ParagonCare
Enabling Healthcare

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ASX ANNOUNCEMENT

FY25 FINANCIAL RESULTS

ParagonCare delivers revenue of $3.6b & underlying EBITDA of $95.2m

Paragon Care Limited (ASX:PGC) ("ParagonCare" or the "Company"), a leading healthcare wholesaler, distributor, and manufacturer throughout the Asia Pacific region, is pleased to report its financial results for the full year ended 30 June 2025 ("FY25").

FY25 Key Highlights*

- Revenue of $3.61 billion up 8.3%
- Underlying EBITDA of $95.2 million up 3.0%
- Underlying NPAT excluding PPA amortisation, and one offs of $31.2 million up 9.5%
- Execution of refinancing
- Integration plans on track
- Launch of Aesthetics, Dental and Robotics Business units

Overview of FY25 Financial Results

Underlying Results $m	FY25**	FY24*	Var $	Var %
Revenue	**3,613.9**	**3,336.3**	277.6	8.3
EBITDA	**95.2**	**92.4**	2.8	3.0
Depreciation & Amortisation (excluding PPA)	24.3	24.7	(0.4)	(1.6)
EBIT	**70.9**	**67.7**	3.2	4.7
Finance Costs	33.1	24.4	8.7	35.7
Profit Before Tax	37.8	43.2	(5.4)	(12.6)
Net Profit After Tax (excluding PPA)	**31.2**	**28.5**	**2.7**	**9.5**
EBITDA margin	2.63%	2.77%		
Net Debt	214.8	176.7	38.1	21.6
Net Debt: EBITDA	2.26x	1.91x		
EPS (Underlying) – cents	1.89	1.72	0.16	9.5

*ParagonCare completed the merger with CH2 Holdings Pty Ltd on 3 June 2024. FY24 calculations are proforma in nature and are based on the 12-month contribution of both ParagonCare, Oborne (if Oborne was part of CH2 for the 12 months), and CH2 Holdings from 1 July 2023 to 30 June 2024. FY24 excludes underlying one-off costs in ParagonCare of $8.5m.
** FY25 Underlying results reflect full-year contributions from CH2, ParagonCare and Oborne; exclude $6.7m non-recurring costs and $5.6m in non-cash PPA adjustments.
Proforma and Underlying numbers are not subject to audit or review by external auditors.

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Statutory Results $m	FY25	FY24***	Var $	Var %
Revenue	3,613.9	2,969.9	644.0	21.7
EBITDA	88.5	44.8	43.7	97.5
EBIT	58.6	28.5	30.1	105.6
Profit Before Tax	25.5	13.8	11.7	84.8
Net Profit After Tax	20.6	8.2	12.4	151.2
Net Profit After Tax excluding PPA	24.5	8.4	16.1	191.3

***FY24 Statutory calculations reflect the 12-month contribution of CH2 Holdings and one-month contribution from ParagonCare, from 3 June 2024 to 30 June 2024.

In FY25, revenue of $3.61 billion and Underlying EBITDA of $95.2 million represents a solid combined result from the first full year of ParagonCare, Oborne, and CH2 operating together. While the integration has presented its challenges, we are firmly on track to build a strong foundation for long-term growth.

Information has been presented throughout on a Proforma and Underlying basis to enhance comparability.

Strong sales performance across all sales channels

$m Sales	FY25	FY24*	Var $	Var %
Wholesale	2,955.0	2,748.8	206.2	8%
Medical Technology	297.8	294.9	2.9	1%
Contract Logistics	335.8	269.3	66.4	25%
Clinical Manufacturing	25.2	23.2	2.0	9%
Group Total Revenue	**3,613.9**	**3,336.3**	**277.6**	**8%**

* To enhance comparability, FY24 revenue is proforma in nature and are based on the 12-month contribution of both ParagonCare, Oborne (if Oborne was part of CH2 for the 12 months), and CH2 Holdings from 1 July 2023 to 30 June 2024.

Building on the momentum of our integration program, the Group has streamlined its operations into four distinct sales channels to market, each supported by a centralised shared services platform. This structure positions us to maximise the value of our existing businesses while providing a strong foundation for scalable growth and consistent performance. Key highlights:

Wholesale

- Total Pharmacy sales of $2.8 billion reflects annual growth of 11.6%. Coming off the back of 24.6% growth in FY24, hospital sales were flat whilst total retail pharmacy growth (including Contract Logistics) of 23.4% was achieved as the business continues to outpace market growth of 8.9% (as measured by IQVIA).
- The integration of Oborne has established our complementary medicines business, creating a strong platform for growth in a health-conscious market delivering $105m in sales in FY25.
- Continued expansion of our medical consumables range and reach, including our private label portfolio.
- Recent launched of our Dental Division, leveraging existing customers and our scalable network to drive growth.

Medical Technology

- Expansion of portfolio and signing of new contracts in Surgical Robotics and Aesthetics, allowing the Group to roll out Aesthetics in other markets and seek to replicate the success experienced in Asia, which delivered over $68m in sales and grew by 28% year on year underpinning our growth in that region.
- Whilst OEM sales slightly exceeded last year, softness was experienced across the capital & service and vision businesses which has stabilised.
- Historical PGC Vision OEM now fully integrated into JDE, our ERP system, enabling online services and support.
- Investment into customer facing clinical teams to support longer term growth opportunities in the MedTech business.

Contract Logistics

- Growth of 25% to $336m with further upside in FY26 benefiting from the implementation of a large-scale contract with Owens and Minor in June 2025.
- Invested into our support team to ensure the right structure is underpinning our sales teams and support for our Principles.

Clinical Manufacturing

- We continue to investigate opportunities to exploit our specialist sovereign capability in the production of Reagent Red Blood Cells, whilst exploring alternative ways to drive profitability through the site.
- We signed our first contract manufacturing agreement.
- Reviewing expansion opportunities for the Mt Waverley facility to enable full scale operations.

Revenue on a like for like basis was solid in both geographic segments:

Australia and New Zealand up 8.0% to $3.5b:

- Annual growth in Pharmacy of 11.6% within Australia continues to underpin topline performance within the region.
- Capital and Service has experienced some headwinds across the region due lack of government spending in hospitals, particularly across New Zealand.
- Orthopaedics struggled with Avanos product withdrawal, and delays with the launch of robotic technology in the hip and knee sector, which is now expected in FY26.
- Strong Complementary Medicines performance after a year of integration.
- The launch of the Dental division and the acquisition of AHP Dental & Medical in July 2025 providing access to key supplier relationships within the segment going forward.

Asia up 20.3% to $101m:

- Strong segment growth continues to be driven by the Aesthetics business which grew due to new products and increased promotional activity.
- Imaging business was solid which offset lower service revenue – the service business reduces each year as products are replaced with different technology.
- By country, Japan, Thailand and Vietnam continued with positive growth, whilst Philippines was down on last year as service revenues reduce and previous lack of investment. Korea continued to be impacted due to doctor's strike and political uncertainty.

Gross Margin

Gross margin performance across the four sales channels is tabled below:

$m Margin	FY25	FY24*	Var $	Var %	% Margin FY25	% Margin FY24*
Wholesale	172.7	154.6	18.1	12%	6%	6%
Medical Technology	125.8	122.4	3.4	3%	42%	42%
Contract Logistics	14.1	10.8	3.3	30%	4%	4%
Clinical Manufacturing	11.4	11.3	0.2	1%	45%	49%
Group Total Margin	**324.0**	**299.1**	**24.9**	**8%**	**9%**	**9%**

* To enhance comparability, FY24 revenue is proforma in nature and are based on the 12-month contribution of both ParagonCare, Oborne (if Oborne was part of CH2 for the 12 months), and CH2 Holdings from 1 July 2023 to 30 June 2024.

Gross Margins in line with expectations.

Expenses

Overall expenditure continued to be well managed considering the complexity of the integration. Inflationary pressures have eased, though the impact of a higher cost base in insurance, freight and wage pressure will continue. Higher professional service fees continue to be a challenge due to the substantive volume of change which has occurred in a short period of time and the regulatory impacts this has had. We expect these impacts to ease going forward.

One-off costs of $2.8m associated with the integration were incurred throughout the year, however the full net $5 million of synergistic benefits originally targeted were still achieved. Further one-off costs associated with the inability to apply hedge accounting negatively impacted profit and loss by $3.9m, however it is management's view that a significant portion of this impact will reverse through profit and loss in FY26. Provisional fair value accounting for both the Oborne acquisition and the reverse acquisition of ParagonCare was finalised during the year and resulted in the recognition of $108.6m in separately identifiable intangible assets. The non-cash amortisation charge for these intangibles in FY25 was $5.6m driving the significant increase in recorded depreciation and amortisation.

Finance costs increased due to higher intra-month debt levels. This was driven by stock investments made throughout the year to support integration activities, which are now stabilising. Additionally, an increase in debtor days contributed to the rise in costs.

Capital Management

In June 2025, the Group entered into two separate financing arrangements with Scottish Pacific Business Finance Pty Ltd ("ScotPac"), comprising an amended Debtor Finance Facility providing working capital funding secured against eligible trade receivables (limit $325 million), and a separate Asset Based Facility secured over inventory, plant and equipment, and selected non-core receivables (limit $75 million). The minimum amount that must be drawn across the combined $400m in facilities is $200 million.

In addition to lowering the cost of funds ($2m pa savings achieved from June 25), the ScotPac facilities are secured only by Australian assets, bear no financial covenants and provide us with adequate capacity for future M&A investment both locally and overseas.

Net working capital was impacted by a retail pharmacy group of 103 sites delaying payments. We have entered into a subsequent payment arrangement and maintain our assessment, whilst it is putting a drag on the cash flow, consistent payments are in place and being made, and its management's view this will be fully recovered. Stock levels remain slightly elevated, and we expect this to moderate further throughout FY26. Trade Payables partly offsetting the increase in working capital.

Net Debt was higher than June 2024 driven by the higher working capital investment. Average daily net debt was $251m and average cost of borrowing was c.8.4%.

No dividends have been declared in FY25 to preserve cash for ongoing investment in organic and in-organic opportunities. The Directors are committed to reviewing the Dividend Policy in FY26.

Phased approach to integration

Integration across the Group has progressed significantly. Taking a cautious approach, we have extended the IT integration timeline to ensure a robust and future-proof solution, whilst still delivering the net $5 million in planned synergies in FY25 and taking advantage of further opportunities for the Group. We remain confident of achieving the full $12 million in synergy benefits in FY26, net of investment into Dental, Aesthetics and Robotics. We will continue to prioritise the integration of the Australian and New Zealand businesses before assessing the extent of Asian integration that is required.

Whilst integration activities are ongoing, the Group continues to invest in and leverage Business Intelligence, to drive further value and provide optimal data for decision making.

FY26 Outlook

In FY26 we are focused on the continued execution on the integration plan for the merged entity and building a stronger defensive business. Specific initiatives include:

- Focus on our **3-2-1 Strategy**
  - Strategic focus on "**One Team**" way of doing business,
    investing in our people and complete the initial 3-2-1 strategy.
  - Continued execution on the integration plan for the merged entity.
- **Organic** Growth Opportunities
  - Through customer and supplier service excellence.
  - Continued expansion into new businesses such as Dental, Robotics, Aesthetic and OEM opportunities.
- **Merger & Acquisition** pipeline in place with particular emphasis on Asia. Ensuring a strong proactive focus on additional in-organic opportunities.
- **Operational efficiency**
  - Cost rationalisation and our *LEAN* way of doing business to ensure we can continue to compete on price.
  - Systems, infrastructure and data analytics investment.
  - Simplifying the business structure to ensure focus and results are delivering on expectations of our customers, supply partners and shareholders.
- **Revenue & Profit**
  - Revenue is expected to remain at the FY25 trend rates in terms of growth.
  - Profitability is expected to improve as we realise the full synergies of the merger.
  - The Directors are committed to reviewing the Dividend Policy in FY26.

Carmen Riley, ParagonCare CEO stated:

"It's been an exciting and challenging year in the business, as we not only merged our system and processes, but brought together three culturally different businesses across seven countries, to have one clear and focused strategy for ParagonCare. I am extremely proud of the team and the opportunity to lead the business as we continue to embed ourselves as a leading provider of healthcare products and services. We will continue with our growth journey by leveraging our reach to provide the largest portfolio of products and services for our customers, and providing access for our supply partners to a growing and diversified customer base. Our people are passionate and dynamic and will continue to come together and lead the way for healthcare distribution in the Asia Pacific region". Carmen Riley, CEO.

For further information please contact:

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This announcement is authorised for release to the market by the Board of Directors of Paragon Care Limited.

About Paragon Care Limited

Paragon Care (ASX:PGC) is an Australian based listed company in the healthcare sector. It is a leading provider of medical equipment, devices, consumables, pharmaceuticals, complementary medicines, nutritional supplies, and manufacturer of Blood Bank diagnostic reagents to the healthcare markets in Australia, New Zealand and Asia.