



Annual General Meeting Presentation

John Conidi

Managing Director of Capitol Health Limited
(ASX: CAJ)

5 November 2012

AGENDA



1. Year in review
2. Financial results overview
3. Strategy and positioning
4. Strong start to FY2013 and outlook



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CAPITOL HEALTH SNAPSHOT



Capitol Health Limited is an ASX-listed company providing medical diagnostic imaging services

Board of Directors

John Conidi	(Managing Director)
Dominik Kucera	(Executive Director & CFO)
Steven Sewell	(Non-Executive Director)
Andrew Harrison	(Non-Executive Director)

Key Statistics

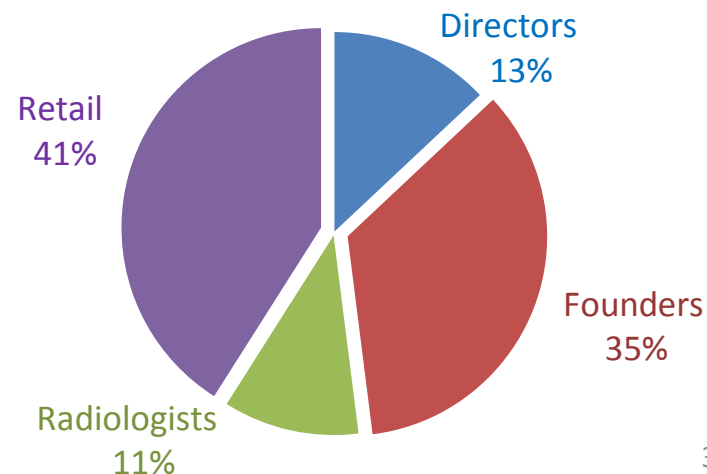
ASX Code:	CAJ
Market cap:	\$28.4 million
Share price:	\$0.076
52 week range:	\$0.029 – \$0.080
CAJ clinics:	37

NOTE: Data as at market close 2/11/2012

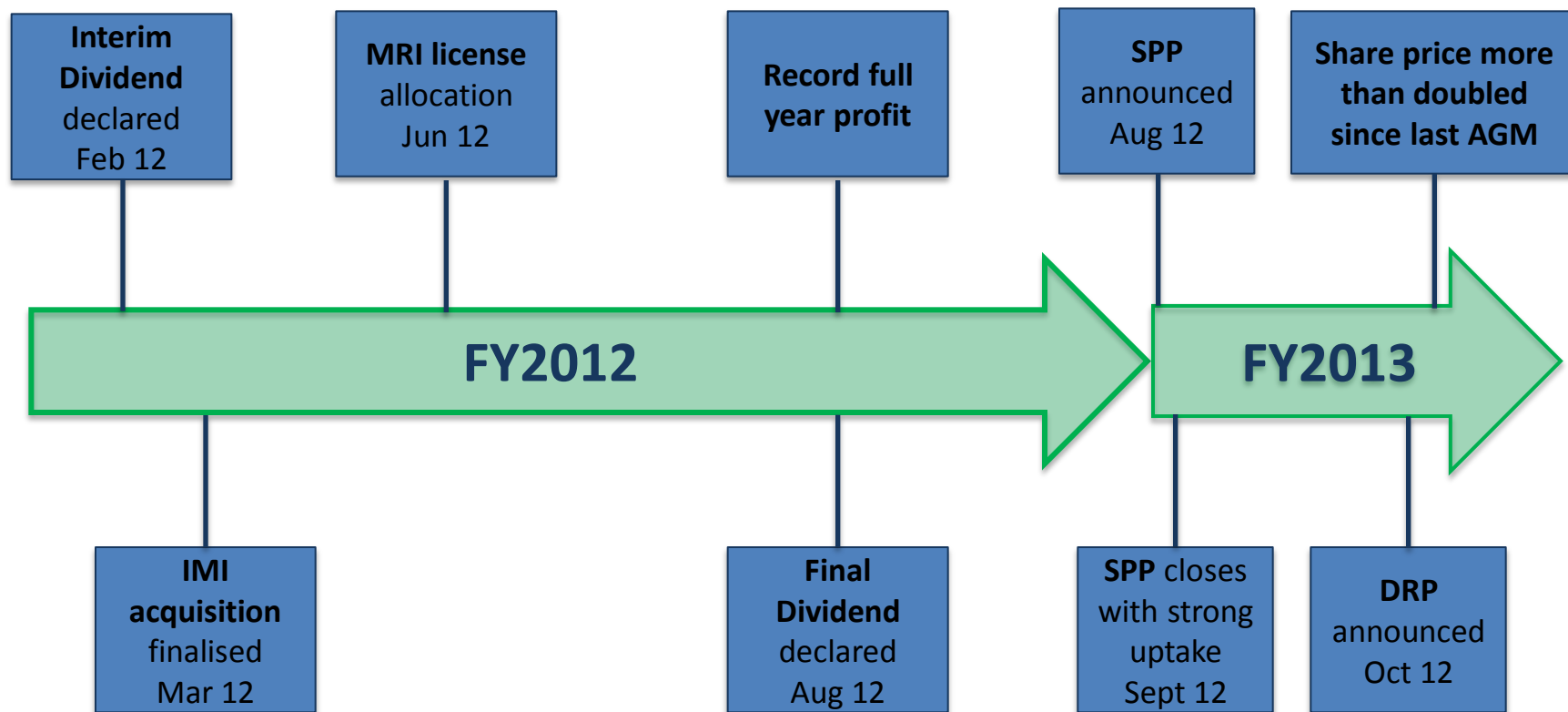
Share Price Performance



Major Shareholders



1. YEAR IN REVIEW

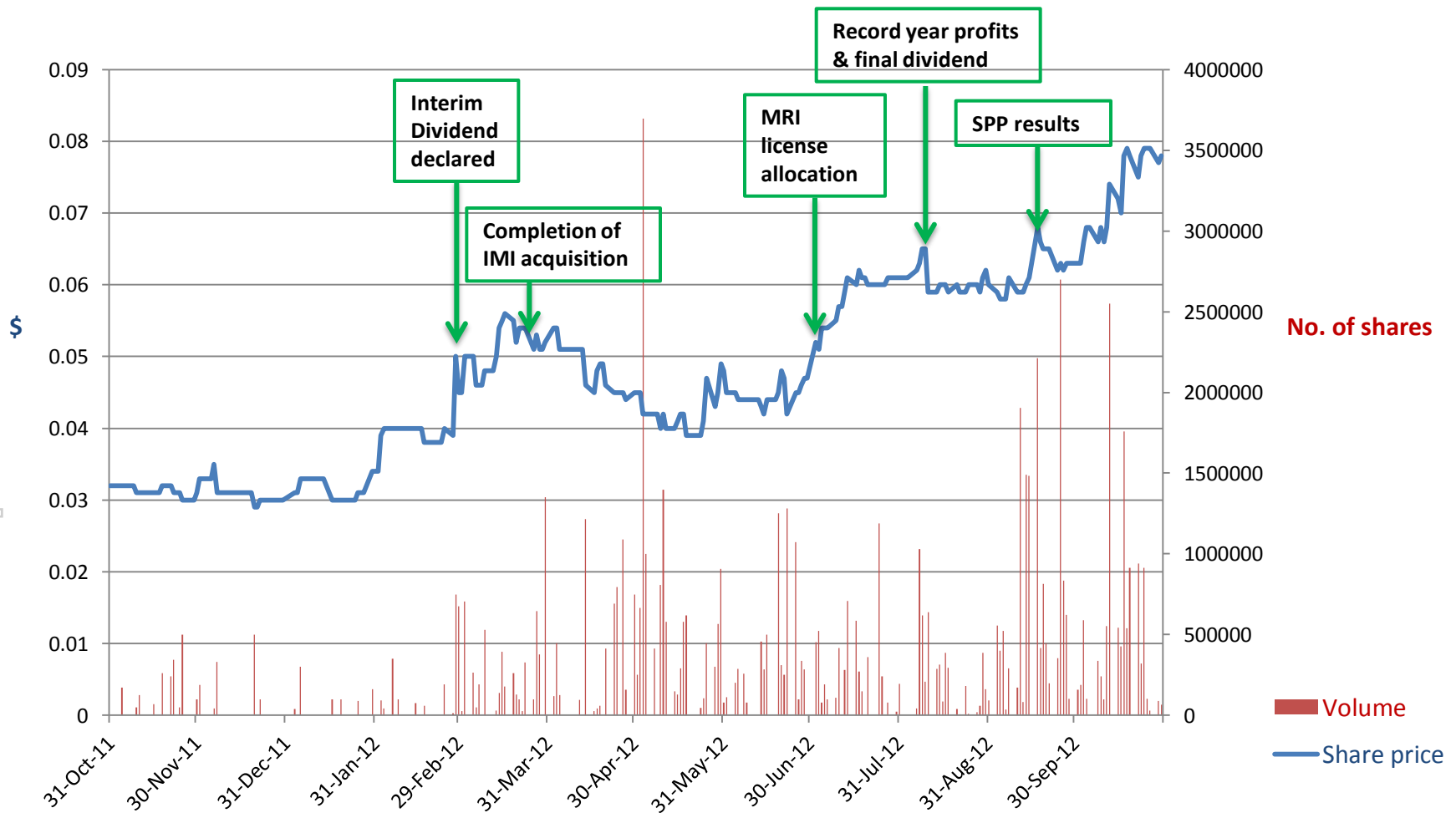


High activity + high achievement

YEAR IN REVIEW



Creating shareholder value



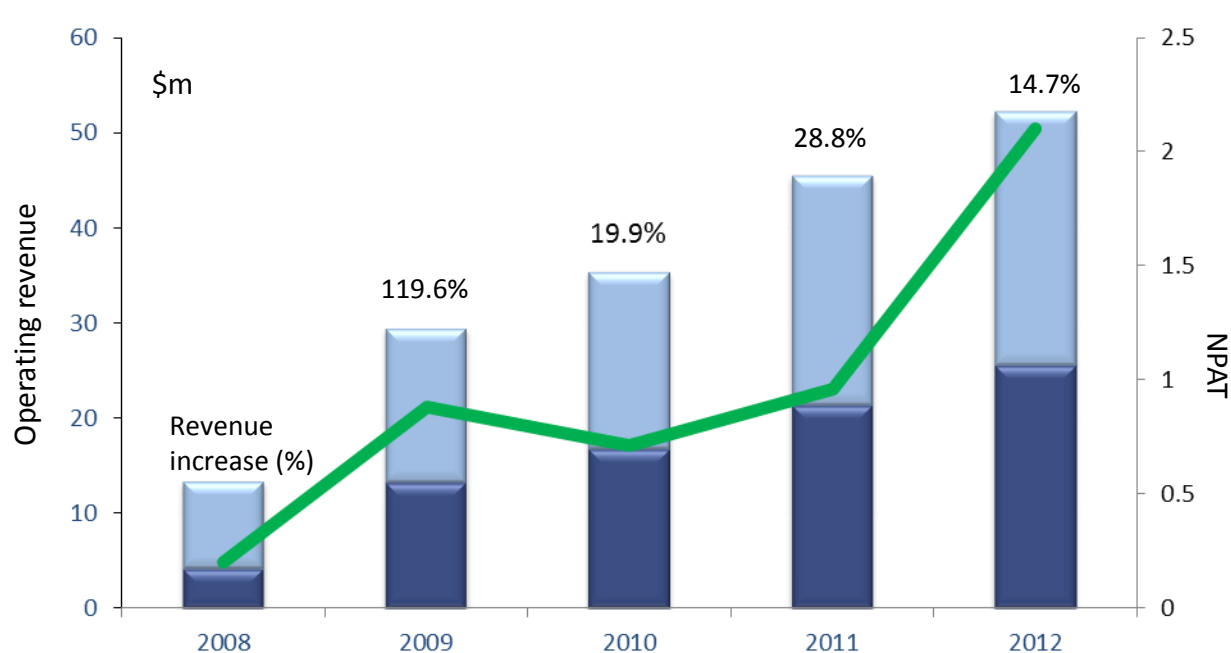
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2. FINANCIAL RESULTS OVERVIEW



Track record of delivering year-on-year profit growth continued

- **Operating Revenue up 15%** on FY2011, to \$52.3 million
- **Net Profit after Tax up 122%** on FY2011, \$2.1 million
- Interim and final **Dividend payments** – totalling 0.4 cents per share



Operations commenced

NB: 2009 – deduction of a one-off non-cash goodwill impairment charge

FY2012 PERFORMANCE SCORECARD



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KPI	FY2011	FY2012	Trend
Revenue	\$45.6m	\$52.3m	✓
EBIT	2.0m	3.5m	✓
EBIT margin	4.4%	6.7%	✓
NPAT	\$1.0m	\$2.1m	✓
EPS (diluted)	0.29c	0.63c	✓
DPS	Nil	Interim: \$0.002 Full: \$0.002	✓
Net debt	\$1.2m	\$43,000	✓

FY2012 RESULTS COMMENTARY



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REVENUE UP

Driven by:

- Market share gains
- Organic industry growth
- Acquisition of IM Medical Ltd business

NPAT UP

Reflects:

- Highly scalable and low-cost business model
- Cost and operational efficiencies generated by substantial investments in IT

NET DEBT REDUCED

- Acceleration in debt repayment
- Debt reduced by 96.4% - from \$1.2m to \$43K
- Reflects strong focus on capital management

[NOTE: Net debt = cash and cash equivalents minus current and non-current bank Commercial Bill liabilities]

MAIDEN & FULL YEAR DIVIDENDS

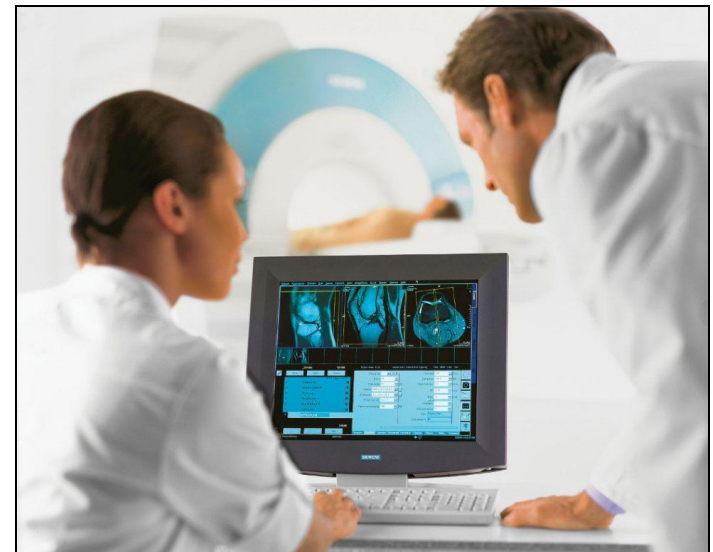
- Both fully franked & 0.2 cents per share
- Reflects strong financial performance, solid funding position & positive outlook

3. STRATEGY AND POSITIONING



Strategic business plan implemented in 2008

- Bulk billing pricing model
- Significant investment in IT and latest high-tech medical equipment
- Establishment of dedicated sales & marketing team
- Expansion of geographic footprint via acquisition and organic growth
- Brand aggregation
- Attractive employee offering



STRATEGY AND POSITIONING



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Our value equation

3. STRATEGY AND POSITIONING



The Capitol Health advantage lies in its superior offering to all stakeholders:

- Patients and referrers – price and service
- Employees – stability and opportunity
- Shareholders – low-cost commercial model



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INDUSTRY OUTLOOK



Australian DI industry is continuing to grow

- Australian DI market was \$2.3bn in 2011 and is growing
- Growth expected to average 4% p.a. over the next 5 years
- Key drivers of growth:
 - Expanding & ageing population
 - Shift in focus to early detection and prevention
 - Improving accuracy and capabilities of imaging techniques
 - Government initiatives
- Economic climate and Government incentives causing industry shift towards bulk billed offering.

4. STRONG START TO FY2013 & OUTLOOK



Strong momentum has continued into FY2013

KPI	First 4 months FY2012 (1 Jul – 31 Oct)	First 4 months FY2013 (1 Jul – 31 Oct)	TREND
Underlying revenue	\$17.2million*	\$19.4million	↑ 13%
Underlying NPBT	\$1.1 million*	\$1.5 million	↑ 25%

* Excludes impact of asset sales in Q1 FY2012, which amounted to \$230, 873.

Note: Total asset sales for FY2012 were \$254,119.

FY2013 outlook:

- Organic and acquisitive **growth**
- Solid **ongoing growth** in revenue and profit
- Interim & final **dividend payments** to continue, based on current outlook & conditions

INVESTMENT CASE OVERVIEW



- Consistently strong profitability – FY12 profits up 121.9% on FY2011
- Highly focused strategy and ingrained commercial culture
- Dynamic and flexible management style
- Defensive revenue base – profitable bulk billing model in a resilient & growing healthcare industry
- Attractive offering for patients, Radiologists and referrers
- Regulatory environment supports business model and growth strategy
- Highly-scalable & low cost commercial model
- Proven track record of value-added acquisitions
- Significantly undervalued with attractive dividend yield



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CONTACT DETAILS



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