



T | +61 3 5339 0704  
E | [info@idxgroup.com.au](mailto:info@idxgroup.com.au)

Suite 9.02, Level 9,  
45 William Street  
Melbourne Vic 3000

[www.integraldiagnostics.com.au](http://www.integraldiagnostics.com.au)

## FY23 Results Investor Presentation

28 August 2023, Melbourne

Integral Diagnostics Limited (ASX:IDX) attaches its FY23 Results Investor Presentation.

### For further details contact

**Integral Diagnostics**  
Kirsty Lally  
Company Secretary  
Tel: +61 3 9321 4918  
Email: [klally@idxgroup.com.au](mailto:klally@idxgroup.com.au)

Authorised for lodgement by the Integral Diagnostics Board of Directors.

#### About IDX:

*Integral Diagnostics (IDX) is a leading provider of medical imaging services across Australia and New Zealand. IDX employs some of Australasia's leading radiologists and diagnostic imaging specialists in a unique medical leadership model that ensures quality patient care, service and access. Good medicine is good business. For more information, please visit [www.integraldiagnostics.com.au/](http://www.integraldiagnostics.com.au/).*

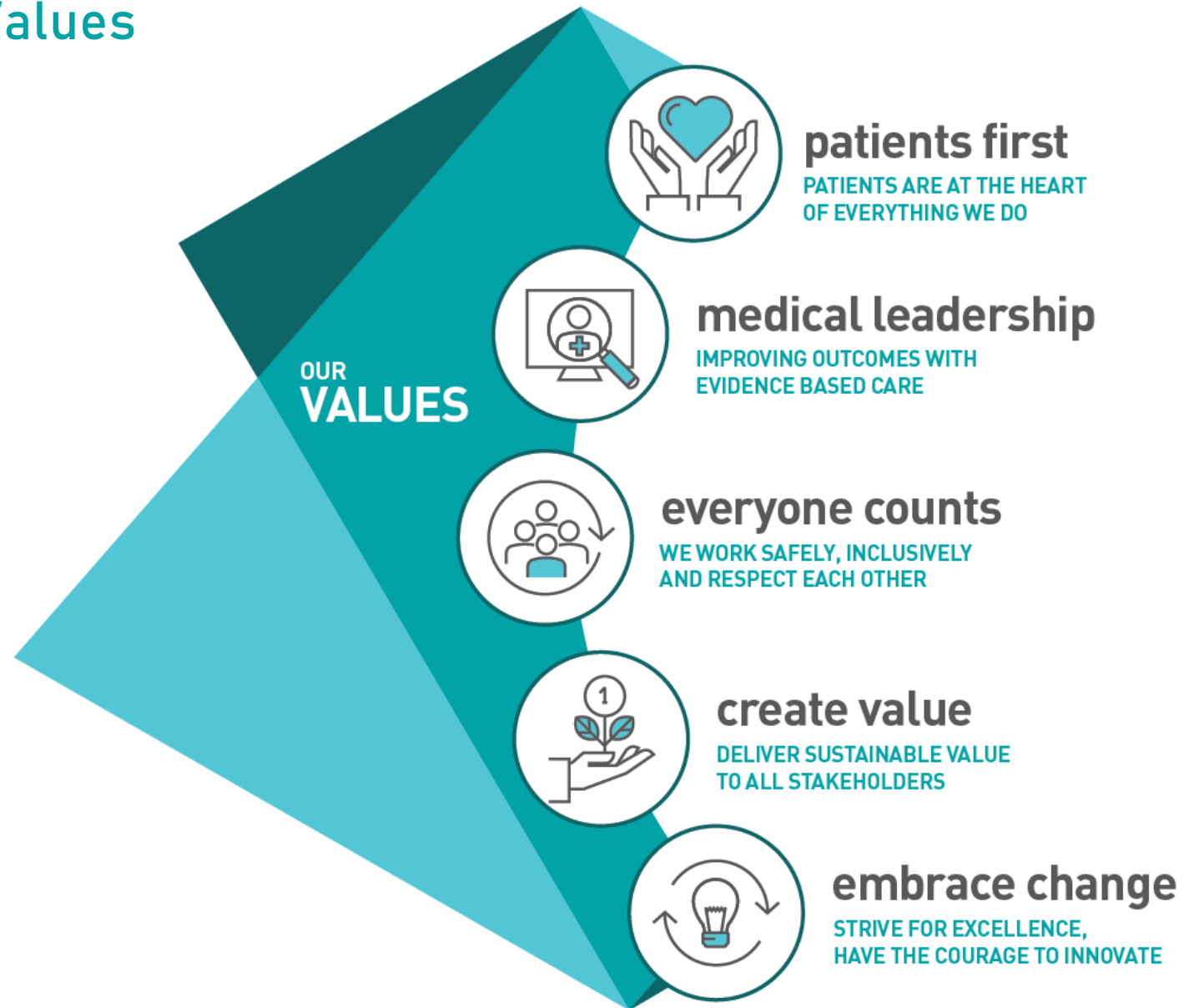
A woman in blue scrubs is using a handheld device to align a patient on a medical imaging machine. The patient is lying down, and a red laser line is visible on their face. The machine has several circular components and a large screen. A large teal triangle is overlaid on the right side of the image.

# FY23 RESULTS

Dr. Ian Kadish (Managing Director & CEO)  
Craig White (CFO)

28 August 2023

# IDX Vision and Values



# Delivering on our Values – FY23



## Patient's First

- Served over 1.0 million patients
- Performed more than 2.5 million exams
- Invested \$45.2m in capex, including new greenfield sites opened at Pimpama on the Gold Coast and Waiata Shores in Auckland, together with investment in additional or upgraded equipment
- Continued to develop and implement technology to enhance the patient and referrer experience



## Medical Leadership

- 248 reporting radiologists
  - ✓ 165 employees
  - ✓ 83 contractors
  - ✓ 107 radiologist shareholders
- Delivering leadership programs for Radiologists
- Continued development of IDXt, IDX's teleradiology reporting platform, to provide services to internal as well as external clients
- Ongoing development of Group-wide sub-specialty reporting to capitalise on our specialist expertise, assisted by AI enhanced screening and detection



## Everyone Counts

- 2,010 employees
- Conducted “temp-check” and “pulse” surveys with our employees showing continual improvement in response rates and engagement scores
- Ongoing promotion of organisation-wide Employee Recognition Program
- Continued focus on delivering our ESG strategy



## Create Value

- Operating NPAT declined by 17.6% to \$17.8m in an environment still recovering from the impact of COVID-19
- Operating diluted EPS declined by 26.0% to 7.6cps
- Declared FY23 fully franked dividend of 6.0cps (H1: 2.5cps, H2: 3.5cps)
- \$19.1m invested relating to growth initiatives
- Completed the acquisitions of Peloton Radiology and Horizon Radiology on 1 July 2022
- 6,156 IDX shareholders at 30 June 2023



## Embrace Change

- Implemented new clinical and corporate systems to better support the business, facilitate workflows and drive shareholder value
- Continued various strategic initiatives as a result of non-arms length referral practices in NZ

## FY23 Financial Highlights

22.1% growth in revenue reflects continued recovery in patient volumes from the COVID-19 pandemic and the acquisition of the X-Ray Group, Peloton Radiology and Horizon Radiology

71.5% increase in statutory NPAT  \$25.0m	17.6% decline in operating NPAT  \$17.8m	13.9% increase in operating EBITDA  \$85.2m	26.0% decline in operating diluted EPS 7.6cps	22.1% increase in revenue  \$440.8m	8.0% increase in free cash flow \$53.1m	Net debt / EBITDA (pre-AASB 16)  2.9x
--	---	--	--	---	--	--

A challenging FY23 result, albeit reflecting a materially stronger second half profit result, driven by:

- Continued recovery of patient volumes from the COVID-19 pandemic
- Limited price increases with Medicare indexation of 1.6% well below inflation. No inflation adjustment from the Accident Compensation Corporation (ACC) and District Health Boards (DHBs) and limited inflation indexation from private health insurers in New Zealand. Selective price increases taken where possible while remaining market competitive
- Significant cost pressures, especially higher labour costs, driven by inflation and labour market supply constraints, together with higher interest funding costs. Management have focused on containing and reducing costs wherever possible
- Operating EBITDA margin decrease of 140 bps compared to the prior corresponding period. Both Peloton Radiology and Horizon Radiology acquisitions experiencing similar trends as IDX's existing businesses in both QLD and NZ respectively
- Statutory NPAT of \$25.0 million after writeback of non-operating provisions, transaction and integration costs, amortisation of customer contracts and other costs, net of tax, of \$7.2 million

The Group declared a fully franked final dividend of 3.5cps (FY22 3.0cps), resulting in a total FY23 fully franked dividend of 6.0cps (FY22: 7.0cps), representing 77.9% of FY23 Operating NPAT



## FY23: A Story of Two Halves

A materially stronger second half profit result, demonstrated by an improvement in Group EBITDA margins by 1.7% to 20.2% for 2H FY23, illustrates the operating leverage in the business. In addition, leverage reduced by 0.2x to 2.9x as at 30 June 2023 (being 2.8x on a 2H FY23 annualised run-rate basis)

- ✓ Stronger organic revenue growth in Australia of 10.3% in 2H FY23 vs 4.2% in 1H FY23, with average fees per exam growth of 6.1% in 2H FY23 vs 5.2% in 1H FY23
- ✓ Stronger organic revenue growth in New Zealand of 4.7% in 2H FY23 vs 4.1% in 1H FY23, with average fees per exam growth of 0.4% in 2H FY23 vs (5.2%) in 1H FY23
- ✓ Labour cost growth of 3.8% 2H vs 1H FY23, being below revenue growth of 4.3%
- ✓ Lower 2H vs 1H FY23 operating expenditure (excluding labour) of \$1.4m reflecting management's focus on reducing operating expenditure, together with a reassessment of makegood provisions for leased premises<sup>(3)</sup>

### Income Statement: 2H FY23 vs 1H FY23

AUD \$m	H2 FY23	H1 FY23	Var. (\$)	Var. (%)
Revenue	225.1	215.7	9.4	4.3%
Consumables	(10.4)	(10.7)	0.3	(2.9%)
Labour	(140.6)	(135.4)	(5.2)	3.8%
Equipment	(7.8)	(7.8)	(0.1)	0.9%
Occupancy	(3.7)	(4.1)	0.4	(9.4%)
Other expenses	(17.2)	(18.0)	0.8	(4.5%)
Operating EBITDA	45.4	39.8	5.6	14.2%
Depreciation	(21.2)	(20.1)	(1.0)	5.2%
Operating EBITA	24.2	19.6	4.6	23.3%
Interest income	0.2	0.2	(0.0)	(17.0%)
Finance costs	(9.8)	(8.6)	(1.2)	14.5%
Tax on operating items	(4.6)	(3.5)	(1.1)	31.8%
Operating NPAT	10.0	7.8	2.2	28.0%
Operating EBITDA %	20.2%	18.5%		
Operating NPAT %	4.5%	3.6%		

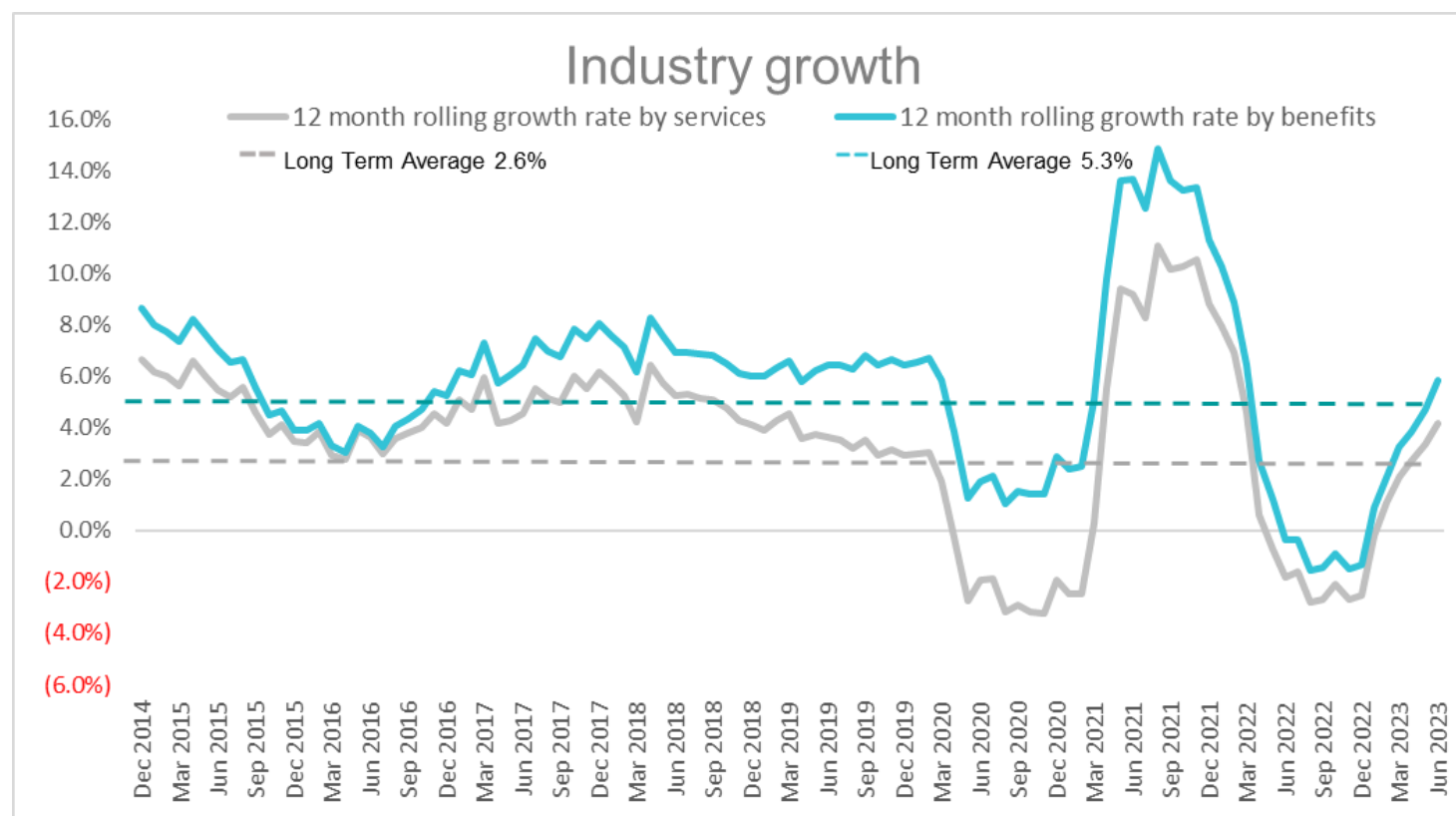
### Leverage: Net Debt / EBITDA

AUD \$m	30 Jun 2023 LTM	H2 FY23 Annualised	31 Dec 2022 LTM
Net debt (pre-AASB 16) <sup>(1)(2)</sup>	194.5	194.5	194.2
LTM EBITDA (pre-AASB 16) <sup>(1)(2)</sup>	66.3	69.6	63.5
Net Debt / EBITDA	2.9x	2.8x	3.1x

- 1) The impact of AASB 16: Leases on FY23 results was an increment to EBITDA of \$19.3m, an increment to EBIT of \$3.4m and a decrement to NPAT of (\$1.8m).
- 2) Based on net debt at 30 June 2023 of \$194.5m and LTM organic EBITDA (plus trailing acquisitions EBITDA) of \$66.3m. FY22 is based on net debt at 30 June 2022 of \$101.5m and LTM organic EBITDA (plus trailing EBITDA from acquisitions) of \$61.7m.
- 3) The Group makes regular assessments of make good provisions related to leasehold premises. The impact of the re-assessment in FY23 was an increment to Operating EBITDA of \$0.9m (\$0.3m in 1H FY23 and \$0.6m in 2H FY23).

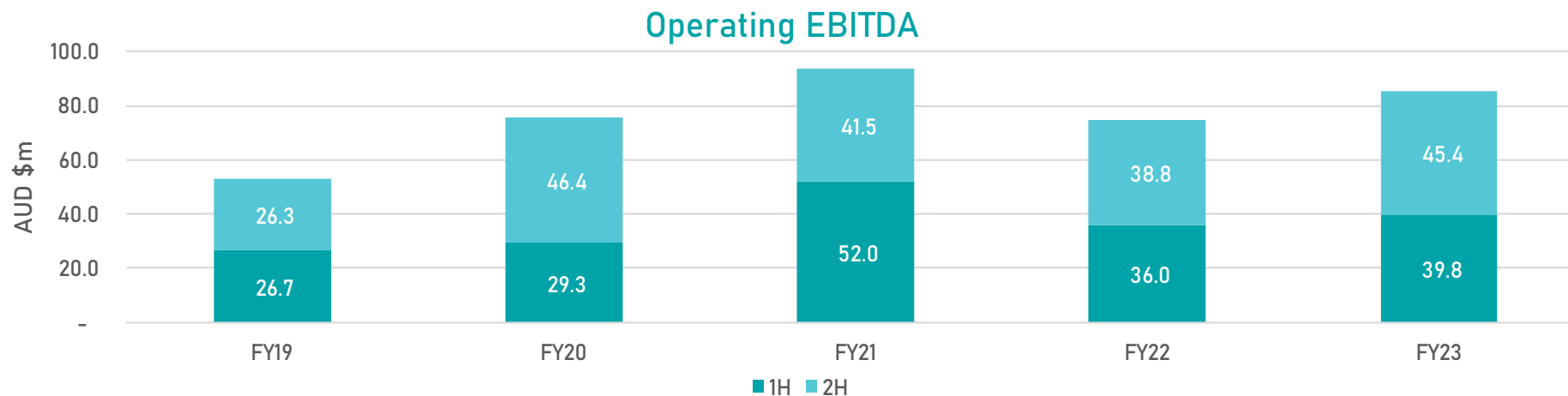
# DI Industry Reflecting COVID-19 Impact: Australia

- Industry growth rates, on a 12-month rolling basis, reflect improvement in CY23 to date. Prior to this, after coming back strongly in CY21, industry growth rates declined significantly in CY22 given the onset of the Omicron variant of COVID-19, as well as influenza, together with the lingering impact of these events
- In Australia, IDX recorded solid gains in revenue market share, evidenced by a 7.0% revenue increase in its organic business (1H 4.2%; 2H 10.3%) in comparison to Medicare benefits for the States in which IDX operates which have seen a 4.8% increase in weighted average benefits paid for FY23 adjusted for working days

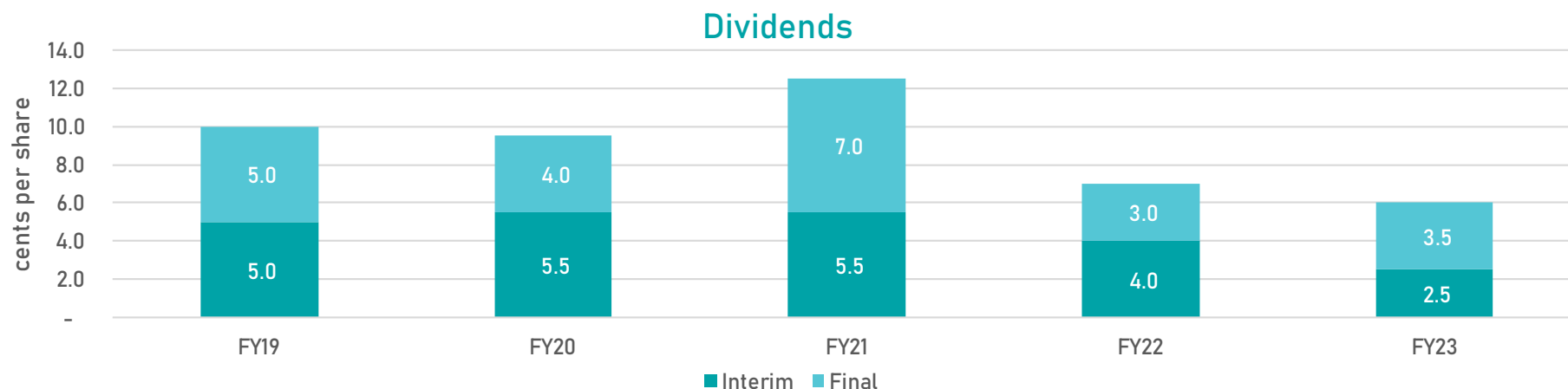


# Shareholder Returns

Fully franked final dividend of 3.5cps (FY22: 3.0cps), resulting in a total FY23 fully franked dividend of 6.0cps (FY22: 7.0cps), representing 77.9% of FY23 Operating NPAT



Operating EBITDA for the FY19 and FY20 financial years is presented on a pre-AASB 16 basis, and for the FY21, FY22 and FY23 financial years on a post-AASB16 basis.



The FY23 dividend record date is 1 September 2023 with a payment date on 4 October 2023. The IDX Dividend Reinvestment Plan is available for participation for the FY23 dividend.



A photograph of a woman with long brown hair lying in an MRI machine. She is wearing a white hospital gown with a blue and black geometric pattern. A healthcare worker in blue scrubs is standing behind her, with their hands clasped near her head. The MRI machine's circular opening is visible. The image has a white diagonal overlay on the right side.

## FY23 - Financial Performance

## Results for FY23

AUD \$m	FY23	FY22	Var. (\$)	Var. (%)
Revenue	440.8	360.9	79.8	22.1%
Operating EBITDA <sup>(1)(2)</sup>	85.2	74.8	10.4	13.9%
Operating EBITDA margin	19.3%	20.7%		
Operating EBITA <sup>(1)(2)</sup>	43.8	41.0	2.8	6.9%
Operating NPAT <sup>(1)(2)</sup>	17.8	21.7	(3.8)	(17.6%)
Operating Diluted EPS (cps)	7.6	10.2	(2.7)	(26.0%)
Free cash flow	53.1	49.1	4.0	8.0%
Free cash flow conversion, excl. replacement capex	93.0%	78.3%		
As at:	30 Jun 2023	30 Jun 2022		
Net debt (pre-AASB 16) <sup>(3)</sup>	194.5	101.5		
Net debt / pro forma EBITDA (pre-AASB 16) <sup>(3)(4)</sup>	2.9x	1.6x		
Equity	373.0	347.2	25.8	

- 1) Non-operating transactions not included in operating metrics include the impact of remeasurement of contingent consideration liabilities, transaction and integration costs, share based expenses for radiologists, amortisation of customer contracts, adjustments to non-operating provisions, and one-off systems implementation costs, net of tax of \$7.2m (FY22: \$7.1m). Refer to slide 23 for further detail.
- 2) In FY23 the cost of the management LTI plan has been reallocated to operating labour costs. As such, the FY22 financial information has been restated to ensure consistency of presentation. The impact of this reallocation is a decrease of \$0.4m to FY23 Operating EBITDA, Operating EBITA and Operating NPAT. No expense was recorded in relation to the management LTI plan for FY22.
- 3) The impact of AASB 16: Leases on FY23 results was an increment to Operating EBITDA of \$19.3m, an increment to Operating EBIT of \$3.4m and a decrement to Operating NPAT of (\$1.8m), using the approximate cash cost of these ongoing leases in making these adjustments. The impact of AASB 16: Leases on FY22 results was an increment to Operating EBITDA of \$15.3m, an increment to Operating EBIT of \$2.2m and a decrement to Operating NPAT of (\$1.8m), using the approximate cash cost of these ongoing leases in making these adjustments.
- 4) Based on net debt at 30 June 2023 of \$194.5m and LTM organic EBITDA (plus trailing acquisitions EBITDA) of \$66.3m. FY22 is based on net debt at 30 June 2022 of \$101.5m and LTM organic EBITDA (plus trailing EBITDA from acquisitions) of \$61.7m (after LTI reallocation – refer to point 2 above).



## Revenue

Revenue up 22.1% to \$440.8m, reflecting both organic growth and the X-Ray Group, Peloton Radiology and Horizon Radiology acquisitions

- Revenue growth of \$79.8m, includes the X-Ray Group (\$5.1m for four months from July to October 2022 following completion of the acquisition in November 2021), Peloton Radiology (\$37.7m) and Horizon Radiology (\$11.4m) following completion of both these acquisitions on 1 July 2022.
- Organic operating revenue from all sources (including reporting contracts, some of which are fixed rate) in Australia grew 7.0% (1H 4.2%; 2H 10.3%), being higher compared to the Medicare industry weighted average for the States in which IDX operates of a 4.8% benefits increase adjusted for working days. Note that IDX's growth is also off a higher base relative to the industry weighted average for the States in which IDX operates given the more regional nature of IDX's operations which were less impacted by COVID-19 in the prior corresponding period.
- Average fees per exam (including reporting contracts) in Australia increased by 5.7% in FY23, reflective of an on-going move to the higher end CT, MRI and PET scan modalities and to a lesser extent Medicare indexation of 1.6% applied to 97% of diagnostic imaging services, including MRI, from 1 July 2022, and selective price increases.
- Organic operating revenue in New Zealand grew 4.4% (1H 4.1%; 2H 4.7%), on a constant currency basis adjusted for working days. New Zealand revenues continued to be impacted by referrer-owned radiology practices in Auckland. The company continues to plan and implement management initiatives to respond.

All revenue presented above is denominated in Australian dollars (\$AUD).

## Operating Expenditure

Operating costs increased by 24.2% (\$69.4m including acquisitions), largely reflecting higher labour costs, driven by inflation and labour market supply constraints. Lower 2H vs 1H FY23 operating expenditure (excluding labour) of \$1.4m reflects management's focus on reducing operating expenditure, together with a reassessment of makegood provisions for leased premises

AUD \$m	Group (incl. Acquired Entities)				Organic (excl. Acquired Entities)			
	FY23	FY22	Var. (\$)	Var. (%)	FY23	FY22	Var. (\$)	Var. (%)
Consumables	21.0	19.2	1.8	9.5%	19.2	18.9	0.3	1.8%
Labour	276.0	219.6	56.3	25.7%	239.0	215.0	24.0	11.1%
Equipment	15.6	13.1	2.5	18.8%	13.2	12.6	0.6	4.8%
Occupancy	7.8	8.0	(0.3)	(3.2%)	6.3	7.8	(1.5)	(19.7%)
Other expenses	35.2	26.2	9.0	34.2%	30.8	25.7	5.1	19.8%
Operating expenses	355.6	286.2	69.4	24.2%	308.5	280.0	28.5	10.2%

Key drivers of the increase in operating expenditure consisted of:

- Consumables decreased by 0.5% as a percentage of revenue (a decrease of 0.2% of revenue excluding the impact of acquisitions) reflecting fixed cost leverage and movements in modality mix of exam volumes.
- Labour costs increased by 1.8% as a percentage of revenue (an increase of 3.6% of revenue excluding the impact of acquisitions) driven by the relatively fixed nature of labour costs and radiologist demand vs supply cost pressures present in the industry.
- Equipment costs increased largely due to Peloton Radiology and Horizon Radiology. Excluding these items, equipment costs increased 0.1% as a percentage of revenue.
- Occupancy costs decreased by 0.4% as a percentage of revenue (a decrease of 0.5% as a percentage of revenue excluding the impact of acquisitions) due to the impact of the re-assessment of make good provisions for leasehold premises (\$0.9m decrease), partially offset by CPI increases.
- Other costs increased by 0.7% as a percentage of revenue (an increase of 1.0% as a percentage of revenue excluding the impact of acquisitions) driven by higher insurance premiums, investment in cyber security and higher travel costs following the removal of COVID-19 travel restrictions and higher inflationary pressures.

# Capital Management

## Solid balance sheet

- FY23 net debt of \$194.5m<sup>(1)</sup> (FY22: \$101.5m), being 2.9x<sup>(2)</sup> EBITDA prior to non-operating transactions at 30 June 2023 (FY22: 1.6x) on a pre-AASB 16 basis, with the annualised second half net debt to EBITDA ratio improving further to 2.8x.
- Significant liquidity headroom of \$152.4m<sup>(1)</sup> available under Group debt facilities, excluding an additional \$105.0m available under an Accordion facility.
- Cash and cash equivalents have decreased from a higher than typical balance held at 30 June 2022 due to the completion of the acquisitions of Peloton Radiology and Horizon Radiology on 1 July 2022.
- Other current assets decreased by \$0.7m from June 2022 due to the timing of prepayments (insurance, equipment service and software licencing contracts) and is consistent with the prior comparative period.
- Current tax receivable reflects provisional tax installments paid on FY23 earnings.
- Contingent consideration provisions have decreased due to the re-assessment of the Imaging Queensland and the X-Ray Group earnout amounts, partially offset by the inclusion of the Peloton Radiology and Horizon Radiology acquisitions.
- All other assets and liabilities have increased in line with the increased size of the business due to the acquisition of Peloton Radiology and Horizon Radiology.
- Net assets increased \$25.8m or 7.4% compared to 30 June 2022.

(1) Including asset financing (\$50.9m) and guarantee facilities (\$3.6m)

(2) Based on net debt at 30 June 2023 of \$194.5m and LTM organic EBITDA (plus trailing acquisitions EBITDA) of \$66.3m. FY22 is based on net debt at 30 June 2022 of \$101.5m and LTM organic EBITDA (plus trailing EBITDA from acquisitions) of \$61.7m.

AUD \$m	30 Jun 2023	30 Jun 2022	30 Jun 2021
Cash and cash equivalents	33.9	123.2	62.2
Trade and other receivables	21.7	19.4	14.3
Other current assets	7.1	7.8	5.8
<b>Total current assets</b>	<b>62.6</b>	<b>150.4</b>	<b>82.3</b>
Property, plant and equipment	153.1	124.3	111.1
Right of use assets – AASB 16	129.4	106.8	100.4
Intangible assets	474.8	380.5	344.7
Investments accounted for using the equity method	0.0	0.2	0.1
Deferred tax assets	19.0	17.4	16.3
<b>Total non-current assets</b>	<b>776.3</b>	<b>629.1</b>	<b>572.6</b>
<b>Total assets</b>	<b>838.9</b>	<b>779.5</b>	<b>654.9</b>
Trade and other payables	31.1	22.9	20.3
Current tax liabilities	(0.1)	(3.6)	4.5
Borrowings	2.5	5.5	6.5
Lease obligations – AASB 16	14.2	11.7	10.4
Contingent consideration	7.5	16.4	15.9
Provisions	27.4	23.5	20.3
<b>Total current liabilities</b>	<b>82.6</b>	<b>76.4</b>	<b>77.9</b>
Contingent consideration	7.8	8.2	7.2
Provisions	9.5	9.5	9.8
Borrowings	221.1	217.6	192.2
Lease obligations – AASB 16	127.3	106.2	99.2
Deferred tax liabilities	17.6	14.4	13.8
<b>Total non-current liabilities</b>	<b>383.3</b>	<b>355.9</b>	<b>322.2</b>
<b>Total liabilities</b>	<b>465.9</b>	<b>432.3</b>	<b>400.1</b>
<b>Net assets</b>	<b>373.0</b>	<b>347.2</b>	<b>254.8</b>



# Cash Flow and Cash Conversion

## Strong free cash flow

- Free cash flow conversion of 93.0% (FY22 78.3%), excluding replacement capex
- Growth capital expenditure was \$19.1m in FY23
- Changes in working capital excludes accruals for non-operating transaction costs and capex as well as working capital acquired on 1 July 2022 as part of the Peloton Radiology and Horizon Radiology acquisitions

AUD \$m	FY23	FY22
Operating EBITDA	85.2	74.8
Non-cash items in EBITDA	(0.1)	(1.8)
Changes in working capital	13.4	0.8
Replacement capital expenditure	(26.1)	(9.4)
Cash payments on leases	(19.3)	(15.3)
Free cash flow	53.1	49.1
Growth capital expenditure	(19.1)	(21.9)
Net cash flow before financing, acquisitions and taxation	34.0	27.2
Free cash flow conversion, excl. replacement capex	93.0%	78.3%



# Capital Expenditure

Capex investment aligned with IDX's strategy

AUD \$m	FY23	FY22	FY21
Replacement	26.1	9.4	16.8
Growth	19.1	21.9	6.3
Total <sup>(1)(2)</sup>	45.2	31.3	23.1
Depreciation	25.5	20.6	19.1

(1) Represents cash + accruals

(2) Excludes property, plant and equipment acquired as part of the X-Ray Group, Peloton Radiology and Horizon Radiology acquisitions.

## FY23 Replacement capex of \$26.1m

Replacement capex reflects capital sensitivity requirements, site refurbishments and other end of life equipment replacements. FY23 has seen replacement or upgrade of 4 CT machines, 17 Ultrasound machines, 3 MRI machines, 2 mammography machines, 3 PET machines and IT upgrades.

## FY23 Growth capex of \$19.1m

Key project spend for FY23 included:

### Australia

- Pimpama greenfield site on Gold Coast - \$5.9m
- CT Expansion at SJOG Ballarat - \$2.2m
- Breast Centre of Excellence Lake - \$0.7m
- Smith Street CT service expansion - \$1.4m
- MRI upgrades on Gold Coast/Toowoomba - \$0.5m

### New Zealand

- Waiata Shores greenfield site - \$0.7m
- Relocation/service expansion of Sylvia Park - \$1.2m

### Information Technology

- Software and IT infrastructure - \$2.7m

## Regulatory Update





# Regulatory Environment Activity

## Australia:

### MRI Licences

- On 1 November 2022 the Federal government de-regulated MRI services in regional and rural areas, defined as Modified Monash Model 2-7. As at the date of this presentation no further licences or plans for deregulation of MRI licences have been announced.

### FY 2023 Medicare Changes

- Indexation of 3.6% announced and applied to all Diagnostic Imaging Services, including MRI items however excluding Nuclear Medicine items, from 1 July 2023, with further indexation of 0.5% expected to be applied from 1 November 2023.
- Bulk billing incentive on MRI reduced to 95% of CMBS from 100% from 1 July 2022. This only affects MRI services currently bulk billed to Medicare.
- From 1 July 2022, two new PET items introduced for patients with prostate cancer. These items allow for the initial staging of intermediate to high-risk patients with prostate cancer.

## New Zealand:

- There is limited indexation of pricing in New Zealand, however we continue to negotiate with a range of funders.
- The regulatory authorities in New Zealand have determined that non-arms length referral practices by referrers who own interests in radiology practices or equipment are acceptable. IDX is pursuing various strategic initiatives as a result of this situation, including developing its referrer base in the New Zealand general practitioner market, a market segment that is less impacted by non-arms length referrals.



# Strategy Update



# Environmental, Social and Governance (ESG)

IDX continues to implement and develop its ESG strategy aligned to its values.

## Our Values

## Our Strategies

## SDGs aligned with strategy FY22-FY26



**patients first**  
PATIENTS ARE AT THE HEART  
OF EVERYTHING WE DO

- Improving access to radiology services
- Climate action



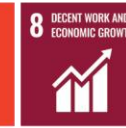
**medical leadership**  
IMPROVING OUTCOMES WITH  
EVIDENCE BASED CARE

- Driving public health outcomes
- Advocacy



**everyone counts**  
WE WORK SAFELY, INCLUSIVELY  
AND RESPECT EACH OTHER

- Diversity and inclusion
- Employee engagement, development and wellbeing



**create value**  
DELIVER SUSTAINABLE VALUE  
TO ALL STAKEHOLDERS

- Engaging with the local community
- Environment and ethical supply chain



**embrace change**  
STRIVE FOR EXCELLENCE,  
HAVE THE COURAGE TO INNOVATE

- Driving technology and innovation
- Resource efficiency



Details of our ESG activities will be published in our FY23 ESG report.

# Management's Strategy – *Good Medicine is Still Good Business*

Strategy	1 Grow existing business and margin				2 Strategic acquisitions
Drivers of strategy	Drive organic growth	Accelerate use of teleradiology, digital and AI	Drive our ESG strategy	Nurture and develop culture and leadership	Consider accretive acquisitions that represent a strong clinical, cultural and strategic fit

The long-term industry fundamentals in Australia and New Zealand are strong and continue to underpin attractive ongoing growth opportunities. Both Australia and New Zealand have growing and ageing populations requiring greater healthcare support. At the same time, community expectations for higher quality diagnosis and care continue to increase, while new imaging technologies improve efficiency and aid diagnosis and early detection of disease. Radiology plays both a preventative as well as curative non-invasive role in improving the health of the Australia and New Zealand population.

The Company's focus in FY24 will be to:

- Drive organic earnings growth, including through cost management, selective price increases, and brownfield as well as greenfield investment opportunities;
- Accelerate the use of teleradiology, digital and AI technologies;
- Drive our environmental, social and governance (ESG) strategy;
- Continue to nurture and develop culture and leadership across our people; and
- Consider accretive acquisitions that represent a strong clinical, cultural and strategic fit.

FY24 replacement and growth capex is expected to be between \$35.0m to \$45.0m.



QUESTIONS?









Questions

# Appendices





# IDX Today – Group Overview – June 2023

	Victoria		Queensland			Western Australia	New Zealand		Total IDX
									
Geographic Market	Victoria	Victoria & NSW	Queensland	Queensland & NSW	Queensland	Western Australia	New Zealand	New Zealand	
Core markets	Ballarat, Geelong, Warrnambool and outer western areas of Melbourne	Albury, Wodonga, Wangaratta, Yarrawonga and Lavington	Sunshine Coast, Rockhampton and Gladstone	Gold Coast, Toowoomba and Mackay	Brisbane, Sunshine Coast	South West Western Australia	Auckland	Auckland	
Sites	18	5	16	17	9	6	12	8	91
Comprehensive sites <sup>1</sup>	6	2	7	8	3	4	5	-	35
MRI machines	8	2	6	9	3	3	6	-	37
MRI Licences	4 full 0 partial	2 full 0 partial	3 full 2 partial	5 full 2 partial	0 full 3 partial	2 full 0 partial	N/A	N/A	16 full 7 partial
PET Scanners	2	-	-	2	-	1	1	-	6
Employed Radiologists <sup>2</sup>	43	4	26	38	6	13	32 <sup>3</sup>	3 <sup>3</sup>	165
# of Employees	391	71	328	430	180	199	180	64	1,843 <sup>4</sup>

**Note: Reflects current data as at July 2023 and adjusted for the acquisitions of Peloton Radiology and Horizon Radiology.**

1. Comprehensive sites include a range of radiology equipment including MRIs and CTs and are located with or near major specialist referrers
2. Relates to employed radiologists only. In addition IDX has 83 contractor radiologists providing services
3. Consistent with the NZ private radiology model, all doctors work across the public and private sector and meet the criteria to be classified as contractors but are on terms and conditions similar to IDX employed radiologists
4. This number represents the number of employees on employment contracts on either part time or full time arrangements. It does not represent the number of full time equivalent employees or individual casual/contract arrangements. In addition there are 167 employees in the corporate office (including IDXt) totalling 2,010 employees
5. Acquisitions completed 1 July 2022

## Reconciliation of Operating to Statutory EBITDA and NPAT

AUD \$m	FY23	FY22	Change (\$)	Change (%)
Operating NPAT	17.8	21.7	(3.8)	(17.6%)
<i>Non operating transactions net of tax</i>				
Remeasurement of contingent consideration liabilities	15.8	-		
Transaction and integration benefits/(costs)	(4.9)	(5.5)		
Share based expenses	(1.9)	0.6		
Share of net profit of joint ventures	(0.3)	-		
Amortisation of customer contracts	(1.5)	(2.2)		
Statutory NPAT	25.0	14.6	10.4	71.5%
AUD \$m	FY23	FY22	Change (\$)	Change (%)
Operating EBITDA	85.2	74.8	10.4	13.9%
<i>Non operating transactions</i>				
Remeasurement of contingent consideration liabilities	15.8			
Transaction and integration costs	(6.7)	(5.7)		
Share of net profit of joint ventures	(0.3)	-		
Share based expenses	(1.9)	0.6		
Reported EBITDA	92.1	69.7	22.4	32.1%

- Remeasurement of contingent consideration liabilities consists of adjustments to contingent consideration provisions for Imaging Queensland, the X-Ray Group and Horizon Radiology resulting from the re-assessment of estimated future earnout payments.
- FY23 transaction and integration costs consist of \$2.9m relating to acquisitions and integration activities, and \$2.0m of one-off systems implementation costs, on a post tax basis.
- FY23 non-operating share-based expenses primarily relate to the loan funded share/option plan for radiologists. In FY23, the management LTI plan expense has been recorded as part of operating labour expenses.
- FY23 amortisation of customer contracts relates to the acquisition of Imaging Queensland (\$0.5m), Astra Radiology (\$0.5m), Horizon Radiology (\$0.4m) and the X-Ray Group (\$0.1m) on a post-tax basis.

## Supplementary Information – Items Below EBITDA

AUD \$m	FY23 Comments
<i>Operating items below EBITDA (excluding tax)</i>	
Depreciation of property, plant & equipment	25.4 Depreciation charge on PP&E and capitalised software
Depreciation of right of use assets	15.9 Formerly treated as lease expense prior to the introduction of AASB 16
Total Depreciation	41.3
Finance income	0.4 Interest income earned on cash held
Finance cost – debt facilities	12.9 Interest costs incurred on debt facilities
Finance cost – right of use assets	5.4 Formerly treated as lease expense prior to the introduction of AASB 16
Finance cost – other	0.1 Costs associated with discounting non-current liabilities
Total interest cost	18.4
Total operating items below EBITDA (excluding tax)	59.2
<i>Non-operating items below EBITDA (excluding tax)</i>	
Amortisation of customer contract intangibles	2.2 Amortisation of intangible assets recognised through business combinations
Total non-operating items below EBITDA (excluding tax)	2.2
Total items below EBITDA (excluding tax)	61.4



## Disclaimer

Some of the information contained in this presentation contains “forward-looking statements” which may not directly or exclusively relate to historical facts. These forward-looking statements reflect Integral Diagnostics Limited (IDX) current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the control of IDX.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from IDX current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.

Past performance of IDX cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of IDX.

To the maximum extent permitted by law, none of IDX, or its respective affiliates or related bodies corporate or any of their respective officers, directors, employees and agents (Related Parties), nor any other person, accepts any responsibility or liability for, and makes no recommendation, representation or warranty concerning, the content of this presentation, IDX, the Group or IDX securities including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of or reliance on any of the information contained in this presentation or otherwise arising in connection with it.

Reliance should not be placed on the information or opinions contained in this presentation. This presentation is for informational purposes only and is not a financial product or investment advice or recommendation to acquire IDX securities and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. You should make your own assessment of an investment in IDX and should not rely on this presentation. In all cases, you should conduct your own research of IDX and the Group and analysis of the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of IDX, the Group and its business, and the contents of this presentation. You should seek legal, financial, tax and other advice appropriate to your jurisdiction.



