



zenitas

HEALTHCARE LIMITED

(ASX: ZNT)

COMPANY PRESENTATION

THE CEO SESSIONS - JUNE 20TH - ASX

20 JUNE 2017

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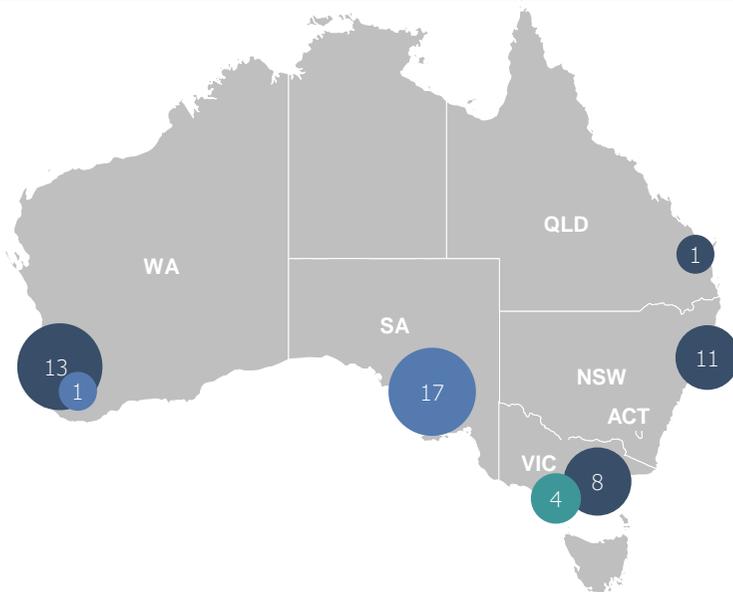
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The information in this presentation should be read in conjunction with the Appendix 4D and the Half Year Report issued to ASX by the Company on 27 February 2017.

Zenitas Healthcare – a Community-based Healthcare Provider

Zenitas Healthcare Limited (ASX:ZNT) re-listed in January 2017 and is a community healthcare company providing services across allied health, home care and primary care in the Australian market

Initial portfolio¹



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 and podiatrists



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 complementary care services

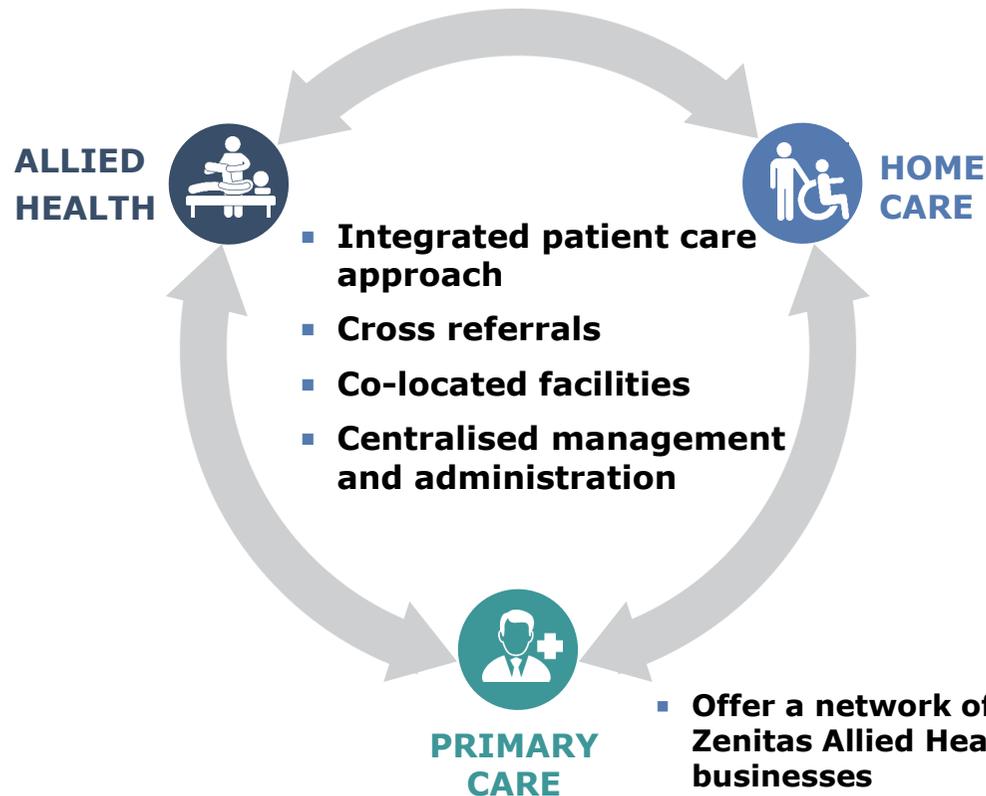
Segment	No. of locations	No. of healthcare professionals
Allied Health	33 ²	330
Home Care	17 ²	363
Primary Care	4	67
Total	54	760

Notes: 1. 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.

Zenitas Vision

Zenitas vision is to be the leading community-based healthcare provider in the Australian market

- **Aims to be the leading provider of allied health services in Australia**
- Medium term target to increase market share of the \$5.4bn p.a. estimated industry size (FY05 to FY14 CAGR of 6.8%)



- **Aims to be the leading provider of home directed and respite community care services in Australia**
- Medium term target to increase market share of the \$7.8bn p.a. estimated industry size (FY05 to FY14 CAGR of 7.8%)

- **Offer a network of clinics which support the Zenitas Allied Health and Zenitas Home Care businesses**
- Medium term target to increase market share of the \$10.6bn p.a. industry size (FY05 to FY14 CAGR of 5.5%)

Growing Industry Segments

Zenitas operates in the allied health, home care and primary care market segments 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 FY2014 - \$5.4bn



Home Care

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



Industry revenue FY2014 - \$7.8bn



Primary Care

comprises general practitioner services and other low acuity type procedures

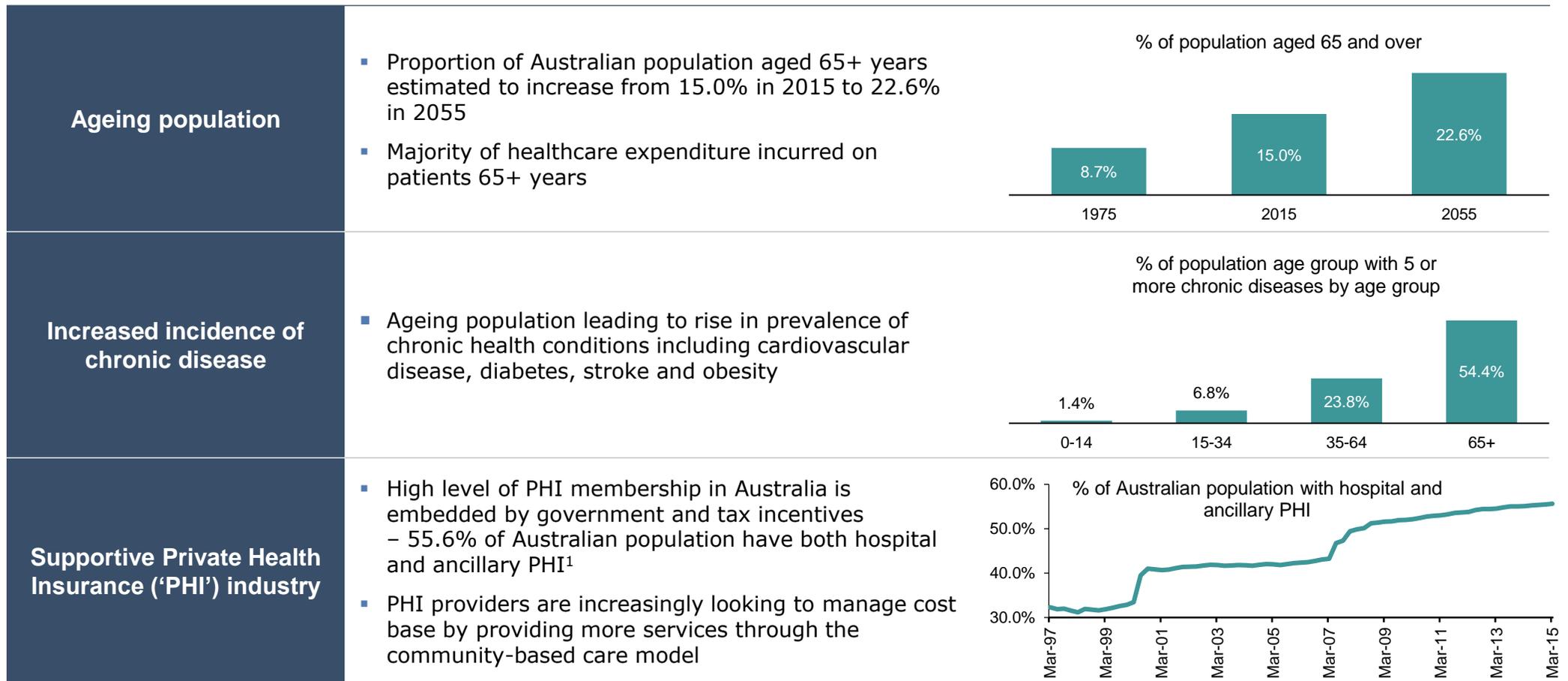


Industry revenue FY2014 - \$10.6bn

Sources: Australian Institute of Health and Welfare 2015, Health expenditure Australia 2013-14: analysis by sector

Key Themes Impacting Community-based Healthcare

Demand for community-based health services is increasing due to a range of demographic trends and the corresponding responses from government and private health insurers



Notes: 1. As at March 2015, 55.6% of Australian population have both hospital and ancillary private health insurance (up from 42.0% in 2003)

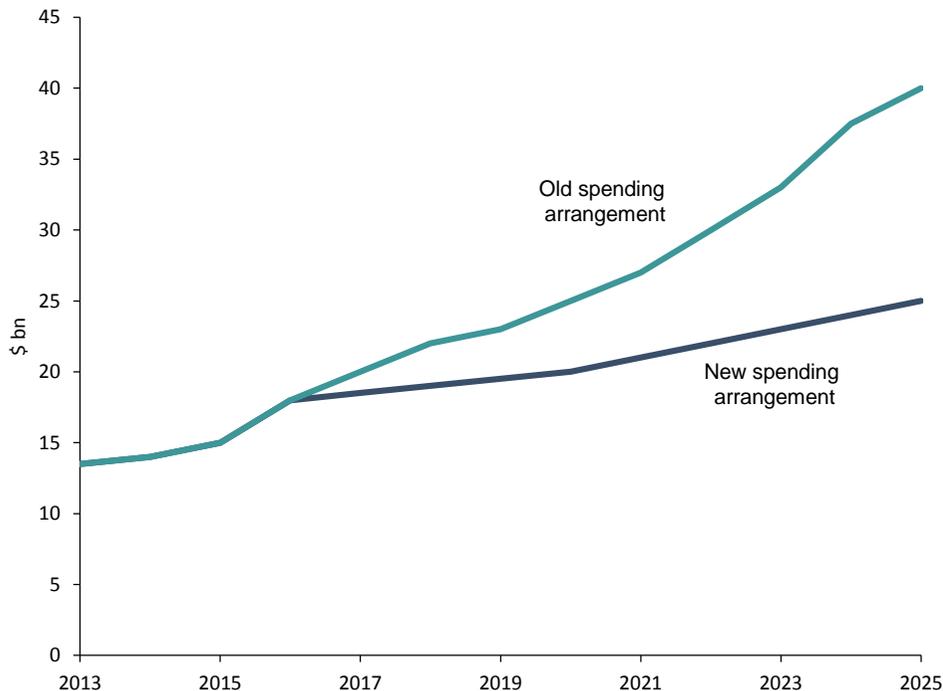
Sources: Commonwealth of Australia, 2015 Intergenerational Report Australia in 2055, Honourable J. B. Hockey MP, Treasurer of the Commonwealth of Australia, March 2015; Australian Bureau of Statistics, Population by Age and Sex, Australian States and Territories, June 2010; Australian Government Australian Institute of Health and Welfare, Australia's Health 2010; Australian Prudential Regulation Authority, Statistical Trends in Membership and Benefits Data Tables, June 2014, All States Membership

National Healthcare Reform Benefits Community-based Healthcare

The Federal Government is moving the burden of healthcare services from hospitals to primary care via the National Healthcare Reform



Public hospital budget¹



An increase in home care and disability placements via National Disability Insurance Scheme

\$22bn Overall NDIS expenditure is expected to reach by FY20²



Federal Government initiative to move the burden of healthcare services from hospitals to Primary Care via the National Healthcare Reform

Super Clinics Programme (\$650m), Health Networks (\$842m) and After Hours Care (\$195m)³



Commonwealth shifting consumers away from residential care to more affordable home care services

From 1 July 2015, all home care packages are required to be delivered on a Consumer Directed Care (CDC) basis⁴

Notes: 1. The Commonwealth of Australia, Budget 2014 – 2015, Overview, May 2014. 2. Australian Government, Portfolio budget statements 2015–16: budget related paper no. 1.15A: Social Services Portfolio. 3. www.health.gov.au 4. Australian Government Department of Health, Age Care Reform

Zenitas Strategy

Zenitas strategy is to provide 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



Stable organic growth via patient focus

Increase revenue at existing locations through targeting additional clinicians and new services
Preference for in home care by funders and patients



Disciplined acquisitions and new location roll-out

Execute on pipeline of identified acquisitions
Consolidating within a fragmented market
Low capex roll-out of new home care facilities



Inter disciplinary service offering

Roll-out of co-located businesses at existing locations
For example, providing allied health services in all primary care facilities



Develop cross referral network

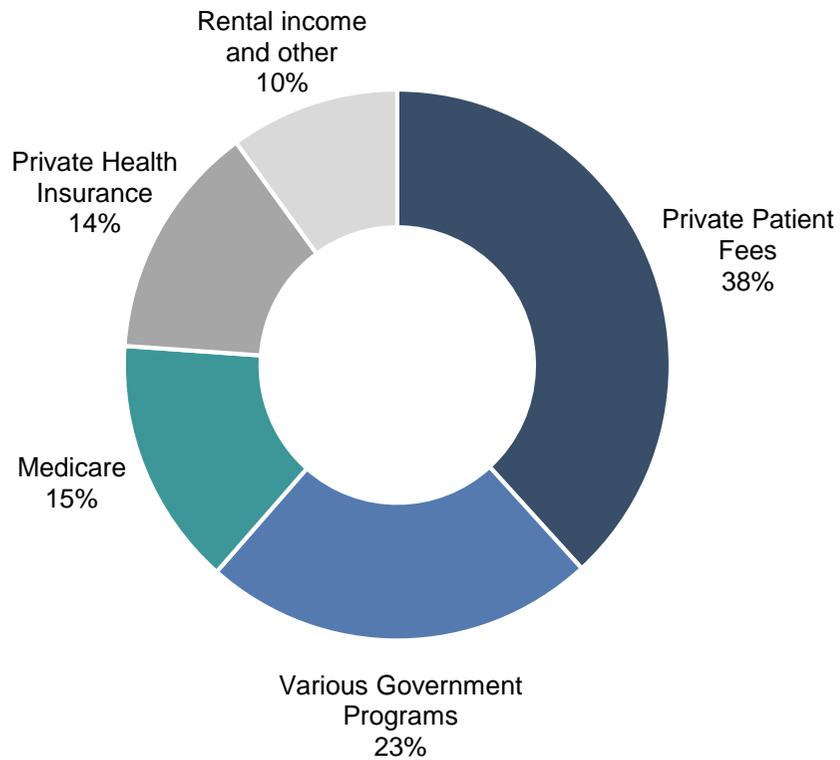
Management of internally generated referrals for the creation of incremental new organic business

Zenitas is a
community-based
healthcare company
providing services
across allied health,
home care and
primary care

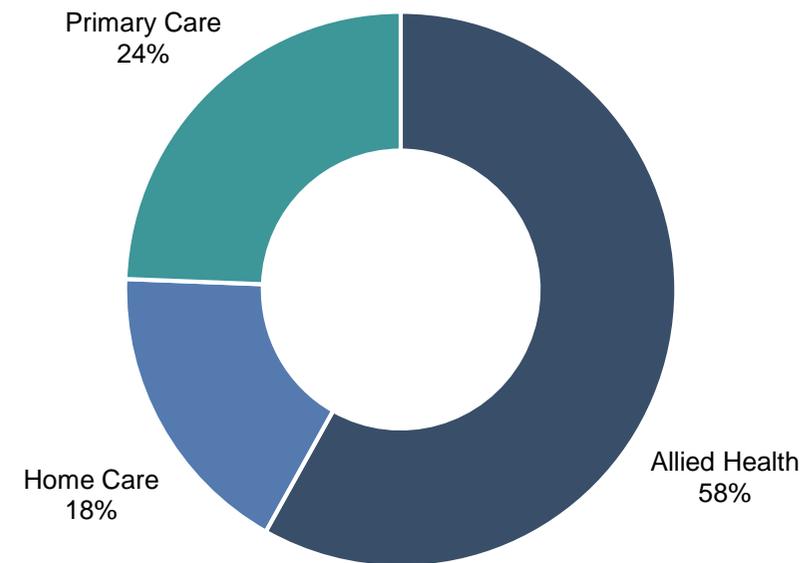
Diversified Funding Sources and Sales Mix

Zenitas revenue is predominantly funded from non-Government sources and is diversified across healthcare segments

Gross revenue by funding source¹



Gross revenue by segment¹



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

Outlook and Pipeline

- Prospectus Pro forma Group EBITDA forecast of \$6.6m confirmed for FY17
- 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 shortly

Investment Highlights

1. High-quality leadership team

2. Incentivised clinician structure

3. Favourable government policy

4. Robust demand drivers

5. Diversified funding

6. Material organic opportunities

7. Attractive acquisition opportunities

8. Strong funding position

- Experience and expertise necessary to deliver strategy & sustainable growth
- Equity ownership delivering strong alignment with Shareholders
- Favouring community-based health services vs high cost of acute hospital care
- Individual choice, government policy, ageing population and increased incidence of chronic disease
- Diverse funding mix and majority non-government sources
- Segment growth of 5.5% – 7.8% augmented by potential for organic growth; further business efficiencies not assumed in forecast period
- Large player in fragmented markets creates opportunities to boost growth at attractive prices
- **Cash and debt** funding capacity to enhance earnings profile

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