

Company Announcement Pro Medicus Limited full-year results

20 August 2020

HIGHLIGHTS

- **Strong growth continues despite restrictions of COVID-19**
- **Revenue from underlying operations \$56.8m – up 23.9%**
- **Underlying profit before tax \$30.2m – up 33.4%**
- **Net profit after tax \$23.1m – up 20.7%**
- **Margins increase to 52.5%**
- **Cash reserves \$43.4m – up 34.3%**
- **Strong balance sheet - No debt**
- **Fully franked final dividend 6c per share. Total FY20 dividend up 14.3%.**
- **Three key contracts announced during the period**

Leading health imaging company Pro Medicus Limited [ASX: PME] today announced a full-year net profit of \$23.1m for the 12 months to the end of June 2020, 20.7% higher than for the previous corresponding period. Underlying profit before tax, which excludes a \$3.0m one-off capital sale to the German government in the previous period, was \$30.24m, an increase of 33.4%.

Revenue from underlying operations, increased by 23.9% to \$56.8m. There was solid growth in key jurisdictions – North America (up 23.7%) and Australia (up 19.2%) – while revenue from European operations fell 37.7%, largely as a result of the one-off sale to the German government in the previous period.

The company's cash reserves at 30 June 2020 were \$43.4m, a rise of 34.3%. Pro Medicus announced a final fully franked dividend of 6c per share, taking total dividends for the year to 12c per share. The company remains debt-free.

During the year Pro Medicus announced three key contract wins:

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

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

Northwestern Memorial HealthCare, June 2020 – a \$22m five-year contract with Chicago-based Northwestern Memorial HealthCare, a highly-respected Tier-1 academic hospital system.

Dr. Sam Hupert, Pro Medicus CEO, said the result was a positive one, which reflected the company meeting all its key targets. ‘It reinforces the momentum achieved in recent years,’ he said. ‘Key drivers of the profit increase were growth in transaction revenue in North America and increased RIS sales in Australia. The three key contract wins in the USA extends our growing footprint in the academic hospital segment as well as regionally-based community hospitals.’

The year was also notable for the successful completion of two major rollouts; Phase 1 of Mass Gen Brigham (formerly Partners HealthCare) – which comprises Boston’s two largest hospital systems completed in July 2019 and Duke Health, which went live in February 2020. The company also made good progress rolling out its two large RIS contracts in Australia.

“A key takeaway from the results is that the growth in recurring income not only replaced the one-off revenue from last year’s capital sale in Germany but beat it by almost 13%”, Dr. Hupert said. “We expected this trend to continue as the sites we installed in FY20 make full-year contributions in FY21. We also have Phase 2 of Mass Gen Brigham, Ohio State University and Northwestern which will be coming on stream plus anything else we may win that we can implement in the period. So, all things being equal, we believe that FY21 will be a better year than FY20.”

Dr. Hupert said while COVID-19 had had some effect on the company’s business, it had not been substantial. ‘We have kept momentum going operationally, and our client volumes have increased steadily after an initial steep drop in exam numbers at the end of March/beginning of April. By 30th June, average examination volumes were back above 90% of normal business levels across the USA and Australia. Compared to many other businesses, we have held up very well.’

The company’s pipeline remained strong and continued to grow even during the COVID pandemic.

“We won three contracts during the year with the most recent, Northwestern, being one of our largest to date, but there is still plenty of opportunity in our pipeline including a number of new prospects.” Said Dr. Hupert. “If anything, the heightened role of telehealth in today’s environment has been a plus for us. Our technology which allows radiologists to read even the largest datasets remotely is uniquely suited to this environment.”

** Pro Medicus will host a webcast conference call on Thursday, 20 August 2020, at 11 am (AEST) to discuss the full-year results. The link below allows attendees to register, dial in and ask questions during the Q&A session.

<https://services.choruscall.com.au/webcast/promedicus-200820.html>

Authorised by the Board of Pro Medicus Limited.



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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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