Your local healthcare leader

H123 Results Presentation

Healthia Limited
ACN 626 087 223

1 March 2023

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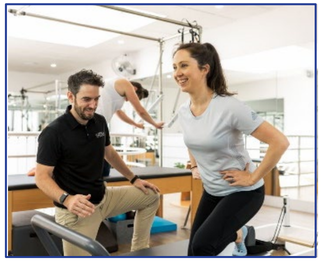
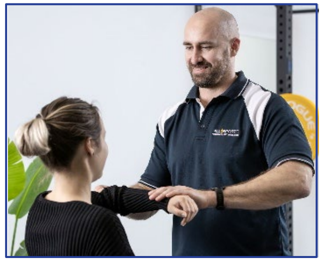
1. H123 Highlights

HIGHLIGHTS

Healthia has demonstrated strong momentum in the first half of FY23 which has continued into the new calendar year

$124.9m Revenue(u) *Increased by 34%*	**$18.1m** EBITDA(u) *Increased by 48%*	**$9.2m** NPATA(u) *Increased by 48%*
2.0 cps Dividend *2.0 cps in H1 22*	**1k+** Staff attended *the Inspired 2022 Conference*	**82** NPS *In H123*
$22.3m Capital *Deployed or announced*	**319** # of businesses *Increased from 104 at IPO*	**120** Grad clinicians *In H123*

> Healthia has demonstrated strong momentum in H123

- **Revenue during H123 increased to $124.9 million** (H122:$93.0 million), or by 34.3% on prior period
- **Organic revenue growth for the period of 5.4%**, and the period 1 Nov 2022 to 31 Jan 2023 7.6%
- **$8.3m of capital deployed in H123 with an additional $13.9m announced subsequent to 31 December 22** (pending successful completion) to acquire 10 physiotherapy clinics, 8 hand therapy clinics and 8 optometry clinics, exceeding Healthia's target of $20.0m p.a.
- Delivered **underlying EBITDA of $18.1m, at the top end of guidance** of $17.7m to $18.3m provided on 30th January 2023
- **120 new graduate clinicians and therapists recruited during the period** and commenced structured graduate induction training on 3 February 2023, which will assist with organic growth in the second half
- **Successful completion of $11.1m equity raising** allowing Healthia to capitalise on accretive acquisition opportunities and provide additional financial flexibility

> Subsequent to the reporting date, **Healthia successfully increased its finance facility** from $100.0m to $120.0m and extended the facility term to December 2025

> Healthia reconfirms its expectation to deliver **underlying EBITDA of greater than $40.0m for FY23**, excluding the contribution of businesses acquired during FY23

> **Stronger trading and organic growth has continued into the new year,** as such the Directors have declared an **interim fully franked dividend of 2.0 cents per share**

Note: the numbers above are unaudited and reflects the underlying results of the Group, pre-AASB16 – please see the Glossary on page 24 for definitions of terms. For a reconciliation between underlying and statutory results, please see the page 22 of the Appendices of this presentation

ACQUISITIONS RECAP

Healthia expects to exceed its target minimum deployment of $20.0m of capital during the year

Summary of acquisitions announced in FY23 YTD	Pro Forma Revenue $m	Pro Forma EBITDA(u) $m	Total Consideration $m	EBITDA Multiple (x)
Settled in H123	**8.86**	**1.86**	**8.29**	**4.5x**
Settled or announced after H123	10.46	2.94	13.97	4.7x
Total FY23 YTD	**19.32**	**4.79**	**22.25**	**4.6x**

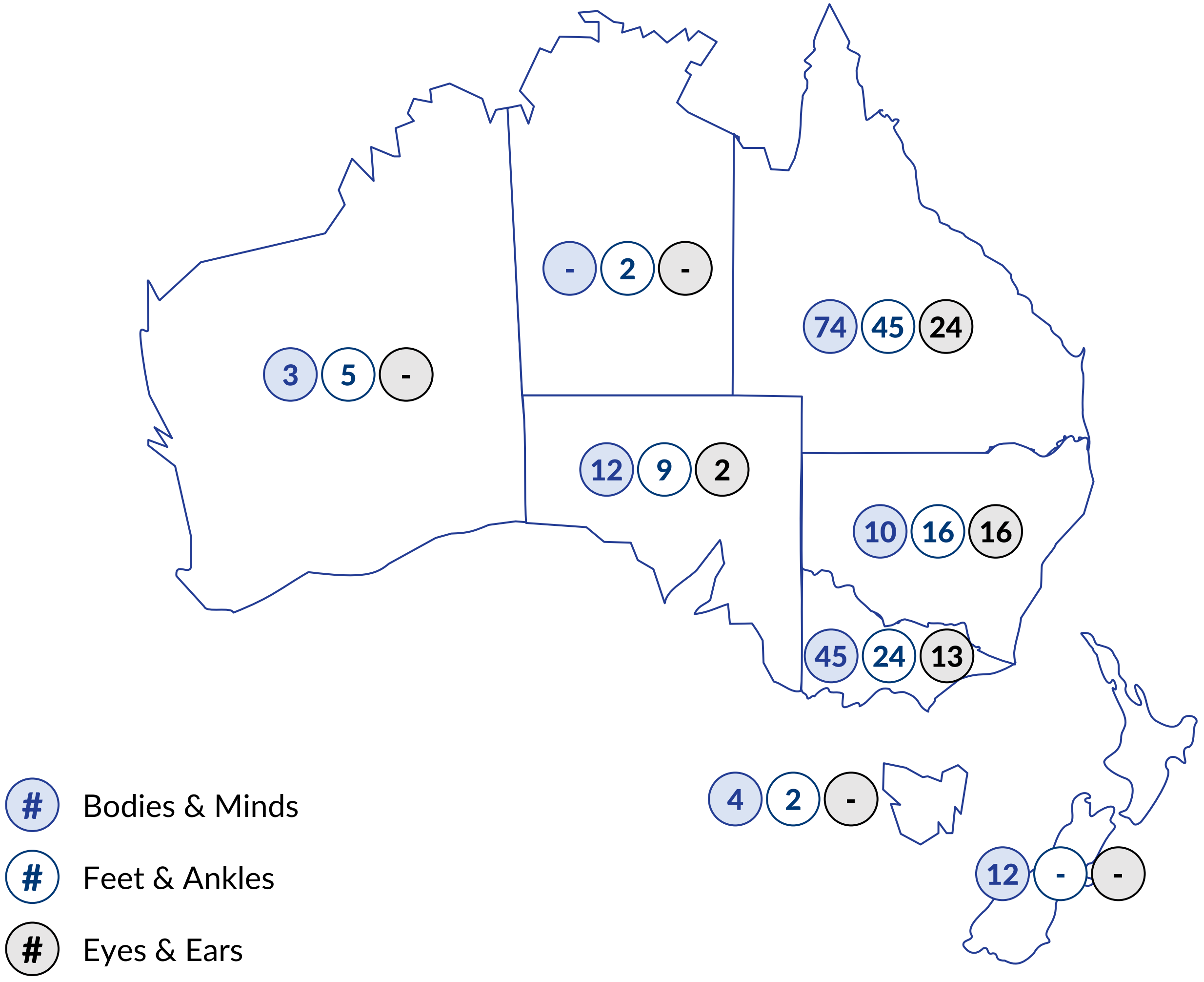
Acquisitions during FY23 YTD

- **Healthia has exceeded its annual acquisition targets each year since listing** and has a strong track record of acquiring and integrating clinics/small groups of clinics
  - Ability to leverage the Healthia business model, national platform and centralised support functions
- **Deployed $8.3m in H123 and an additional $14.0m expected to be deployed subsequent to 31 December 22 to expand its portfolio by 28 practices**, including larger groups:
  - Corio Bay Health Group, a physiotherapy business located throughout south-west and south-east Melbourne and Geelong, Victoria (9 clinics);
  - Melbourne Hand Rehab, a hand therapy business located in Melbourne and surrounding suburbs, Victoria (8 clinics); and
  - Kosmac & Clemens Optometrists, an optometry business located in central Victoria (6 clinics);
- **Healthia continues discussions with 100+ sites in its pipeline and remains focused on acquiring complementary businesses which are value accretive and improve returns to shareholders**

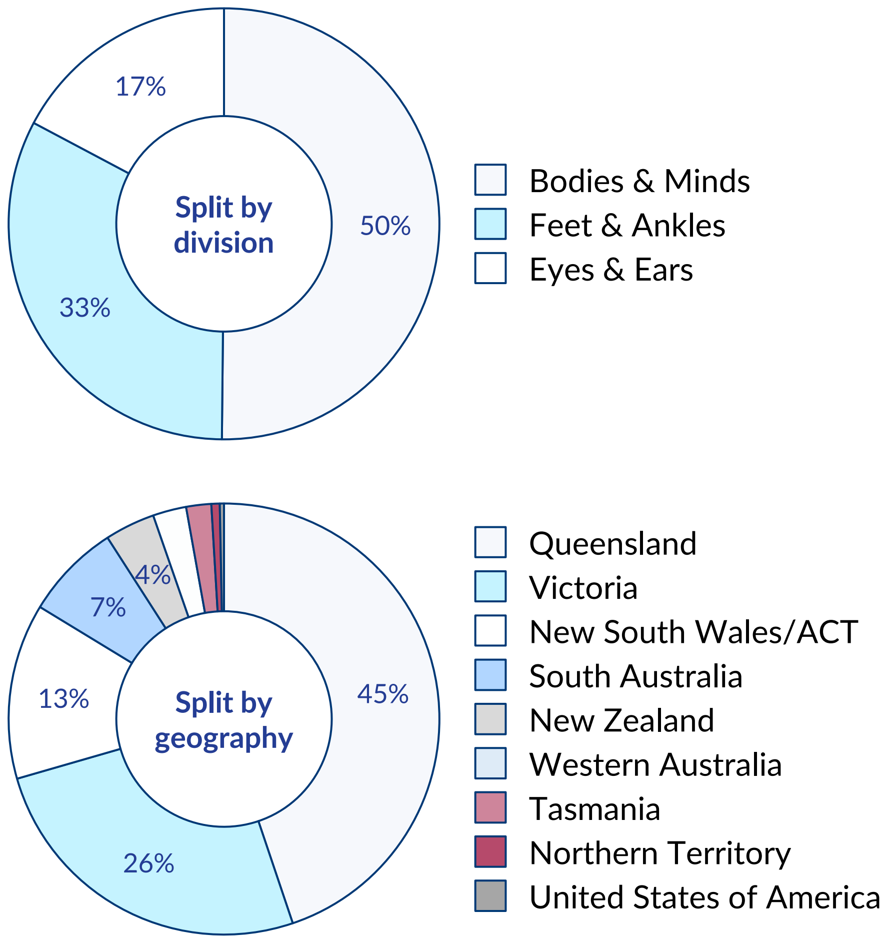
NATIONWIDE PRESENCE

Growing, diversified national presence has positioned Healthia as a market leader across Australia and New Zealand

Businesses Owned as at 31 December 2022



Business Splits



BRIDGE TO $40M+ RECONFIRMED

Based on continue strong momentum into H2, Healthia reconfirms its expectation to deliver EBITDA(u) in 2023 of >$40.0m

EBITDA(u) Bridge to $40m

H123 EBITDA(u)

- ✓ Revenue during H123 increased by 34.3% on prior period
- ✓ Organic revenue growth for the period of 5.4%
- ✓ Delivered EBITDA(u) of $18.1m
- ✗ Trading impacted by Queen's Memorial Day public holiday
- ✗ Trading disrupted by the biennial Healthia Inspired Conference

Bridge to FY23 EBITDA(u)

- \+ Benefit of second half fee increases in Bodies & Minds
- \+ Incremental billings from ongoing physiotherapy and podiatry recruitment + 120 new graduates
- \+ Healthia organic growth initiatives
- \+ Year-to-go forecast supported by trading post 31 December 2022
- \+ Adjustment for abnormal impacts in H1 (Queen's Memorial Day, Healthia Inspired Conference)
- \- Excludes the contribution from acquisitions that will be completed in FY23

FY23 EBITDA(u) Guidance

Healthia reconfirms >$40.0m guidance and continued momentum into the second half

H123 EBITDA(u)	FY23F EBITDA(u)
18.1	40.0

Note: Refer to Glossary for definition of EBITDA(u)

2. Strategy Recap

HEALTHIA ATTRIBUTES – OVERVIEW

Healthia is a market leader in allied health with a diversified portfolio of 319 businesses across Australia and New Zealand

DIVISIONS

Bodies & Minds	Our Bodies & Minds division consists of our network of physiotherapy, hand therapy, occupational therapy and speech pathology clinics located throughout Australia and New Zealand.
Feet & Ankles	Our Feet & Ankles division consists of our network of podiatry clinics and retail footwear stores located throughout Australia and the USA. The Feet & Ankles division also includes orthotic manufacturing business iOrthotics and podiatry wholesale business DBS.
Eyes & Ears	Our Eyes & Ears division consists of our network of optometry and audiology stores located in Australia. The Eyes & Ears division also include eye frame distributor AED.

UPDATED 4 – 3 – 4 STRATEGY

Extensive Coverage	Growth	Innovation	Quality	Clinician Led	Technology Enabled	Education & Develop.

HIGHLIGHTS

Market leader	Healthia is a leading allied health provider across Australia and New Zealand with a portfolio of 319 business as at 31 December 22[1]
Multi-disciplinary	Diversified exposure to physiotherapy, podiatry and optometry divisions
Clinician led	Clinician led and focus on patient care and outcomes – including alignment through share ownership under clinic class share model
Vertical offering	Vertically integrated business model via iOrthotics, DBS and AED offerings
Co-location opportunity	Opportunity to continue co-location and expanded service offering at each clinic
Tech-enabled	Leverage large patient database, drive cross referral activities, enhance patient engagement and achieve operational efficiencies
Consolidation opportunity	Healthia still holds less than 3.0% of total addressable industry revenue – significant runway for consolidation and growth in fragmented market
Strong cash flow	Strong and repeatable cash flow
Reconfirming guidance	Based on recent trading, Healthia reconfirms its expectation to deliver underlying EBITDA of greater than $40.0m for FY23

(1) Subsequent to the end of the financial half year, Healthia announced the acquisition of 8 hand therapy clinics and 8 optometry clinics. These acquisitions are expected to settle before 30 April 2023 and remain subject to Completion

"4-3-4" STRATEGY

Healthia's reset "4-3-4" strategy to drive sustainable growth for the group

4 KEY GROWTH STRATEGIES

Extensive Coverage

Ongoing sustainable expansion to deliver a product & services network accessible to 50% of AU & NZ

Growth

Drive **organic growth** & provide opportunities for staff, patients, customer & shareholders

Innovation

Innovation used to keep us abreast of change, an industry leader and to ensure the highest standards

Quality

Deliver excellence in products & services to ALL our patients & customers above all else

+

3 UNIQUE SELLING POINTS

Clinician Led

Technology Enabled

Education & Development

+

4 AMBITIONS OUTCOMES

Education & Professional Development for each employee annually

>20 hours

All clinics operating from the one world-class technology platform

100%

Strong Healthia team member engagement

Culture of Success >65%

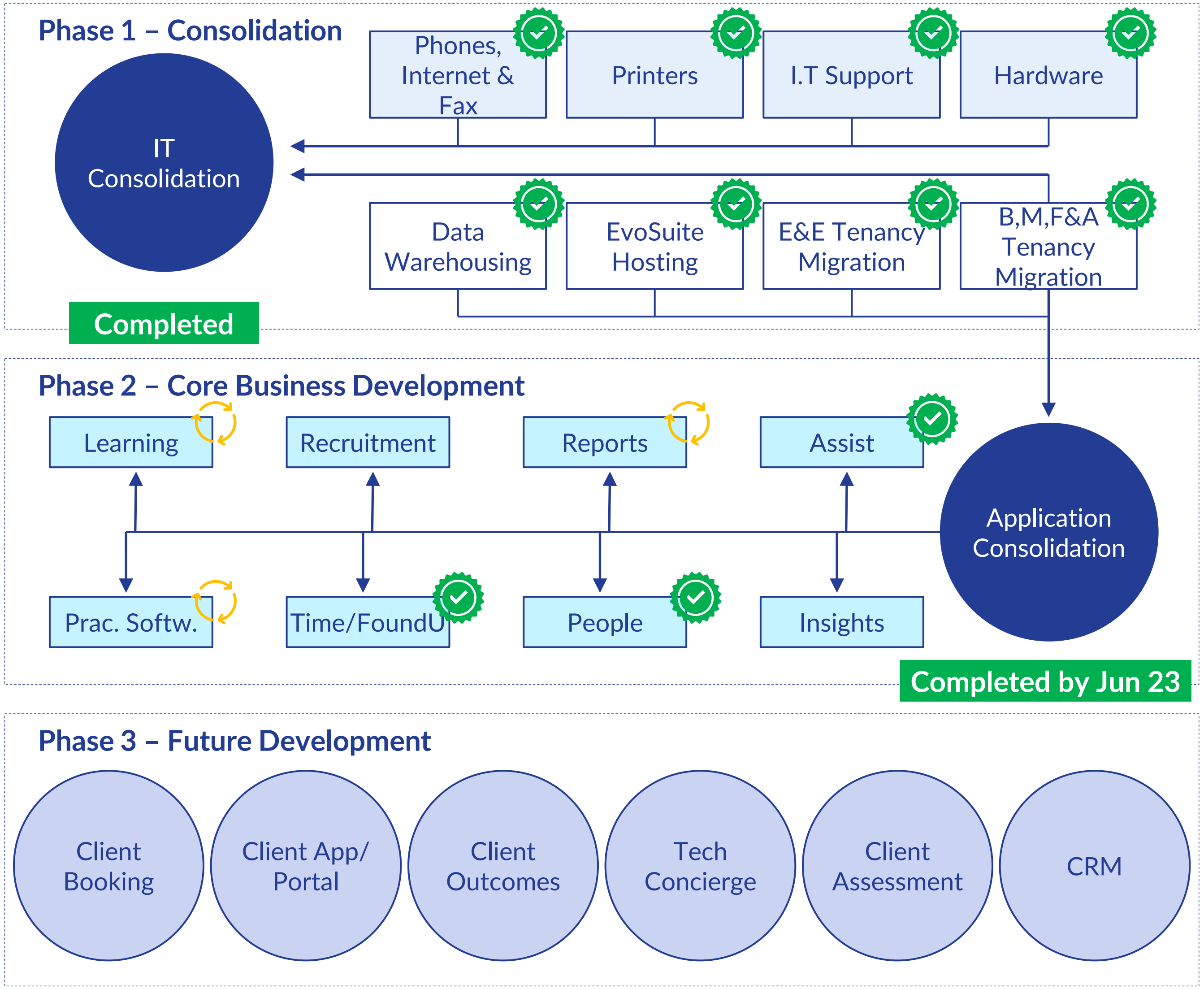
All Healthia brands to deliver quality healthcare as determined by our patients

+80 NPS

The "4-3-4" strategy is aimed to deliver sustainable growth for shareholders, engage team members and connect patients and customers with the allied health products and services that will support them in living happier and healthier lives

TECHNOLOGY ROADMAP

Healthia is well progressed on the implementation of its Technology Roadmap



- ✓ Finance systems historically centralised with minimal work being done as part of the Tech Roadmap
- ✓ Integrated back-end IT infrastructure supporting clinics
- ✓ Plug and play post acquisition of new businesses – onboard in shorter time period
- ✓ Systems and support network for new clinicians

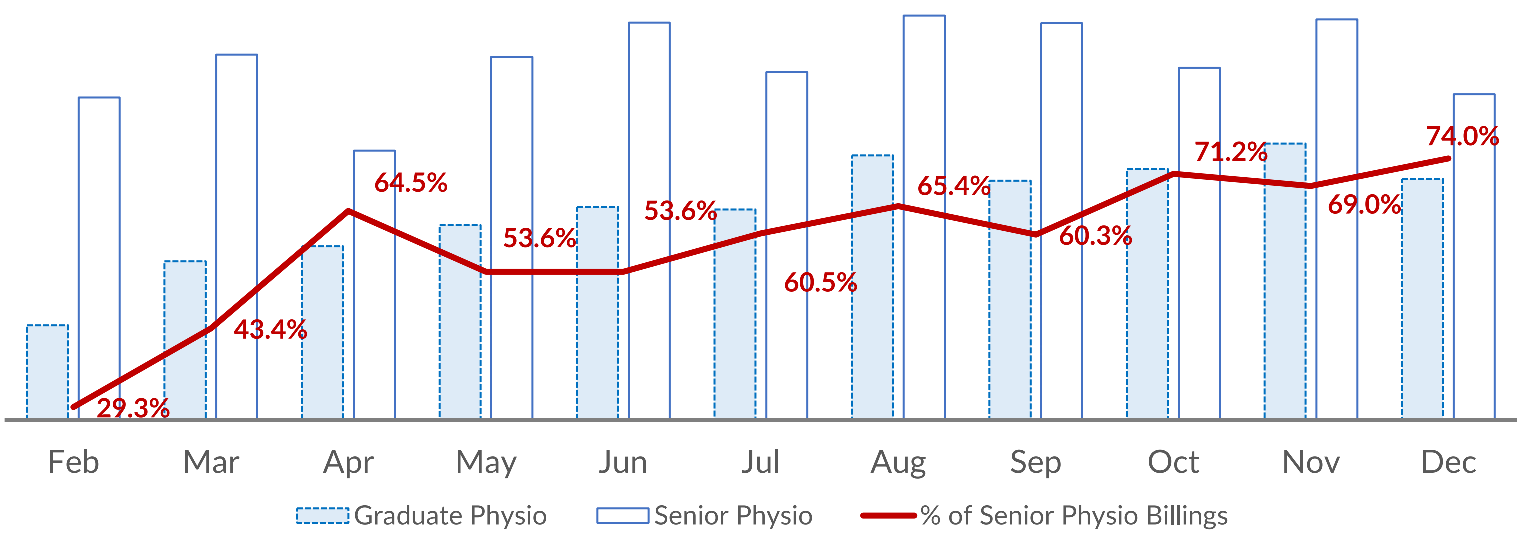
- ✓ Central reporting and business insights
- ✓ Staff on integrated platform (onboarding, rostering, payroll etc.)
- ✓ Ticketing/support for all business functions
- ✓ Central communications hub plus learning/training modules

- ✓ Further leverage Healthia's database of more than 2 million patients and customers to drive engagement and loyalty
- ✓ Linking patients/customers to products and services they need across various divisions, products and services – enabling cross promotion between verticals

GRADUATES DRIVE GROWTH

Healthia's annual graduate program is a key contributor to organic growth

Example: Recent Graduate Physio Billings [1] per month vs. Senior Physio Billings [2] per month



1. Recent Graduate Physio Billings are the average monthly billings for a full time equivalent graduate physiotherapist from Feb 22 to Dec 22. The average monthly billings are not adjusted for seasonality
2. Senior Physio Billings are the average monthly billings for a full time equivalent senior physiotherapist from Feb 22 to Dec 22. The average monthly billings are not adjusted for seasonality
3. % of Senior Physio Billings is calculated as the Recent Graduate Physio Billings divided by Senior Physio Billings

- 120 recent graduates recruited and started their structured graduate program with Healthia in February 2023
- The structured graduate year is designed to ensure the highest quality of care is delivered to all patients and consists of:
  - facilitated learning modules
  - experienced mentorship
  - training on the latest technology & research
- Recent graduates recruited to:
  - fill existing vacancies; and/ or
  - service growth in patient demand
- Clinical billings of recent graduates typically ramps up quickly and tracks closely to those of experienced clinicians by the end of their first year with Healthia

CO-LOCATION OPPORTUNITY

EXAMPLE – PODIATRY INSIDE PHYSIO

Healthia has a successful track record of co-locating complimentary services inside existing businesses, improving margins and profitability

1. PODIATRY CO-LOCATION

- Opportunity to add podiatry services into existing physiotherapy locations
  - Leveraging existing footprint/fixed cost base
  - Share administrative costs and resources
  - Leverage podiatry workforce and maximise productivity
  - Revenue growth from inter-clinic physiotherapy referrals
- By adding podiatry services Healthia expects to improve return of capital from acquired physiotherapy clinics

2. PERFORMANCE UPLIFT (AVG. CLINIC)

- Podiatry revenue expected to ramp quickly post opening (within 2 – 3 years)

Physio stand-alone

Revenue ($)

Physio + podiatry

***Uplift in revenue** from podiatry services, supported by physio referral*

Wages/Other ($)

*Increase in **wages/other costs** incremental from podiatry team*

Occupancy ($)

***No change in total occupancy costs** – shared across each vertical*

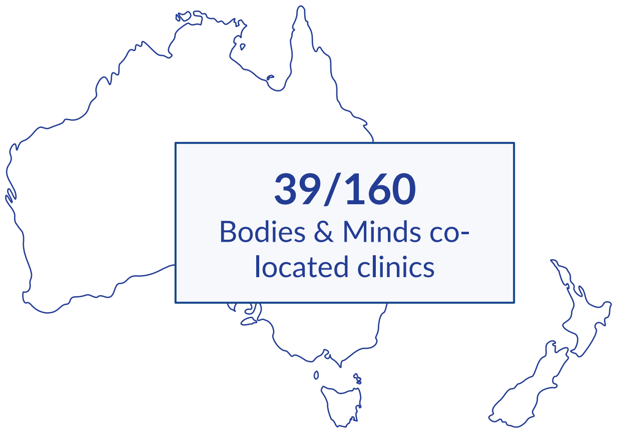
EBITDA ($)

*Corresponding **uplift in EBITDA and margin** across both physio and podiatry*

Physio Podiatry

3. ROLL-OUT OPPORTUNITY

- Currently in <25% of existing Healthia physio locations – further opportunities exist across remaining clinics
- Opened 10 co-located podiatry sites within the last 2 months
- Incremental organic revenue and EBITDA opportunity across existing portfolio



OTHER CAPITAL INVESTMENT

Multiple other co-location opportunities identified within existing portfolio across all verticals

During H123 **Healthia deployed $1.9m in expansionary capex to upgrade businesses** within its existing portfolio, including:

- **Charlestown (Newcastle)** – optometry store expanded to introduce additional services of audiology, podiatry and retail footwear
- **Ryrie Street (Geelong)** – optometry store expanded and renovated to include additional services of audiology
- **Brookside (Brisbane)** – footwear retail and podiatry clinic expanded to provide additional space for the growing retail footwear and podiatry services
- **Carindale (Brisbane)** – Lenspro optometry store converted to The Optical Co. branding and audiology services introduced

Further store and clinic expansions expected to occur during CY23, including:

- **Mt Gravatt (Brisbane) –** a new purpose built multi-discipline site to incorporate several of Helathia's allied health product and services. Clinic is expected to open in late 2023

Expansionary capex abnormally higher during FY23 due to delays from COVID-19

CHARLESTOWN (NEWCASTLE)

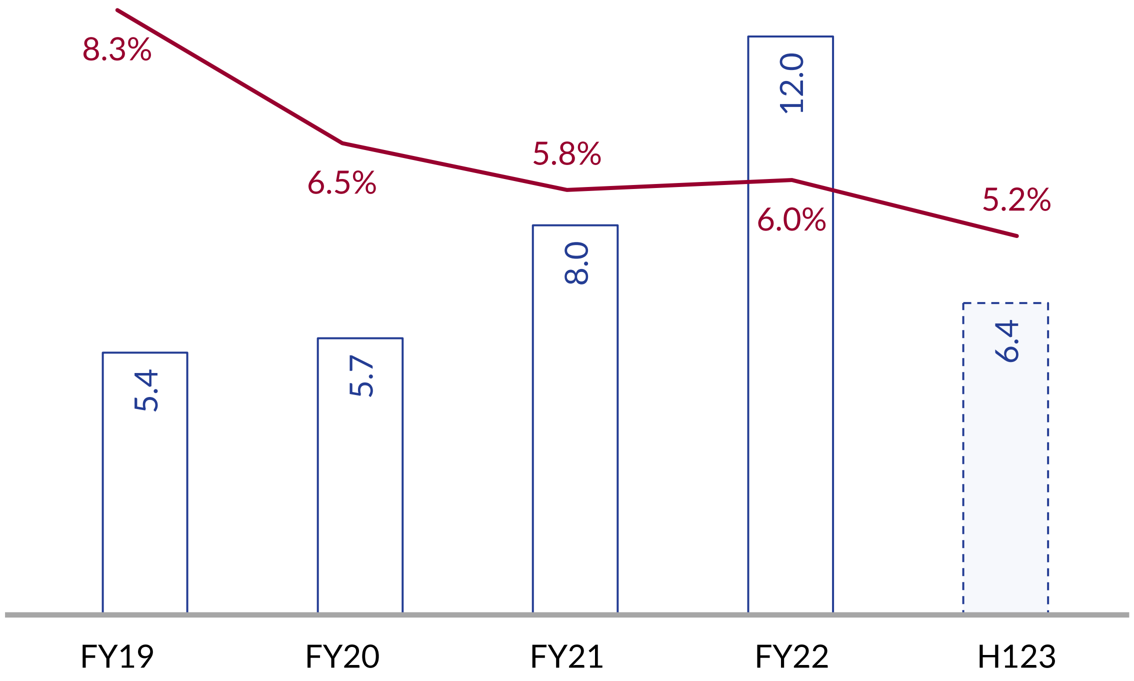
RYRIE STREET (GEELONG)

CARINDALE (BRISBANE)

LEVERAGING SUPPORT OFFICE

Healthia has a track record of successfully integrating acquisition targets and realising support cost efficiencies

Support Office Costs ($m)[1] vs. Support Office Costs/Revenue(u) (%)[2]



1. Support Office Costs mean those costs attributed to the corporate function of the Company and those costs that do not represent part of an operating segment of the Company
2. Calculated as Support Office Costs divided by the Revenue(u) for the same prior

- Track record of successful acquisition integration and leveraging support office infrastructure
- As Healthia has grown through acquisition, support office function has increased accordingly
  - Costs have been increased at a proportionally lower rate relative to revenue
  - Support office as a percentage of revenue has reduced from >8% in FY19 to 5.2% in H123
- To achieve support office efficiencies over the last 18 months, Healthia has incurred a number of one-off integration costs including but not limited to:
  - Cost to convert business systems/practice management software
  - Integration costs directly linked to the onboarding of the 107 allied health businesses acquired during the 18 month period
  - Staff restructuring costs
  - Decommissioning of old systems

3. H123 Group Performance

UNDERLYING PERFORMANCE

Underlying performance for H123 consistent with trading update and in-line with guidance previously provided by Healthia

This table has not been audited	H123[2] $m	H122[2] $m	Change $m	Change %
Revenue(u)[1]	124.9	93.0	32.0	*34.3%*
EBITDA(u)[3]	18.1	12.2	5.9	*48.2%*
NPATA(u)[4]	9.2	6.2	3.0	*48.3%*
Non-controlling interest (NCI)	2.4	1.9	0.5	*24.0%*
Net post-tax P&L impact of AASB16 adoption[5]	0.6	0.3	0.2	*63.9%*
NPATA(u) attributable to the owners of Healthia Limited [6]	**7.4**	**4.6**	**2.8**	***59.5%***
EBITDA(u) margin [3]	14.5%	13.1%	1.3%	*135 bps*
NPATA(u) margin [4]	5.9%	5.0%	0.9%	*93 bps*
Basic EPS(u)[7]	5.5	4.3	1.8	*29.5%*
NCI/NPATA(u)[8]	24.3%	29.3%	(4.9%)	*(494 bps)*

1. For the purposes of underlying results, the Consolidated Entity has included $0.62 million NSW JobSaver revenue subsidies received in H122 (H123: nil);
2. Underlying profit reflects statutory profit 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. Underlying profit has not been audited;
3. Refer to Glossary for definition of EBITDA(u)
4. Refer to Glossary for definition of NPATA(u)
5. The net post-tax P&L impact of the new leasing standard, AASB16, has been added back to NPATA. The pre-tax impact of AASB 16 'Leases' in the current period is comprised of the following: occupancy costs decreased by $9.7 million (H122: $7.8 million), depreciation expense increased by $9.2 million (H122: $6.9 million), and finance costs increased by $1.2 million (H122: $1.3 million).
6. NPATA(u) excludes NCI;
7. Refer to Glossary for definition of EPS(u). EPS(u) is calculated as the NPATA(u) divided by the weighted average number of ordinary shares on issue for the period being 132.7 million (H122: 108.2 million).
8. Non-Controlling Interest divided by NPATA(u).

- Underlying revenue increase to $124.9m (H122:$93.0m), 34.3% growth
- Organic revenue growth of 5.4%, within target range of 3%-6%
- Underlying EBITDA increase to $18.1m (H122:$12.2m), 48.2% growth
- $8.3m of capital deployed during period to acquire 10 physio clinics and 2 hand therapy clinics
- Trading performance impacted by Queen's Memorial Day public holiday (c.$0.96m lost revenue) and Healthia biennial Inspired Conference (c.$0.65m cost)
- Prior comparative period impacted by
  - Government imposed COVID-19 lockdowns and missed trading days (6,869 clinic days impacted)
  - Deployment of $102m of capital on 80 new clinics acquired (76 Bodies & Minds, 3 Eyes & Ears and 1 Feet & Ankles) during prior period

SEGMENT OVERVIEW

Revenue and EBITDA growth across all segments during H123 period

BODIES & MINDS	FEET & ANKLES	EYES & EARS
Our Bodies & Minds division consists of our network of physiotherapy, hand therapy, occupational therapy and speech pathology clinics located throughout Australia and New Zealand.	Our Feet & Ankles division consists of our network of podiatry clinics and retail footwear stores located throughout Australia and the USA. The Feet & Ankles division also includes orthotic manufacturing business iOrthotics and podiatry wholesale business DBS.	Our Eyes & Ears division consists of our network of optometry and audiology stores located throughout Australia. The Eyes & Ears division also include eye frame distributor AED.
$71.1m +55% vs. H122 — H123 Revenue	**$30.8m** +11% vs. H122 — H123 Revenue	**$21.7m** +19% vs. H122 — H123 Revenue
$12.3m +46% vs. H122 — H123 EBITDA(u)	**$7.1m** +32% vs. H122 — H123 EBITDA(u)	**$5.0m** +19% vs. H122 — H123 EBITDA(u)
160 Number of clinics	**104** Number of clinics	**55** Number of clinics
82 Net Promoter Score	**85** Net Promoter Score	**76** Net Promoter Score

- Segment revenue and underlying EBITDA growth growth across all divisions
- Prior period impacted by COVID-19 lockdown and acquisition activity
- Growth in Bodies & Minds largely driven by inclusion of Back In Motion clinics
- During H123, portfolio expansion in Bodies & Minds segment (12 acquired clinics)
- Maintained strong net promoter score across all divisions

Note: the numbers above are unaudited and reflects the underlying results of the Group, pre-AASB16 – please see the Glossary on page 24 for definitions of terms. Revenue is exclusive of other income. Segment EBITDA (u) excludes underlying Support Costs of $6.4m

UNDERLYING CASH FLOW

Healthia has a track record of strong cash flow conversion

	H123 $m	H122 $m
EBITDA(u) [1,]	**18.1**	**12.2**
Less: changes in working capital	(4.3)	2.2
Underlying operating cash flow (pre-tax, ungeared) [2]	**13.4**	**14.4**
Cash conversion % [3]	*74.3%*	*117.7%*
Financing costs	(3.8)	(2.6)
Tax paid	(4.2)	(5.2)
Underlying cash flows (post-tax, geared) [4]	**5.4**	**6.6**
Maintenance capital expenditure	(1.7)	(1.5)
Expansionary capital expenditure	(1.9)	-
Underlying free cash flow [5]	**1.8**	**5.1**

1. Refer to Glossary for definition of EBITDA(u)
2. Underlying operating cash flows (pre-tax, ungeared) reflects statutory operating cash flows less lease payments and before finance costs and tax and excludes the impact non-recurring income and costs, such as acquisition costs, integration costs, restructuring costs and COVID-19 related expenses
3. Cash conversation % is calculated as EBITDA(u) divided by Underlying operating cash flow (pre-tax, ungeared)
4. Underlying cash flows (post tax, geared) reflects statutory operating cash flows less lease payments and is post finance costs and tax and excludes the impact non-recurring income and costs, such as acquisition costs, integration costs, restructuring cost and COVID-19 related expenses
5. Underlying free cash flow is calculated as Underlying cash flow (post-tax, geared) less capital expenditure for ongoing maintenance capex and for capital expansion and reflects the underlying cash generated by the Consolidated Entity

- Operating cash flow conversion % is lower than prior periods largely due to timing of payments
- Historically cash conversion % averaged ~100% and is expected to return to these levels
- Maintenance capex of c.$1.7m – low capital intensity representing 1.4% of revenue
- Expansionary capex of $1.9m related to store upgrades
  - Refurbishments, re-locations and co-location opportunities
  - A number of these were intentionally delayed during COVID-19
- Dividend reinvestment plan (DRP) put in place, with any shortfall from the DRP fully underwritten to help preserve cash reserves

4. Appendices

STATUTORY PERFORMANCE

	H123 $m	H122 $m	Change $m	Change %
Revenue	123.6	91.7	32.0	*35%*
Other Income	1.4	1.3	0.0	*1%*
Net profit/(loss) after income tax expense	6.4	1.9	4.5	*245%*
Non-controlling interest	2.4	1.9	0.4	*22%*
NPAT attributable to the owners of Healthia Limited [1]	**4.0**	**(0.1)**	**4.1**	***N/A***

1. NPAT equals net profit after income tax expense

- Strong revenue growth largely attributed to the full contribution of acquisitions made in the prior period, timing of acquisitions made in H123, plus Healthia organic growth initiatives
- Statutory NPAT impacted by acquisition and integration costs of new businesses acquired during the period and other one-off non-recurring income and expenses associated with these acquisitions made during the prior comparative period
- Trading performance impacted by Queen's Memorial Day public holiday (c.$0.96m lost revenue) and biennial Healthia Inspired Conference (c.$0.65m cost)
- Prior comparative period impacted by
  - Government imposed COVID-19 lockdowns and missed trading days (6,869 clinic days impacted)
  - Deployment of $102m of capital on 80 new clinics acquired (76 Bodies & Minds, 3 Eyes & Ears and 1 Feet & Ankles) during prior period

RECONCILIATION UNDERLYING TO STATUTORY

	H123 $m	H122 $m
NPATA(u) attributable to the owners of Healthia Limited (removing impact of AASB16) [1]	**7.4**	**4.6**
Less: COVID-19 related expenses[2]	(0.5)	(0.6)
Less: Acquisition & Integration costs[3]	(2.0)	(4.5)
Less: Restructuring costs and discontinued operations[4]	(1.8)	(0.2)
Less: Share-based payments expense and associated costs[5]	(0.2)	(0.8)
Less: Amortisation[6]	(0.9)	(0.8)
Less: Net impact of AASB16[7]	(0.6)	(0.3)
Add: Fair value movements of contingent consideration[8]	1.2	1.6
Net taxation impact	1.6	1.0
Statutory NPAT attributable to the owners of Healthia Limited [9]	**4.3**	**(0.1)**

1. Refer to Glossary for definition of NPATA(u)
2. One-off identifiable expenses related to the COVID-19 pandemic, abnormally high personal leave taken by staff and related lockdowns and restrictions costs;
3. The Consolidated Entity incurred a number of one-off acquisition and integration costs in relation to the acquisition of the 12 allied health business acquired during the period (H122: 80 allied health businesses acquired). The Consolidated Entity also incurred a number of one-off costs associated with the ongoing integration of the 107 allied health businesses acquired (H123: 12 allied health business, FY22: 95 allied health business) over the last 18 months;
4. The size and scale of the Consolidated Entity has changed with the acquisition of 107 allied health businesses in the last 18 months (H123: 12 allied health business, FY22: 95 allied health business). To ensure the Consolidated Entity is running an efficient centralised support function, a number of redundancies and one-off restructuring cost have been incurred during the period. Restructuring costs also related to the costs and earnings associated with allied health businesses which have been merged, relocated, closed or are in the process of being closed during the period.
5. Non-cash share-based payments expense relating to the issuance of Performance Rights to key management personnel, key clinicians and administration staff which remains subject to the achievement of a number of vesting conditions;
6. Amortisation of customer lists during the current period;
7. AASB 16 'Leases' had a significant impact on the current period financial performance due the adoption of AASB 16;
8. Fair value movements associated with the adjustment or reversal of contingent consideration which is impacted due to COVID-19; and
9. NPAT equals net profit after income tax expense.

- The table opposite presents a reconciliation of NPAT(u) to Statutory NPAT
- Further commentary is provided in the corresponding Half-year report in Table 3: Reconciliation of Underlying NPATA to Statutory NPAT on page 5

GROWTH & MARKET SHARE

Healthia operates in a large and highly fragmented market and has a strong pipeline of near term acquisition opportunities

- Healthia is a market leader in physiotherapy and podiatry segments as well as independent optometrists, however still holds **less than 3.0% of total addressable industry revenue** – there is a significant runway for consolidation and growth in these fragmented industries
- **Healthia has deployed $22.5m in FY23 YTD** (settled and announced transactions) having already exceeded its annual target
- **Healthia remains in discussions with over 100 allied health businesses in its current pipeline**

DIVISION	MARKET SIZE	MARKET SHARE	CURRENT # CLINICS	PIPELINE - DISCUSSIONS	HEALTHIA TARGET
Bodies & Minds	$3.8B[2]	<4.0%	160	Number of allied health businesses being reviewed as part of Healthia's active pipeline conversations	Healthia expects to deploy a minimum of $20.0m in capital per annum on new acquisitions
Feet & Ankles	$2.7B[1]	<2.5%	104		
Eyes & Ears	$3.3B[3]	<1.5%	55		
TOTAL	$9.8B[4]	<3.0%	319	>100	$20.0m

Notes: (1) Australian Podiatry Industry Revenue of $864m (Source: IBISWorld Industry Report Q8539 dated December 2016) + Insole United States Industry Revenue of $1.8bn (Source: Transparency Market Research, "Foot Orthotic Insoles Market - Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2018–2026"). The author has not provided their consent for the statement to be included. (2) Australian Physiotherapy Industry Revenue of $2.5bn (Source: IBISWorld Industry Report Q8533 dated September 2020) + Other Allied Health Services in Australia Industry Revenue of $1.3bn (Source: IBISWorld AU Industry (ANZSIC) Report Q8533 dated September 2020). Information excludes the addressable industry revenue for physiotherapy in New Zealand as accurate information was not available. The author has not provided their consent for the statement to be included. (3) Australian Optometry Industry Revenue of $2.2bn which is equal to the industry revenue of $3.8bn less the market share held by Luxottica and Specsavers (Source: IBISWorld Industry Report Q8532 dated February 2020) + Audiology AUD Industry Revenue of $1.1bn (Source: IBISWorld Industry Report Q8539 dated December 2016). The author has not provided their consent for the statement to be included. (4) Total addressable revenue has only been included for industries where information was available or reliable. Addressable industries revenue excludes address industry revenue from Australian insole market, Australian allied health wholesale supplies, Australian optical eyewear supplies and Australian retail footwear.

GLOSSARY

Term	Definition
Cash Conversion %	Calculated as EBITDA (pre-AASB16) divided by operating cash flow before finance, acquisition and tax costs.
Clinic Class Shares	Clinic Class Shares are non-voting shares which entitle the holder to a share of any dividend declared, calculated on the performance of the clinic in which the Clinic Class Shares are issued. The Clinic Class Shares are designed to create alignment between the interests of clinicians and Healthia shareholders.
CY23	Calendar year ended 31 December 2023
EBITDA	Means earnings before interest tax depreciation and amortization
EBITDA(u)	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.
EPS(u)	Underlying basic earnings per shareas 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 results.
FY23	Full year period ended 30 June 2023.
H122	Half year period ended 31 December 2021.
H123	Half year period ended 31 December 2022.
H223	Half year period ended 30 June 2023.
NPAT - attributed to shareholders	Net Profit After Tax attributable to shareholders (i.e. after non-controlling interests).
NPATA(u)	Underlying NPATA is a non-IFRS measure and equals net profit after income tax expense plus amortisation of customer list intangibles. Underlying profit reflects statutory profit 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. Underlying NPATA has not been audited.
Revenue(u)	Underlying Revenue reflects statutory revenue 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 results and includes adjustments for the impacts from COVID-19 for the Consolidated Entity. Underlying revenue has not been audited.
Same Clinic Growth	Same Clinic growth represents 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.

DISCLAIMER

Except for historical information, there may be matters in this publication that are forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainty. Forward-looking statements, which are based on assumptions and estimates and describe the Company's future plans, strategies, and expectations are generally identifiable by the use of the words 'anticipate', 'will', 'believe', 'estimate', 'plan', 'expect', 'intend', 'seek', 'forecast', 'budget' or similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties both general and specific that contribute to the possibility that predictions, forecasts, projections and other forward-looking statements will not occur. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions and prevailing exchange rates and interest rates.

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For further information, please contact us

Company	Investor Relations
Wesley Coote Group CEO & MD Tel: 07 3180 4900 E: wes.coote@healthia.com.au	**Alfred Chan** Principal Investor Relations Tel: 03 8080 5780 E: healthia@principalir.com.au

healthia.com.au
myfootdr.com.au
allsportphysio.com.au
theopticalcompany.com.au

Healthia
Myfootdr
Allsports Physiotherapy
The Optical Company