

Company Announcement Pro Medicus Limited Full-Year Results

22 August 2019

HIGHLIGHTS

- Revenue \$50.1m – up 47.9%
- After-tax profit \$19.1m – up 91.9%
- Underlying after-tax-profit \$22.7m – up 83.1%
- EBIT margins increased to 51.6%
- Three significant new contracts
- Cash reserves up 28.0% to \$32.3m
- Fully franked final dividend 4.5c per share – total FY19 dividend up 75%
- Company joins S&P/ASX 200 index

Leading health imaging company Pro Medicus Limited [ASX: PME] today announced a full-year after-tax profit of \$19.1m for the year ending 30 June 2019, 91.9% higher than for the previous corresponding period.

During the period, revenues rose in all key jurisdictions: by 42.2% in North America, by 102.3% in Europe and by 30.2% in Australia, resulting in revenue for the year increasing by 47.9% to \$50.1m.

The figures are based on new AASB 15 accounting standards where professional services revenue and capital licence sales are now spread evenly over the period of contracts. Underlying profit after tax (minus currency gains and the new accounting standards) was \$22.7m, up 83.1%.

The company's cash reserves at 30 June 2019 were \$32.3m with the company announcing a final dividend of 4.5c per share fully franked. Total dividend for the year increased by 75% to 10.5c per share. The Company remains debt-free.

During the year, Pro Medicus announced three key contract wins:

- November 2018 - Signed a \$27.0m, seven-year contract with Partners Healthcare for the prestigious Massachusetts General Hospital (MGH) and Brigham and Women's Hospitals, (BWH) which are ranked the second and thirteenth best hospitals in the USA (USA News).
- December 2018 - Announced a \$3.0m plus extension to the contract it has with a large German Government Hospital network.
- April 2019 - Signed a \$14.0m, seven-year contract with Duke Health, the largest health system in North Carolina and one of the most respected health providers in North America.

Under the agreement, Pro Medicus' systems will be implemented across three hospitals and dozens of additional locations.

Dr. Sam Hupert, Pro Medicus CEO, described the second half result as a good result that built on the achievements of the first half. He said the take-up of the company's full range of radiology IT software solutions by an increasing number of large, tier-one US hospitals and academic institutions was further validation of Pro Medicus' technology.

Pro Medicus is now the imaging provider at 5 of the top 20 hospitals in the USA – more than any other provider – including the top two hospitals, Mayo Clinic and Massachusetts General Hospital.

Dr. Hupert said: "We were very pleased to see good growth in all three of our jurisdictions. There was a significant increase in revenues in the US as a greater number of transactions flowed from customers including Mayo and Yale. Europe and Australia were also solid performers. Revenue from Partners Healthcare where implementation at both MGH and BWH has now been largely completed and Duke Health which is scheduled for early 3rd quarter of FY20 is still all ahead of us and will start to flow in the current financial year".

During the year, Pro Medicus entered the S&P/ASX 200 index, which is based on the 200 largest ASX listed companies.

Dr. Hupert said Pro Medicus' pipeline was growing, and it would continue to actively pursue opportunities in the large enterprise, academic, corporate and private imaging centre markets. "Our North American pipeline continues to be strong both in terms of quantity and quality of prospects," he said. "It is a dynamic market and we feel we are in a good position with our technology and proven ability to implement. We are also seeing a greater impact from the network effect of our growing base of Tier 1 academic clients which we believe will provide us with a strategic advantage in the emerging fields of Enterprise Imaging and Artificial Intelligence".

Pro Medicus will also host a webcast conference call on Thursday 22 August 2019 at 11.30am – please refer to the link below.

Webcast Public Link:

<https://services.choruscall.com.au/webcast/promedicus-190822.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.

www.promedicus.com