



2021

Full Year
Update

Company
Introduction

2021
Financials

September 27, 2021 - John Walstab
Quantum Health Group Limited [ASX:QTM]

Business Introduction - Overview



Who we are

ASX listed Healthcare Company, leading independent high-end medical equipment distributor across Asia

What we do

Specialising in sales and service of diagnostic equipment for Radiology, Oncology, Women's Health and Environment Healthcare markets. We represent leading multinational manufacturers including Carestream, Samsung, Philips, IBA , Accuray and Classys

Where we do it

Head office based in Sydney Australia, with businesses in Korea, Thailand, China, Australia, New Zealand, Philippines and Vietnam

Why Quantum

We are the only Australian based medical equipment distribution business successfully growing a Medical Technology Distribution Platform across Asia



Quantum Health Group –Year End 2021



ASX : QTM

\$0.62
Market cap
~\$70 Mil
(August 2021)



178 Employees

45% Service
23% Operations
22% Sales
4% Clinical
6% Management



ASIA-Wide

Korea
Australia
New Zealand
Thailand
Philippines
China
Vietnam*



FY 2021

Revenue
A\$56 Mil

EBITDA
A\$10.7 Mil

NPAT
A\$7.7 Mil



Core Businesses

Medical Distribution
Radiology
Oncology
Molecular Imaging
Aesthetics
Environmental Health

FY 2021

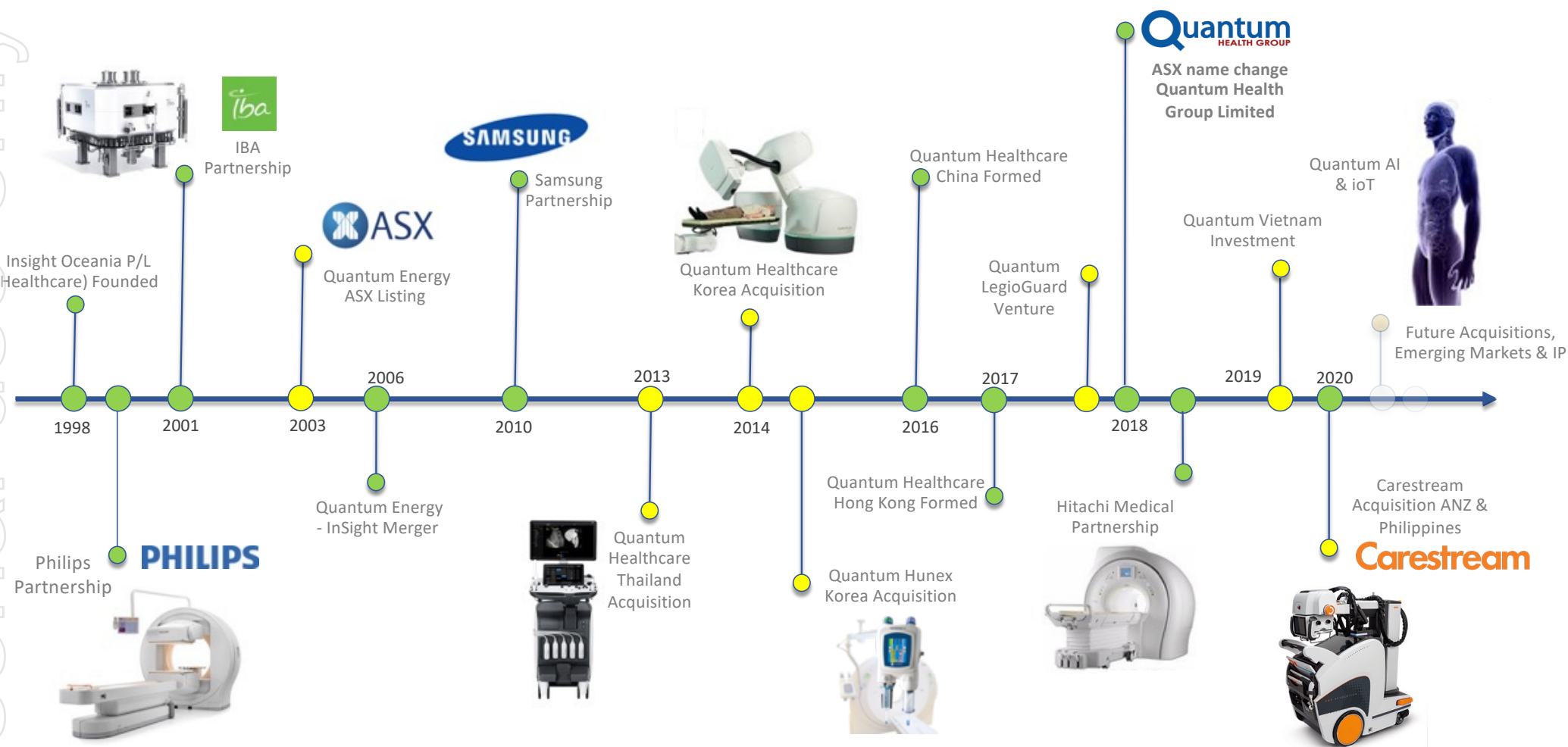
Revenue
\$56 Mil

EBITDA
\$10.7 Mil
+15%

NPAT
\$7.7 Mil
+20%

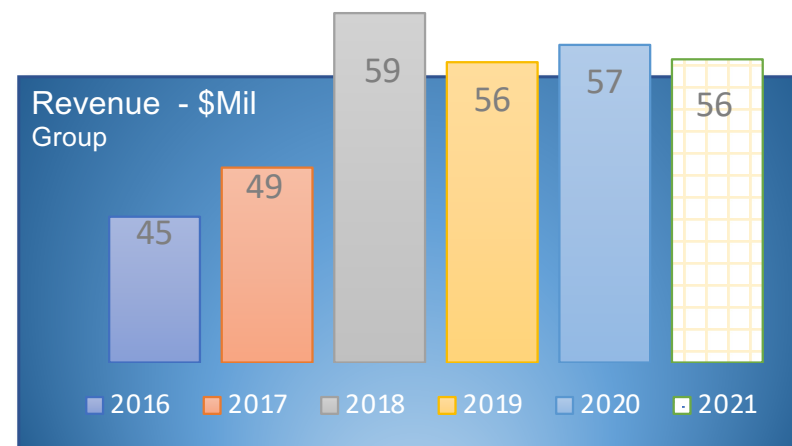
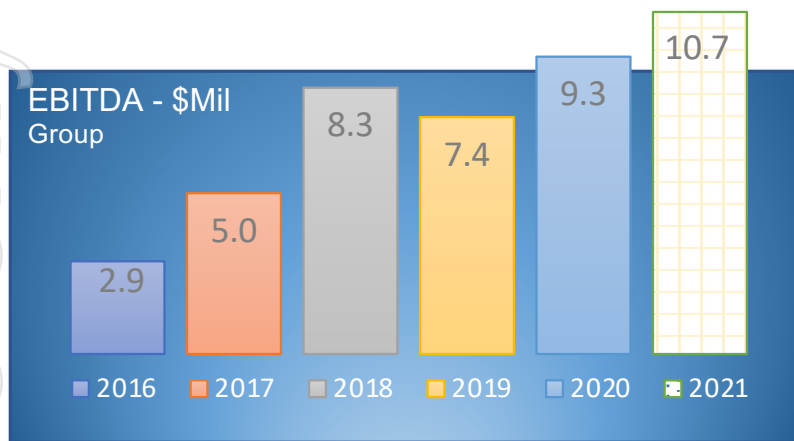
Business Introduction – Healthcare History

Quantum

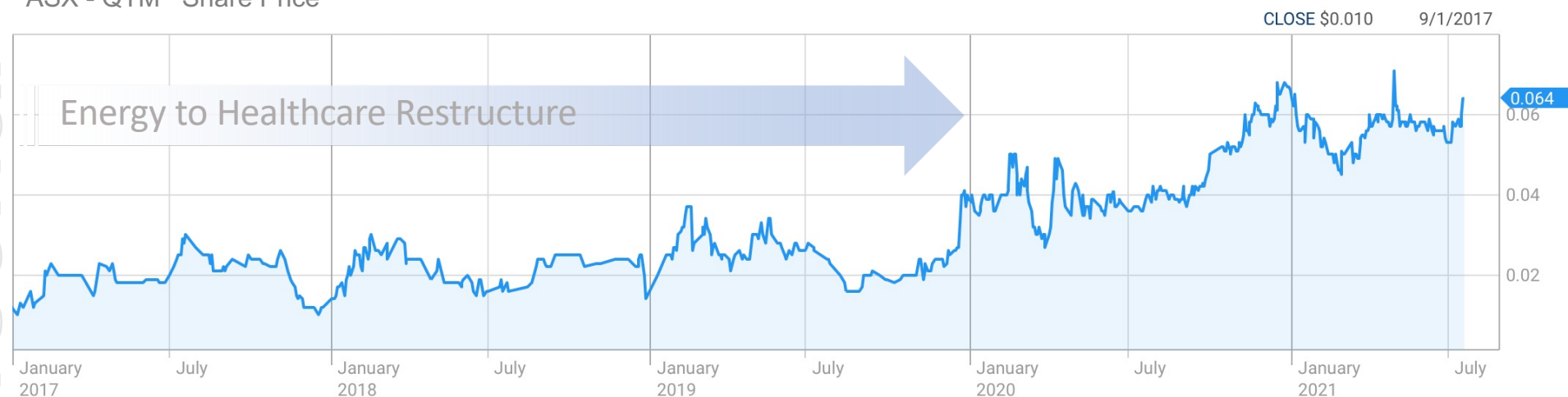


Quantum Key Financials FY 2016-2021

Quantum



ASX - QTM Share Price



Business Introduction – Executive Group



John Walstab
Managing Director / CEO - Quantum Health Group

Over 38 years experience in medical imaging equipment distribution across Australia and Asia. Founder of Quantum Healthcare (InSight Oceania Pty Ltd) prior to joining Quantum in 2003 Formerly Managing Director of ATL Australia (Philips Medical Systems Australia) and Managing Director of InSight Oceania Pty Ltd Australia.



Drew Townsend
Non-Executive Chairman - Quantum Health Group

Appointed in 2003, Bachelor of Commerce, Member of the Institute of Company Directors and a Member of Chartered Accountants Australia and New Zealand. Over 28 years' experience in Australian and international accounting and finance. Current Partner of Hall Chadwick Australia.



Youngchun Kim
CEO Quantum Healthcare Pty Ltd

MBA (Executive) AGSM 2020. Extensive experience in the SE Asian medical imaging market, prior to joining Quantum in 2012 he was Director Philips molecular imaging, General Manager Philips Korea MI and Product Manager for General Electric-Samsung.



Alan McCarthy
Non-Executive Director - Quantum Health Group

Bachelor Bus (Accounting.), M Com in Marketing and Organisational Behavior, CPA. Experience spans public health and private health services across Asia Pacific from more than 30 years, including CEO at Alpenglow Australia and SRG NZ, MD of Philips and Cardinal Health ANZ, Vice-President at CareFusion and GM of Diagnostic Imaging at Mayne Health.



Michael Peters
CFO Quantum Health Group Limited

Masters of Business, Bachelor of Commerce (Honours), Fellow of Chartered Accountants Australia and New Zealand. Over 30 years' experience including Managing Partner at Peters and Partners, Head of M&A and Lending at ANZ Global Wealth, Head of Corporate Finance at CBA and qualified through Ernst & Young and PWC.



Stephanie Wen
Non-Executive Director - Quantum Health Group

Bachelor of Law (LL.B) and Bachelor of Commerce (B.Com, Accounting) – UNSW. Master of International Affairs (International Business and Finance) Columbia University. Stephanie is an experienced corporate lawyer with broad experience in Asia and Australia including cross-border legal advisory, corporate compliance, public/private M&A and capital raising for ASX listed companies

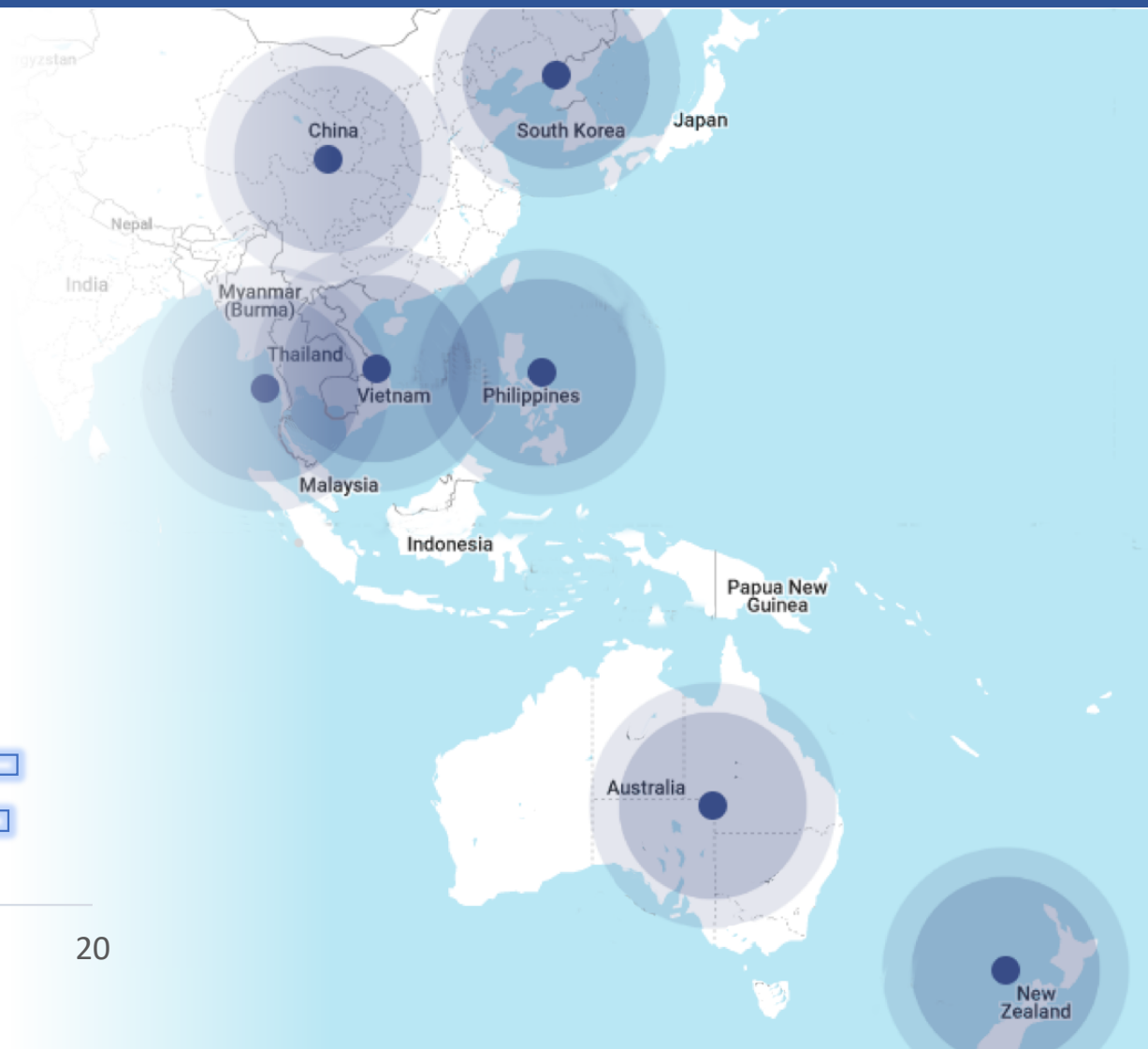
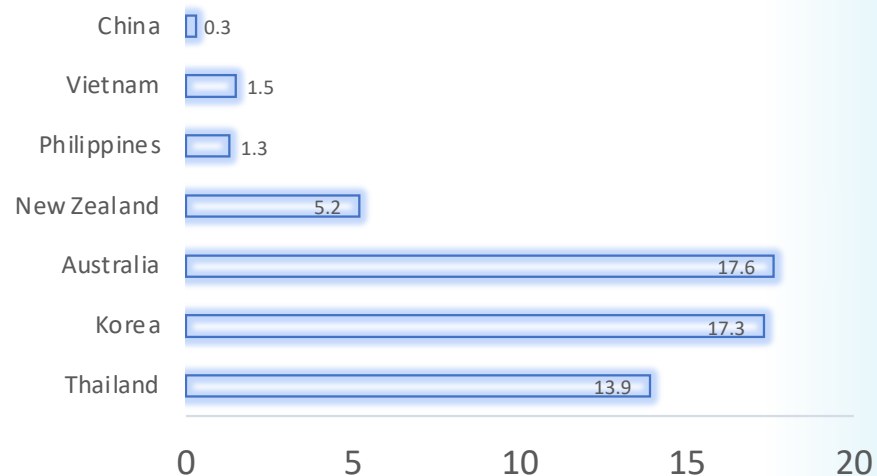
Business Introduction – Asia Opportunity



Quantum has a proven track-record developing its Asia-wide medical equipment distribution platform.

- Higher operating margins
- Better value acquisitions
- Enhanced organic growth

2021 Revenue by Country \$Mil



Global Distribution Partners

Quantum

Carestream

ACCURAY

PHILIPS

Lunit



Guerbet
Contrast for Life



wellcomet
TECHNOLOGY

Distribution Partners

- Quantum represents leading multi-national manufacturers across Asia.
- We have held long-term distribution agreements with suppliers including Philips, Samsung, Carestream, IBA, Classys and Accuray.
- Quantum is building a first-class medical distribution platform across Asia, we have a strong team of qualified field engineers and support staff.
- Our business strategy has recently expanded to provide equipment and service with a long term renewing rental model.

SAMSUNG

CLASSYS
Technology for better life

Medical Equipment Service Platform

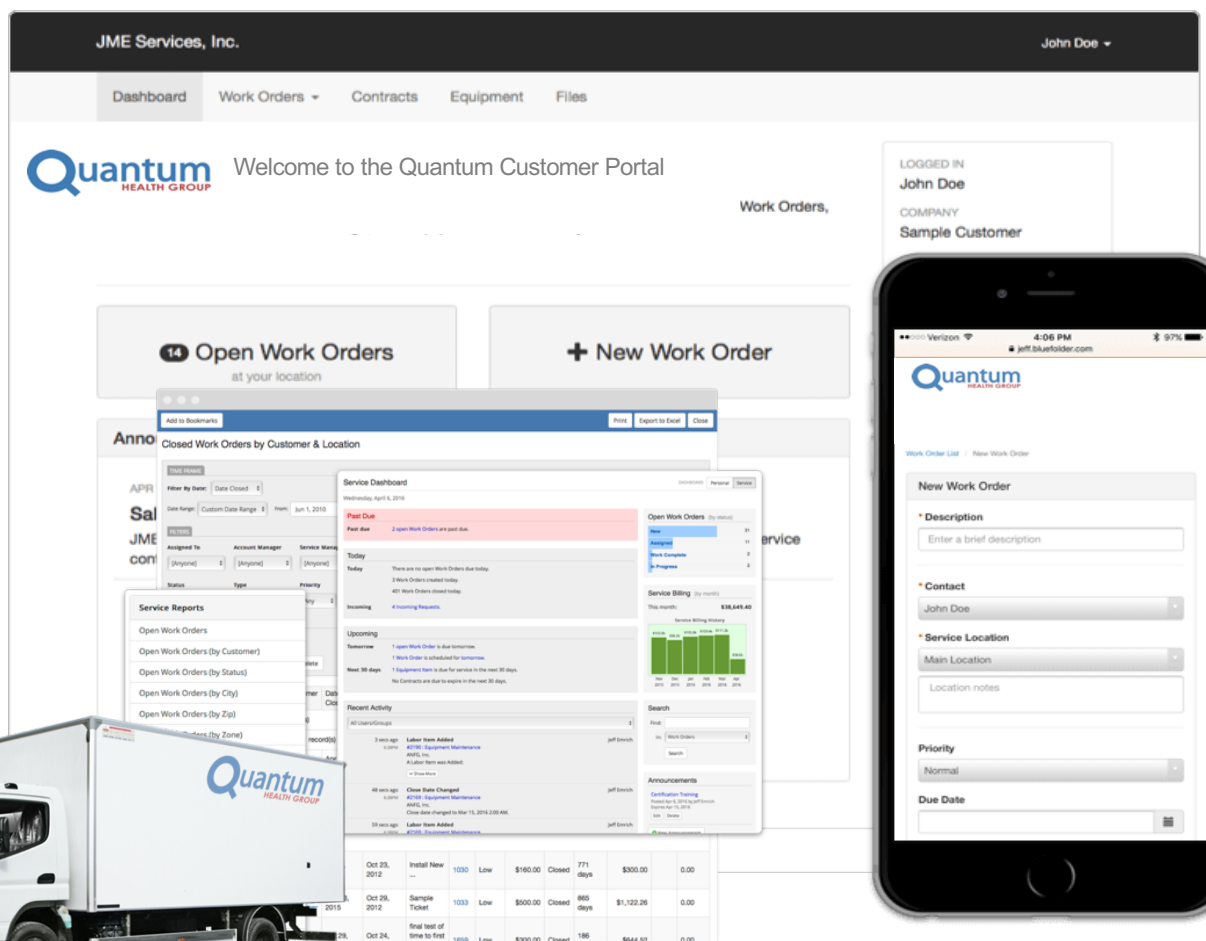
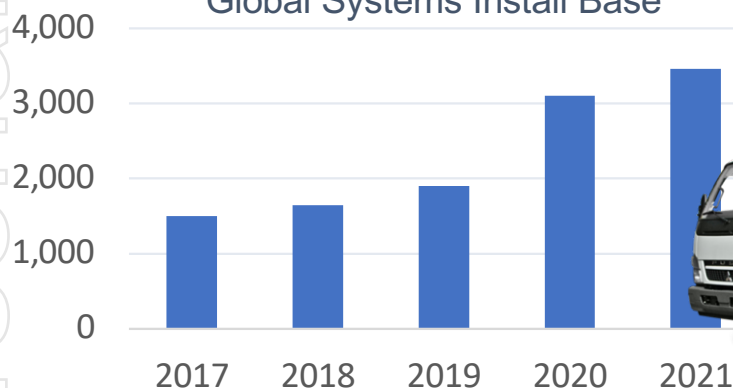
Quantum

Quantum's global service business provides high margin, repeat business with high barriers of entry for competition and long-term customer retention.

We employ over 75 trained field service engineers with the ability to export this expertise into new markets. Quantum's installed base has grown to over 3,500 medical systems across Asia.

Quantum utilises a cloud based Mobile/Web call center, customer portal and field service management providing first class customer support, service auditing which is being fully integrated to NetSuite ERP.

Global Systems Install Base

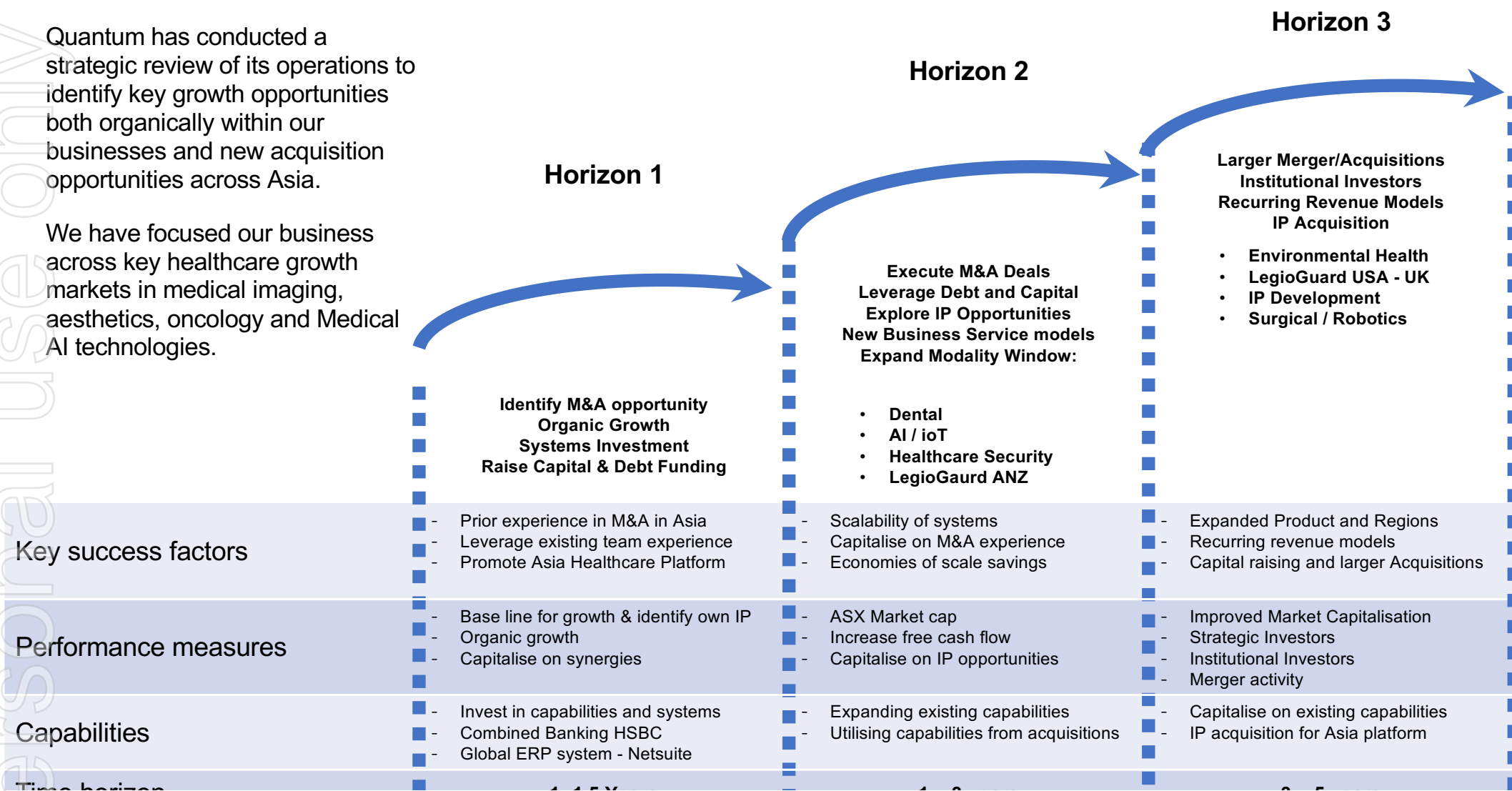


Quantum Growth Strategy



Quantum has conducted a strategic review of its operations to identify key growth opportunities both organically within our businesses and new acquisition opportunities across Asia.

We have focused our business across key healthcare growth markets in medical imaging, aesthetics, oncology and Medical AI technologies.



Our Unique Focus

Quantum has established itself as a leading healthcare equipment distributor for over 20 years. Our focus into Asia has unlocked substantial growth opportunity in highly profitable, less competitive markets.

Corporate Restructuring

Since 2017 Quantum has embarked on a re-structure of its legacy energy business to build a strong Asia-wide healthcare distribution business. In the last three years Quantum has delivered strong profit growth and established a solid platform for future investment and growth.

Future Opportunity

Quantum has long standing relationships with leading global suppliers and customers across Asia, we continue to grow our installed base providing long-term recurring service revenues. Our stronger financial position has created both organic and accretive growth opportunities.



2021 Full Year Profit & Loss



	2021	2020
	\$'000	\$'000
Revenue	55,671	59,398
Cost of sales	-26,653	-31,032
Employee expenses	-11,421	-11,337
Marketing expenses	-485	-847
Travel expenses	-639	-1,052
Warranty expenses	-764	-559
Freight expenses	-673	-327
Foreign exchange gain / (loss)	340	-222
Other expenses	-4,632	-4,688
EBITDA	10,744	9,334
Net Finance expenses	-629	-546
Depreciation and amortisation expense	-1,541	-1,553
Income tax expense	-864	-816
Net Profit After Tax	7,710	6,419

- Recent Carestream Health acquisitions have resulted in both higher ongoing service revenues and gross profit margin. The contribution from these acquisitions has offset the reduction of sales revenue impacted by Covid-19.
- With the sustained growth in our business, Quantum did not seek Job-keeper assistance during this financial year.
- The reduction in travel and marketing expenses due to Covid-19 should be substantially sustained long-term due to new communication technology and business practices.
- Freight expenses increased due to a rise in Covid-19 impacts on global logistics costs.

EBITDA +15%

NPAT +20%

2021 Balance Sheet Highlights



	2021	2020
	\$'000	\$'000
Cash	11,945	8,765
Trade Debtors	14,842	14,963
Inventories	8,147	9,464
Goodwill	22,591	22,719
Property	2,338	2,444
Other Assets	14,542	15,698
Total Assets	74,405	74,053
Trade Payables	11,586	12,281
Contract Liabilities	4,039	7,077
Borrowings	7,351	8,892
Other Liabilities	4,154	4,875
Total Liabilities	27,130	33,125
Total Equity	47,275	40,928

- Net Cash Positive 4.5Mil
 - Total Cash 11.9 Mil
 - Borrowings 7.4 Mil
- Accumulated Franking Credits of \$10.2 Mil
- Carried forward Australian Tax Credits of \$6 Mil
- Improved Management tools with NetSuite
 - Inventory transparency – down 14%
 - Approval process
 - Working capital management
 - Real-time management dashboards
- Capital reconstruction – improved optics with retained earnings of 23Mil

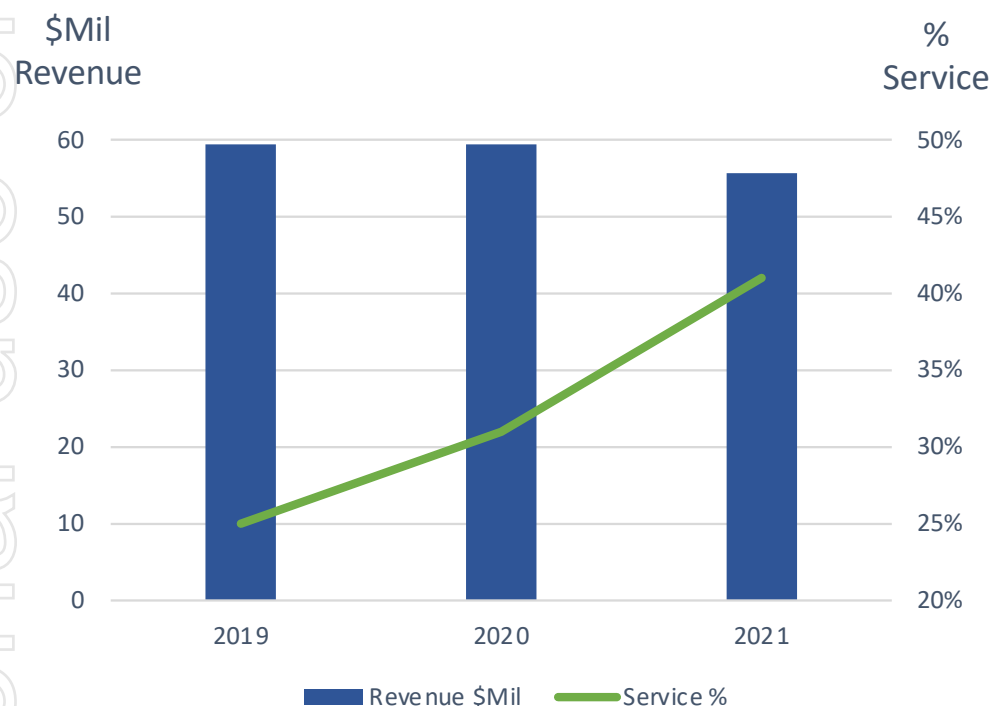
Equity +16%

Cash +36%

Business Model Transition



Business Mix



Shift to Higher Margin, Recurring Service Model

- Growing service business provides long term re-occurring revenue streams at much higher margins.
- Quantum has been actively re-aligning its business mix to a reoccurring, higher margin service model which resulted in a small decline in revenue of 6% but significantly increased the operating profits by 20%, as shown.
- During 2020, Quantum acquired the service businesses of Carestream in Australia, New Zealand and Philippines which significantly increased our service install base to over 3,500 systems.

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