

**CHAIRMAN'S ADDRESS**  
**AUSTCO HEALTHCARE LIMITED (ASX:AHC)**

**ANNUAL GENERAL MEETING – 24 NOVEMBER 2021**

Good morning everyone and thank you for joining us today. My name is Graeme Billings, and I am the Chairman of Austco Healthcare Limited (**Austco**), and I would also like to welcome you to the 2021 Annual General Meeting.

Given we have a quorum, I now declare the meeting open. I'd like to begin by introducing my fellow board members:

- Independent Non-Executive Director Mr. Brett Burns, who is also the Chair of the company's Remuneration Committee;
- Independent Non-Executive Director Mr. Tony Glenning;
- Mr. Clayton Astles, Executive Director and the company's Chief Executive Officer; and
- Mr. Brendan Maher, Company Secretary and Chief Financial Officer.

I would also like to welcome Mr. Michael Climpson, a Partner of Grant Thornton, our auditors.

This past year the challenges of the COVID-19 pandemic have persisted, but the company's response to these challenges allowed it to deliver a strong result in FY21. As a Board, we continue to work with management to limit the impact of the pandemic on the business in the short term while remaining focused on future opportunities. My fellow Directors and I are proud of the way the Austco Healthcare team has risen to these challenges and would like to acknowledge their contribution to this result.

During the year the Company completed the strategic initiative to outsource product manufacturing to contract manufacturers. This allowed the Company to produce higher gross margins, with 2H margins growing to 55.2%, up from 51.4% in 1H. It also helped us mitigate the impact of the COVID-19 related supply chain issues.

## **Financial Performance**

Whilst we continue to operate in an uncertain environment, we have maintained a prudent approach to costs, and in FY21 we reduced total overhead expenses by 3%.

The Company increased FY21 net profit after tax to \$3.4 million, up from \$2.5 million in FY20. In the first half of the financial year, despite continuing to win contacts from customers, our revenues dropped from FY20 levels to \$13.9 million. In the second half, customer site access restrictions still existed but were shorter in duration and in fewer regions at any one time. These opportunities allowed second half revenue of \$17.3 million, which was a 25% increase compared to the first-half sales revenue.

Over the past 18 months, our Open Sales Order book has grown to record highs as we continue to sell and win orders. At present, we have \$22.9 million of Open Sales Orders and a rapidly expanding sales pipeline.

## **First-In-Class Products**

We believe the long-term investment in the global nurse call and workflow solutions market will accelerate as governments and health care operators across the globe increase spend on healthcare infrastructure in response to the COVID-19 crisis.

As a result, we continue our investment in R&D, expending \$3.2 million during the year to continue enhancing our market-leading solutions. During the year Austco successfully delivered its new real-time-locating solutions (RTLs) and proximity enabled call points, to customers around the world.

This new locating technology supports automated workflows, including auto-presence and auto-cancellation of alarms, auto-logging of completed rounds, and one-touch mobile assistance with exact location notifications delivered directly to iPhone and Android mobile devices. The Company has also continued to focus on enhancing its market-leading software suite with advanced clinical workflow, task management, and business intelligence solutions.

Austco's Tacera and Pulse brands are recognized globally as best-in-class healthcare communications and clinical workflow systems. The development of an open architecture, VOIP capable system that delivers Internet Protocol to the patient bedside is key to the evolution of the Tacera and Pulse brands well into the future.

### **Strategy**

Austco Healthcare's strategic plan is focused on operational and revenue growth strategies over the next three to five years. We have commenced the deployment of the capital we raised in FY20 into increasing the number of sales resources across the group with recruitment in Asia and the USA. We expect further positions to be filled across our group over the next six to twelve months. The Company is also developing an M&A strategy that supports its long-term growth initiatives.

The most significant risk for the Company remains the global supply chain crisis, which has resulted in higher prices and longer delivery timelines. While we are seeing an easing of restrictions across the globe, uncertainty persists regarding the potential impact of the constrained supply chain on revenue in FY22. However, as shown in FY21, the Company's mitigation strategy has allowed it to successfully navigate the last 18 months of COVID-19 related challenges in a profitable manner.

This is also the first year in which we have operated under our new name – Austco Healthcare Limited. The adoption of the new corporate name has aligned all Austco global subsidiaries as the company continues to focus on enhancing its market leading software suite with advanced clinical workflow, task management and business intelligence solutions.

### **Outlook**

We are hopeful that higher community vaccination rates will lead to reduced interruptions to our business and enable confidence for all parties to plan for installations on-site and reduce the bottlenecks in our supply chain. When this occurs, we will start to see the benefit of the \$22.9 million Open Sales Order book flow through to higher revenues and profits.

## **Conclusion**

Whilst to date the supply chain challenges have been successfully managed by the Company, which helped it deliver a strong FY21 result, uncertainty still exist for the business, which will need to be addressed throughout FY22, and possibly beyond.

I continue to be impressed by the Austco team and I thank them for their dedication and ability to adapt during these unprecedented times.