

Company Announcement Pro Medicus Limited Interim Results

13 February 2020

HIGHLIGHTS

- Revenue \$29.3m – up 15.7%
- Net profit after tax \$12.1m – up 32.7%
- Underlying profit before tax \$14.8m – up 45.3%
- Cash reserves \$38.8m – up 20.2%
- Fully franked interim dividend 6c per share up 71.4%
- 2 key contracts announced during the period

Leading health imaging company Pro Medicus Limited [ASX: PME] today announced an interim after-tax profit of \$12.1m for the six months ending 31 December 2019, 32.7% higher than for the previous corresponding period.

Revenue from operations was \$29.3m, a 15.7% increase on the previous corresponding period. Underlying revenue which excludes the one-off capital sale to the German Government made in the first half of FY2019 increased by 39.1% due to solid growth in all key jurisdictions: North America (43.1%) Europe (52.0%) and Australia (21.5%).

The company's cash reserves at 31 December 2019 were \$38.8m, a rise of 20.2%. Pro Medicus announced an interim fully-franked dividend of 6c per share. The company remains debt-free.

During the six-month period Pro Medicus announced two key contract wins:

Ohio State University - November 2019 – a \$9 million five-year contract with the Ohio State University Wexler Medical Center, a large multi-disciplinary academic medical centre in Columbus, Ohio.

Nines Inc - December 2019 – a \$6 million five-year deal with Palo Alto-based Nines that will see Nines standardise on the Visage in the Cloud platform.

Dr Sam Hupert, Pro Medicus CEO, described the interim result as one that provides a solid base for future growth.

“All our numbers moved in the right direction,” he said. “We surpassed last year’s revenue by over 15% taking into account the \$3.0M one-off capital sale from the previous period which we told the market would unlikely to be repeated this half. If you exclude the one off capital sale in HY19 the underlying revenue growth figure is 39.1%. We were able to achieve this as a result of the significant step-up in our transaction revenue which grew by 30% compared to

the previous 6 month period. The added benefit is that this revenue is recurring rather than one off so provides us with a good base for growth in the next half and future periods.

Our cash balance grew by over 20% despite a bigger dividend, a share buy-back and increased tax payments. And, whilst we continued our ongoing investment in the business increasing staff numbers, our cost base as a percentage of revenue decreased resulting in improved margins.

The half was also notable for the successful completion of Phase 1 of the Partners Health rollout which included Boston's two largest hospital systems in Mass Gen and BWH. "This, was one of our biggest implementations to date, on par with Mayo, and we were able to complete it in under six-weeks which is a record for the industry," Dr Hupert said. "We have Duke Health which goes live at the end of this month and Ohio State University and the remainder of phase two of Partners HealthCare ahead of us, so we have plenty of capacity to implement new clients going forward."

Dr Hupert said Pro Medicus' pipeline remains strong and continues to grow. In December 2019 the company showcased its technology at the Radiological Society of North America (RSNA) annual conference in Chicago, attended by an estimated 60,000 delegates. "The RSNA has served to strengthen our pipeline, progressing existing opportunities as well as presenting us with a number of new ones, more so than at any other RSNA in the past," Dr Hupert said.

"There is no doubt we are experiencing an increased network effect generated by our growing customer base in North America, not just in the Tier 1 academic space but also other segments of the market as witnessed by the recent Nines contract".

Pro Medicus will host a webcast conference call on Thursday 13 February 2020 at 11am to discuss the half-year results. Phone participant registration:

<https://services.choruscall.com.au/webcast/promedicus-200213.html>

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About Pro Medicus Limited:

Pro Medicus Limited [ASX: PME] is a leading medical imaging IT provider. Founded in 1983, the company provides a full range of radiology IT software and services to hospitals, imaging centres and health care groups worldwide. In late January 2009, the company announced the purchase of Visage Imaging, which has become a global provider of leading-edge enterprise imaging solutions, pioneering the best-of-breed, or Deconstructed PACS® enterprise imaging strategy. Visage 7 technology delivers amazingly fast, multi-dimensional images streamed via an intelligent thin-client viewer. The company offers a leading suite of RIS, PACS and e-health solutions constituting one of the most comprehensive end-to-end offerings in radiology. Pro Medicus has global offices in Melbourne, Berlin and San Diego.

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