



FY15 Highlights

31 August 2015
Australian Securities Exchange Limited

PULSE HEALTH GROWTH CONTINUES

Financial Highlights

- Underlying EBITDA growth of 41%, to \$6.6m (includes 8 weeks contribution from The Hills Clinic).
- FY15 guidance (EBITDA growth from existing assets in excess of 20%) achieved with 25.5% growth
- More than doubled Underlying Net Profit After Tax to \$4.1m (FY14 \$1.85m)
- Underlying EBITDA-R \$11.4m, up 32% (FY14 \$8.7m)
- Operating Free Cash Flow \$2.5m, up 103% (FY14 \$1.2m)
- Fully franked final dividend of 0.3 cents per share declared, lifting the total annual dividend to 0.6 cents per share
- Further growth in Underlying EBITDA forecast for FY16

Operational Highlights

- Acquisition of The Hills Clinic
- Commissioned the new Gold Coast Surgical Hospital
- Sale or exit of all non-core assets

Specialist private hospital operator Pulse Health Limited (ASX Code: PHG) ("**Company**"), today released its results for the financial year ended 30 June 2015, announcing a further year of strong earnings growth.

The Company exceeded previous guidance expectations, delivering 25.5% EBITDA growth from existing assets, against guidance of growth in excess of 20%.

A fully franked final dividend of 0.3 cents per share was declared, lifting the total dividend for the year to 0.6 cents per share.



The Company reported today that revenue had increased 20% over FY14, largely due to the ramp-up of the Mackay Rehabilitation Hospital, the full year effect of the 17 additional beds at the Eden and Westmead Rehabilitation Hospitals, a 34% increase in surgical activity and an eight week contribution from The Hills Clinic.

Underlying EBITDA-R increased by 32%, supported by further staffing and procurement efficiencies.

Growth through acquisition and development

Pulse's strategy of growth via acquisition or development of niche specialist private hospitals or day surgeries has a dual track focus on surgical hospitals or day surgeries and mental health hospitals.

The Hills Clinic, a purpose designed 59 bed specialist mental health hospital in North West Sydney, was acquired in May 2015, and has continued to perform very strongly.

The Gold Coast Surgical Hospital, a new specialist surgical hospital on the Gold Coast, will open on August 31 2015. With a 24 bed surgical ward, a high dependency unit, a 16 chair day surgery unit, six operating theatres and Australia's most advanced technology, surgeon demand for operating time has exceeded expectations.

Exit or sale of non-core assets

Three assets were determined to be non-core and either sold or closed, releasing capital and shared services resources:

- North Coast Community Care was sold;
- the Company entered a sale and lease-back of the Gympie Private Hospital freehold, releasing \$6.3m of capital; and
- South Burnett Private Hospital was closed.

Outlook

The Company expects that forecast underlying FY16F EBITDA guidance will be at least equal to the Pro Forma Underlying FY15F EBITDA of \$10.2 million announced by Pulse Health to the ASX on 6 July 2015 ("**FY16 Guidance**").

FY16 Guidance excludes:

- ramp-up losses associated with the Gold Coast Surgical Hospital, which is scheduled to open on 31 August 2015 and be profitable by June 2016; and
- one off costs associated with the unsolicited bid for Vision Eye Institute Limited estimated to be approximately \$1.2m.



Consistent with FY15 the Company aims to make one or more EBITDA positive acquisitions of specialist hospitals in FY16, as opportunities prove to be suitable. The above guidance for FY16 does not include earnings from additional acquisitions.

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