

Company Announcement Pro Medicus Limited Interim results

17 February 2021

HIGHLIGHTS

- Revenue \$31.59m – up 7.8%
- Underlying profit before tax \$18.76m – up 25.9%
- Net profit \$13.54m – up 12.4%
- Continued growth in margins
- Cash reserves of \$50.93m – up \$7.53m
- Company remains debt-free
- Fully franked final dividend 7c per share – up 16.6%

Leading health imaging company Pro Medicus Limited [ASX: PME] today announced a half-year net profit after tax of \$13.54m for the six months to the end of December 2020, 12.4% higher than for the previous corresponding period. Underlying profit before tax rose 25.9%.

Revenue from ordinary activities increased by 7.8% to \$31.59m. The currencies of the countries in which the Company has its activities have been volatile during the half year. On a constant currency basis, the revenue would have been \$32.93m (up 12.4%) and the underlying profit before tax would have been \$19.66m (up 29.0%) for the half year ended 31 December 2020.

The company's cash reserves at 31 December 2020 were \$50.93m, up \$7.53m. Pro Medicus announced a final fully-franked interim dividend of 7c per share. The company remains debt-free.

Tax expense for the six months was \$4.66m, representing a tax rate of 25.6% compared to a tax expense of \$2.76m in 2019 which translated to a tax rate of 18.6%, the 2019 tax rate being the result of a larger than normal delta between the share price at the date of granting and the date the shares vested. The company does not anticipate this will be repeated and is expecting that the tax rate will move closer to the statutory rate for the full year.

The company did not receive any Jobkeeper benefits during the period.

During the six months Pro Medicus announced four key contract wins:

- **11 September 2020: New York University Langone** (A\$25.0m, 7-year contract), a tier 1 academic institution in New York

- **15 October 2020: Ludwig-Maximilians University** (A\$10m, 7-year contract), one of the largest university hospitals in Germany
- **19 November 2020: Zwanger-Pesiri** (A\$8.5m, 5-year renewal contract), based in Long Island, New York
- **17 December 2020: Medstar Health** (A\$18.0m, 5-year contract), a large multi-disciplinary academic medical centre in Washington DC and Maryland

Since December 31, Pro Medicus announced:

- A \$A40m, 7-year contract with US-based Intermountain Healthcare, which operates in the mountain states of Utah, Idaho and Nevada
- A \$A31m, 7-year contract with a leading Californian academic Health system
- US Food & Drug Administration (FDA) approval for its breast imaging algorithm, a significant milestone in the quest for providing further enhancements to its suite of products

The company's Australian business increased revenue by 22.8% compared to the same period last year, largely due to the continued rollout of the Healius (formerly Primary Health) contract and the extension of a contract with I-MED. European operations also had a positive half with a new contract announced with Ludwig-Maximilians University (A\$10.0m, 7-year deal) in Munich, Germany which will contribute to revenue in the second half of the financial year.

Pro Medicus CEO Dr Sam Hupert said the company performed well in first half-year despite the restrictions of COVID. "It was a good six months across all jurisdictions," he said. "Examination numbers in the first three months of the quarter were still recovering from their April 2020 lows however we were able to make up for the decrease with new clients coming on stream and exam numbers tracking back to pre COVID levels.

"We completed the roll out to Ohio State in mid-August 2020 and LMU Klinikum in December 2020, both of which will contribute a full six months of revenue in the second half. We have also commenced work on the rollouts for NorthWestern, NYU and Medstar with go lives scheduled for the second half. Only a very small fraction of the revenue from these and the LMU contract have been realised so far, so it is all ahead of us as are two of our largest deals to date in Intermountain and the 5 campus Californian academic Health system we signed yesterday. This will result in an incremental step up in exam volumes as these sites come online during the next few months followed by a major setup in FY2022 which will arguably be the biggest in our company's history".

Dr Hupert said “We were able to accelerate our sales efforts and optimise our service delivery to work around the restrictions. Our pipeline is healthy and we are benefiting from the network effect generated by our growing customer base.”

“We have won six out of six of the major contracts in our market. These have been across a broad range of opportunities in both the academic and non-academic-IDN space, five in North America and one in Europe. Two have been for more than one of our products and three will be deployed in public cloud. This confirms our view that our solution, more so than any other, is ideally suited to a large percentage of the total addressable market.”

** Pro Medicus will host a webcast conference call on Wednesday 17 February at 11am (AEDT) to discuss the 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-210217.html>

For further information:

Dr Sam Hupert
Chief Executive Officer
Pro Medicus Limited
Ph: +61 3 9429 8800

Media: Richard Allen
Oxygen Financial Public Relations
Ph: 03 9915 6341

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.