

ASX ANNOUNCEMENT

23 February 2023

## Results for the Half-Year Ended 31 December 2022

### Well positioned to service returning pent up industry demand

Capitol Health Limited (**Capitol** or the **Company**) (ASX: CAJ) announces its results for the half-year ended 31 December 2022 (1H FY23) and releases its Appendix 4D.

#### Company highlights and commentary 1H FY23:

- Revenue of \$98.1m, an increase of \$3.2m or 3.4% on previous corresponding period (pcp)
- Operating EBITDA of \$19.7m, a decrease of \$2.5m or 11.3% on pcp
- Operating Margin of 20.1% down from 23.4% for pcp
- Statutory NPAT of -\$15.1m, a decrease of \$23.3m on pcp
- Net Debt of 1.3x last 12 months Operating EBITDA\*
- Interim dividend maintained at 0.5 cps fully franked

Capitol Health has delivered revenue for the half-year to 31 December 2022 of \$98.1m, up 3.4% from \$94.8m in the previous corresponding period (pcp). The fully franked interim dividend of 0.5 cents per share has been maintained. The revenue was impacted by constrained GP visitation activity, covid related staff absenteeism spikes in July and December, and two less operating days including the queen's funeral. The operating EBITDA is \$19.7m (down \$2.5m or 11.3% compared to pcp) which represents an operating margin of 20.1%.

During 1H FY23, Capitol Health continued the delivery of its standard operating model, development of brownfield opportunities, navigated national workforce shortages and continued the roll out of internal development programs for clinical and non-clinical staff. The Company also acquired the Future Medical Imaging Group ("FMIG") and prioritised integration with the broader business to realise revenue opportunities and synergies in the year ahead. FMIG have a strategic presence in Melbourne across six clinics covering the high growth corridor west of the city, enhancing Capitol's presence with 20 clinics in this region.

Capitol Health's Managing Director and Chief Executive Officer Justin Walter said;

*"The Company continues to demonstrate resilience when confronted with short term challenges attributed to the pandemic and workforce disruption. Our Radiologists and all staff at clinics have been at the forefront of this resilience, stayed the course and dedicated themselves to our referrers, patients and local communities. We commend them for their exceptional care. We are entering the final 12 months of our current strategic plan that has positioned us well to achieve our longer term ambitions both in quality of service provision and financial performance. We are currently experiencing a return in demand for our services post the holiday period, which is more aligned to historical trends."*

## Outlook for FY23

- Our February YTD revenue position ex FMIG has the company organically growing at 3.1% compared to pcp.
- The FMIG acquisition has performed strongly to date and further integration work is proceeding well.
- The Company will open a new MRI comprehensive clinic at Sunshine Private Hospital.
- Ongoing delivery of brownfield opportunities including additional MRIs planned.
- Commenced implementation of a unified clinic operating system to deliver enhanced quality of service, further operating efficiencies, scalability for growth, and improved patient, clinician and referrer experience.

\*LTM Operating EBITDA for Net Debt purposes includes a full year contribution from FMIG acquisition

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This announcement is authorised for release to the market by the Board of Directors of Capitol Health Limited.

## About Capitol Health

Capitol Health is a leading provider of diagnostic imaging and related services to the Australian healthcare market. Headquartered in Melbourne, Victoria, the Company owns and operates clinics throughout Victoria, Tasmania, South Australia and Western Australia. The Company's operational focus is on delivering a community-based infrastructure for radiologists and related medical practitioners to deliver optimal, efficient, accurate healthcare service outcomes for patients.

## Forward-Looking Statements

Certain statements in this announcement are forward looking statements. Forward looking statements can generally be identified by the use of words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "may", "assume" and words of similar import. These forward-looking statements speak only as at the date of this announcement. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

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