion Services, Padbury Family Practice, Australian Home Care and Beleura acquisitions to be completed in the coming months

Acquisitions Update

- > Zenitas has successfully delivered six quality acquisitions to significantly diversify its geographic coverage and services offered:
 - Incremental proforma EBITDA of \$6.1m
 - Completion of Peninsula Sports Medicine Group (PSMG) and Agewell has occurred
 - Completion of remaining four acquisitions expected in the coming months

- > Zenitas also has a broad pipeline of mid and long term acquisition opportunities and will remain highly discerning, focusing only on pursuing high quality opportunities that meet the company’s strategic and financial criteria, ultimately delivering shareholder value

Target	% acquired	States	Pro Forma Revenue (\$m) ¹	Pro Forma EBITDA (\$m) ¹	Acquisition cost (\$m) ²
Peninsula Sports Medicine Group	80%	Vic	6.4	1.5	6.9
Agewell	100%	NSW	6.1	0.9	4.6
Orion Services	100%	WA	4.5	0.7	3.6
Padbury Family Practice	80%	WA	1.5	0.4	1.8
Australian Home Care	100%	Vic, NSW	38.0 ³	2.0 ³	4.0 ⁴
Beleura	80%	Vic	2.3	0.6	2.4
Total			58.8	6.1	23.3

1. FY17 Pro forma Revenue and EBITDA unless indicated. 2. Before transaction costs and settlement adjustments unless indicated.
 3. FY19 forecast Revenue and EBITDA. 4. Includes transaction costs

2H18 Priorities and Initiatives

Growth and Operational Initiatives

Completion and Integration of Acquisitions	<ul style="list-style-type: none">> Completion of acquisitions identified> Efficient integration within Zenitas> Identification and realisation of revenue and cost synergies> Consolidation of operating platforms
Driving organic growth initiatives	<ul style="list-style-type: none">> Continued focus on cross referral capture and additional services at sites> Consolidation of other modalities within existing locations to increase referrals and utilisation of existing sites> Roll out mobile health strategy across several modalities including physiotherapy, podiatry and GP services> Delivery of marketing strategy across all clinics and locations including SEO/SEM activities, website redesign and brand rationalisation> Focus on improving clinician capability and communication and leveraging patient databases> Development of local area health campaigns and initiatives eg HMR & CDM
Continuous improvement of corporate and IT systems	<ul style="list-style-type: none">> Consolidation of centralised financial systems and practice management in place to enable scalability> Rationalisation of IT contracts> Centralisation, automation and outsourcing of corporate functions (eg accounts payable/receivable)
Supplier Agreements	<ul style="list-style-type: none">> Continued focus on procurement plan to rationalise suppliers and improve commercial terms

Summary

Stable platform of quality businesses to support FY18 organic growth, and further acquisitions as appropriate

- > Market guidance reaffirmed for FY18 Underlying EBITDA of \$13m - \$13.5m prior to announced acquisitions
- > Recent acquisition announcements significantly diversify Zenitas' revenue and earnings base through geographic coverage and services offered
- > Post announced acquisitions, Zenitas FY18 proforma gross revenue base will be \$170m and EBITDA of \$19.0m¹
- > Zenitas also has a broad pipeline of mid and long term acquisition opportunities and will remain highly discerning, focusing only on pursuing high quality opportunities that meet the company's strategic and financial criteria, ultimately delivering shareholder value

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The information in this presentation should be read in conjunction with the Appendix 4D and Half Year Report issued to ASX by the Company on 27 February 2018.