

# Pro Medicus – AGM 2007

**Mel Ward – Chairman**

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# Introducing

- Pro Medicus Team
  - Board
  - Senior Management
  - Auditor

# Farewells

- Philip Molyneux - Director
- Geoff Holden - CFO



**Philip Gregory Molyneux** NON-EXECUTIVE DIRECTOR

Before 1/1/05

Philip Molyneux joined Pro Medicus Limited as a Director on 4 April, 2000. He is Chairman of Anade Limited, and Equity Trustees Limited, a director of Centre for Eye Research Australia Limited and Australian National Academy of Music. He was also a director of Corps of Commissioners (Victoria) Limited until April 2005 and a director of Sundowner Motor Inns Limited from July 2000 to June 2004. He is also a trustee of Monash University Accident Research Foundation. Philip is Chairman of the audit committee.



**Geoffrey William Holden** COMPANY SECRETARY

On

Geoffrey Holden has been company secretary for 6 years. Prior to holding this position he was Manager Finance and Administration of Victorian Imaging Group for 9 years and held various roles within other organisations including 6 years at Dunlop and 10 years with Touche Ross & Co Chartered Accountants. Geoffrey has been a registered Chartered Accountant for over 30 years.

Pro Medicus annual report 2000 page 15

# Pro Medicus

- Sustained growth since IPO in 2000
- 2006/07 another successful year
- Continued to strengthen Australian business
- Continued progress on international expansion

# Pro Medicus

- Revenue \$13.03M , up 11.9%
- Profit after Tax 7.05M, up 15.3%
- EPS 7.0c, up 16.4%
- Total Dividend for year 7c, up 27%
- Strong Balance Sheet :
  - Cash Reserves \$11.1M
  - No Debt
- A very sound position



# Pro Medicus Dividend

- Final dividend: 3c normal + 1c special
- Interim dividend: 2.5c normal + 0.5c special
- 27% increase YOY reflects increased profit
- Special dividends reflect strong cash balance and reduced expansion risk.

# PROMEDICUS

## Strategy

- Best of breed systems + + +
- Best support services + + +
- Best value for money + + +
- Retain contracts + +
- Leverage contracts + +
- New contracts +

# Pro Medicus Strategy

- **Alliances** **++**
- **Mergers and Acquisitions  
Offshore** **??**
- **Develop offshore markets** **+++**



# Pro Medicus Offshore Markets

- North American AGFA alliance strong
- Product development and extension has continued.
- AGFA Sales Team order pipeline growing
- Good basis for long term relationship

# Pro Medicus Share Market

- Free float now 40%
- Liquidity and volatility improved
- Aim to leverage digital operation and North American position as major platforms for growth

# Pro Medicus

- Close knit Board and Management
  - Thanks to Directors
- Congratulations to Management and Staff
  - Hard work, enthusiasm, diligence
- Confident that we will see continued new opportunities and sustained growth
  - Quality systems
  - Strong Balance Sheet
  - Long-term client relationships
  - Balanced growth strategy

## Pro Medicus – AGM 2007

**Sam Hupert – Deputy Chairman.  
Co-Founder and Executive Director**

# Overview

- Leading provider of IT solutions to private health market.
- Growing and profitable e-health offering
- Key player in rapidly expanding digital radiology market
- Sales in Australia US, Canada & UK

# Financials –Full Year 2007

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- Revenue \$13.03 Million (+ 11.9%)
- Profit after tax of \$7.05 Million (+ 15.3%)
- Overseas Revenue increased to \$3.1M (+34%)
- Margins increase to 77.6%
- Cash Reserves \$11.1 Million
- Debt free



# Financials –Full Year 2007

- Final dividend 3c/share fully franked
- Special dividend 1c/share
- Total dividend for year 7c/share fully franked (+27%)



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# Pro Medicus – Digital Imaging Integration



# Pro Medicus – Digital Imaging Integration

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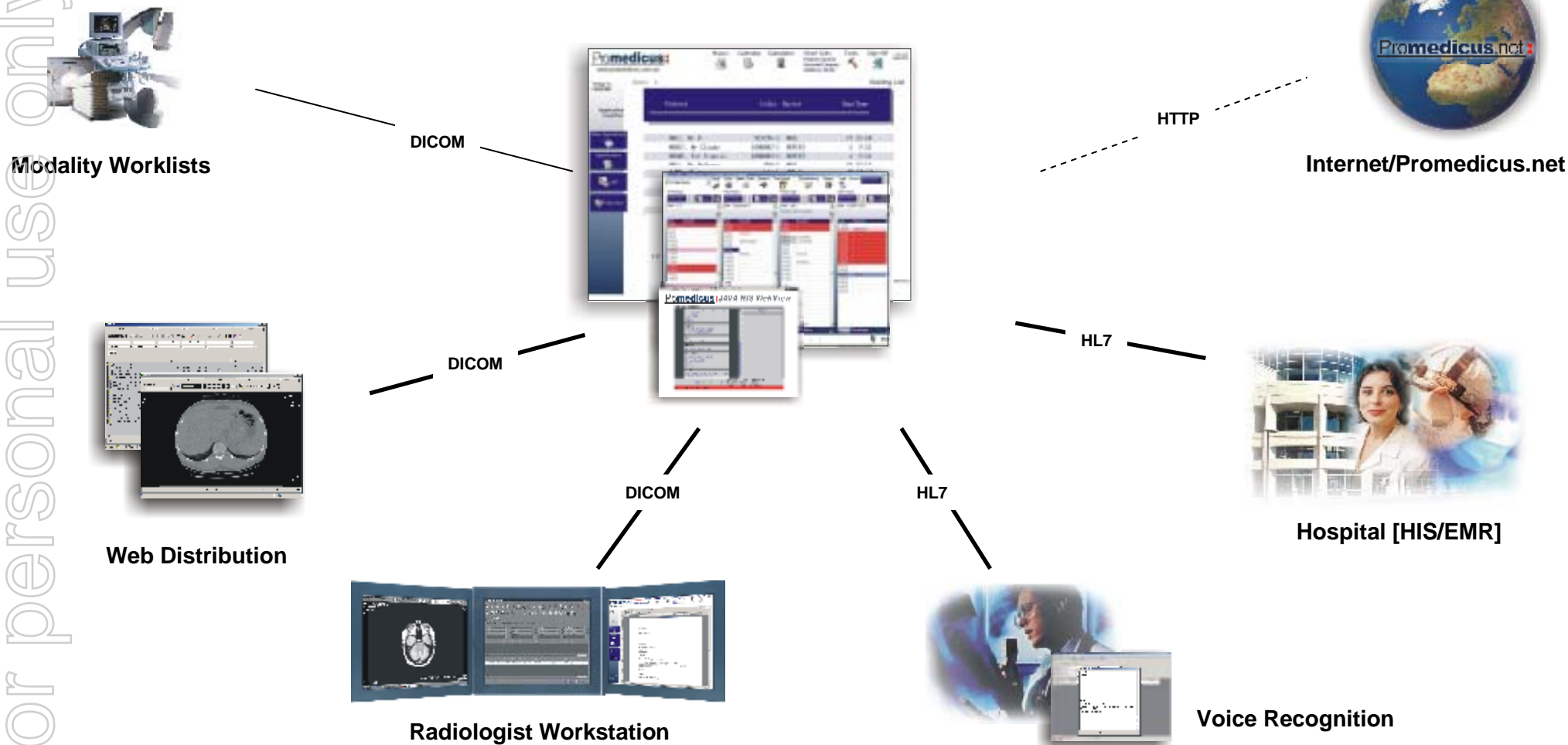
**AGFA**  **PACS**



# Pro Medicus

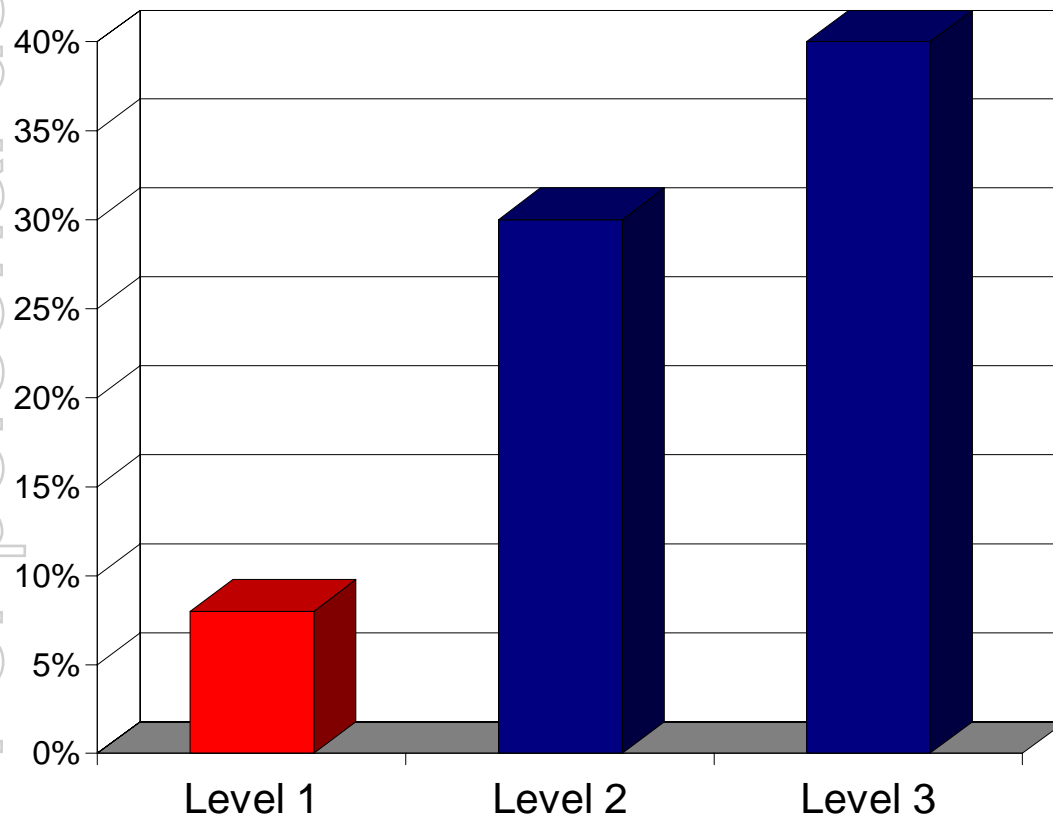
Integrated Digital Radiology

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# Pro Medicus – Digital Imaging Integration

*"The tighter the integration – the greater the productivity"*



↑ Level 1 – broker (industry standard)

↑ Level 2 – PME brokerless

↑ Level 3 – PME 3rd generation



# Digital Imaging 2007 - 2008

- Increased sales of digital technology.
- Over 40 Sites and growing (up from 25)
- Market Leader with proven results
- Extremely well positioned for further sales.

# Digital Imaging – 2007 - 2008



- Market has reached “tipping point.”
- Increased integration capability – Intelera PACS
- Opens new opportunities
- Doubling of number of digital integration sites in 2007/2008



# Agfa US Deal

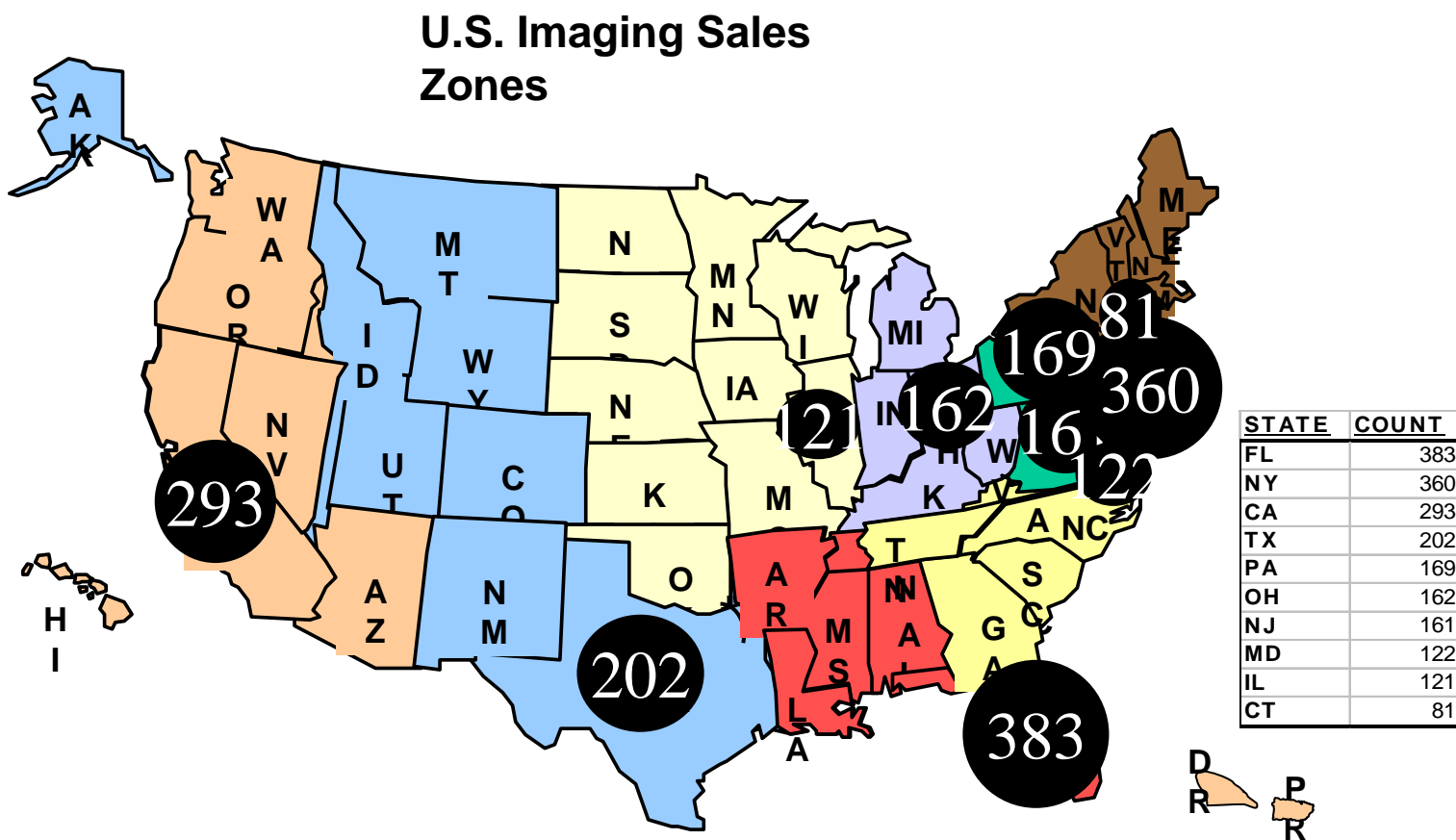
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# Agfa US Deal

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# Agfa US Deal

- Similarities to Australian Private practice
- Billing/Practice Management focused.
- Legal requirement to store images
- On the cusp of going digital
- Key growth market

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# Agfa US Deal

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- 1st shown at RSNA in December 2004.
- Key reference sites installed and working July 2005
- Clinical validation August 2005.
- Commercially released throughout the US – September 2005.
- Strong demand for the product – September 2005 to now

# Agfa US Deal

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- New Imaging Center sales force to supplement Agfa sales organisation - October 2005
- 1st phase of knowledge transfer to Agfa – May 2006.
- Agfa commencing sales, marketing and installations in the US – July 2006 onwards
- Agfa has scale in the US to achieve large footprint in US market.

# Agfa US Deal

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- Revenue from deal commenced in 2nd half 2006
- Building in 2007 through into 2008 with bias to 2nd half following RSNA
- Service revenue to build 2007 onwards

# Agfa US Deal

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- Diverse range of sites installed in key US radiology markets
- Product seen as differentiator due to strong Practice Management/Billing focus.
- Excellent referral base on which to build further sales.



# Company Highlights – First Half 2007

- Significant progress with Agfa North American deal.
- Specialised Imaging Centre team with new COO and Solutions Manager.
- Fully integrated voice recognition and advanced billing expands product offering.
- Improved “strike rate” - increasing market acceptance



# Company Highlights – AltaPACS Canadian Deal

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# Canada - AltaPACS

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- \$2.6 million upfront licence fees
- 1st site installed mid December 2004
- 10 sites installed in May 2005
- All 28 sites now installed.

# Canada - AltaPACS

- Over \$1 Million in revenue
- Recurring support revenue
- New licence sales - expansion within group
- New products eg EMPI – technology can be used in other countries.



# Pro Medicus – Further Overseas Opportunities

- Increasing % of revenue coming from overseas
- Leveraging Agfa's presence in North America frees up PME resources
- Products successfully installed in US, Canada and UK - three of the world largest markets
- Interest in other PME products for these markets

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# Pro Medicus – David Chambers CEO

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- Head of Agfa Healthcare in Asia Pacific from 2000-2004
- Instrumental in Pro Medicus/Agfa alliance announced in 2001
- Head of Agfa US Sales and marketing organisations from 2004 to 2007
- Has a wealth of industry experience in Australia, US and other potential PME markets
- Has worked closely with Pro Medicus over the past six years

# What experience and credentials do I bring?

- Over 25 Years experience in HealthCare
- Formal technical and business qualifications
- 4 Years Director Sales & Marketing, Australia & New Zealand, Bayer Diagnostics
- 10 Years Sales and General Management at E.Merck
- General Management, Sales, Marketing and Services experience



# What experience and credentials do I bring?

- 3 years Vice President Sales & Marketing, Agfa HealthCare North America
- 4 years General Manager Agfa HealthCare Asia Pacific
- 5 years General Manager Agfa HealthCare Australia & New Zealand, and Director of Agfa Australia.
- Strong connections in Australia, U.S.A., Canada, Europe and Asian markets
- Designed and executed successful growth strategies in International Health Care markets

# A solid foundation underpins accelerated growth path

- Our business has a solid basis in Australia
- International footprint now established in US, Canada and U.K.
- Have achieved strong export growth in 2007
- Our strike rates are trending upwards
- We have tremendous Industry knowledge
- Ready for strides forward in revenues and profitability

# Commencement of a step-wise process

- Re-validate Vision and Mission
  - Present to future state
- Strategy selection
  - Identify and size business growth options
  - Prioritize our best opportunities
- Devise go-forward action plans
- Organizational alignment
  - Organizational design and alignment
- Management and control mechanisms
  - Performance metrics
  - Board planning approvals

# Key supporting Planks Required for our Step Change

## 1. Vision

We have a compelling vision and a solid strategy

## 2. Awareness

A critical mass of people are aware of and on-board with the transformation

## 3. Diagnosis

What needs to be changed and why is known

## 4. Plan

We have the expertise to put together a detailed 'step change' plan

## 5. Support

We have a body of support amongst our team and our alliances to support implementation.

**What is our strategic intent?**

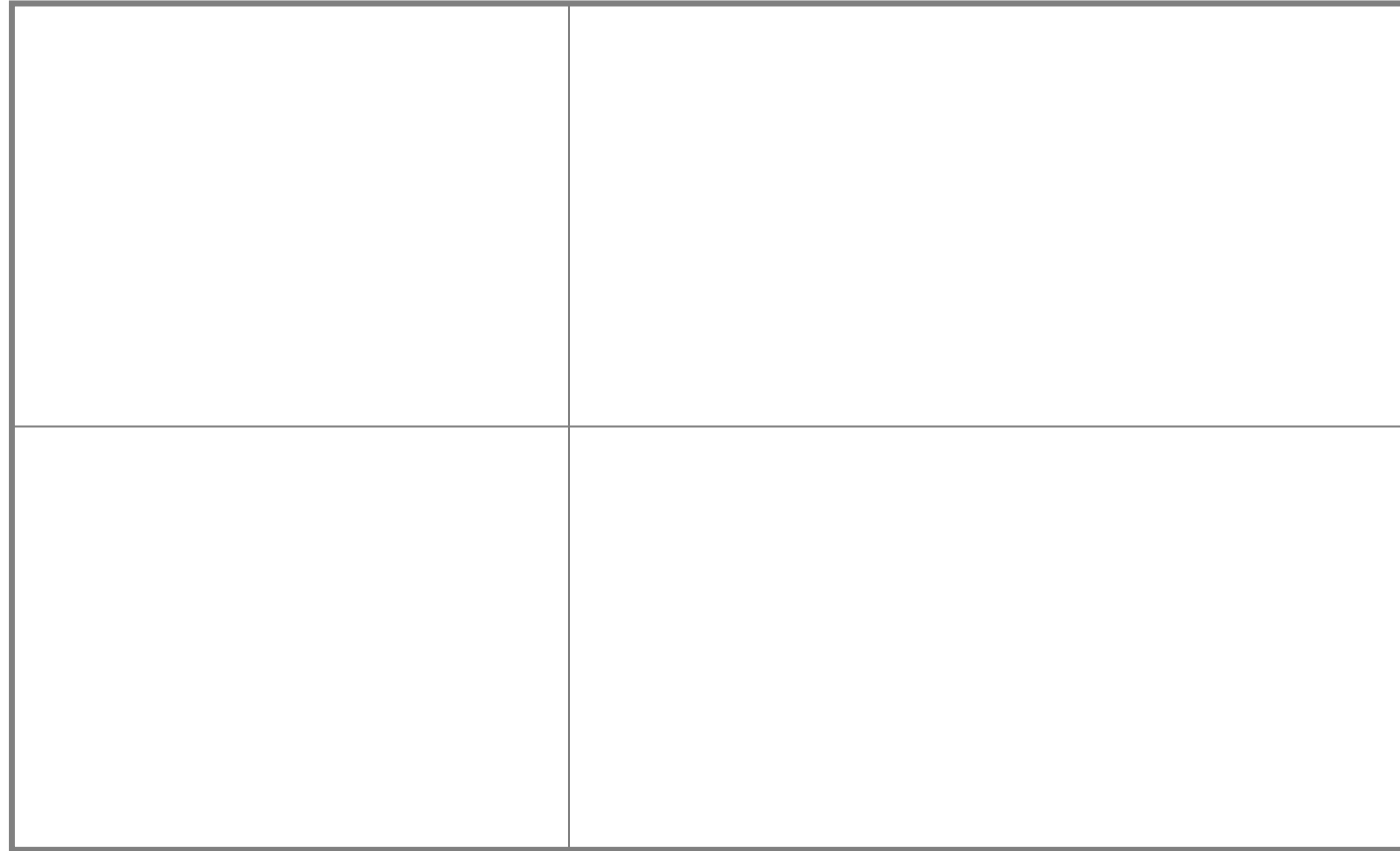




# A step change transitioning towards new products and new markets

Products

*existing* *new*



*existing*

*new*

Markets

# Our traditional playing field

Products

*new*  
*existing*

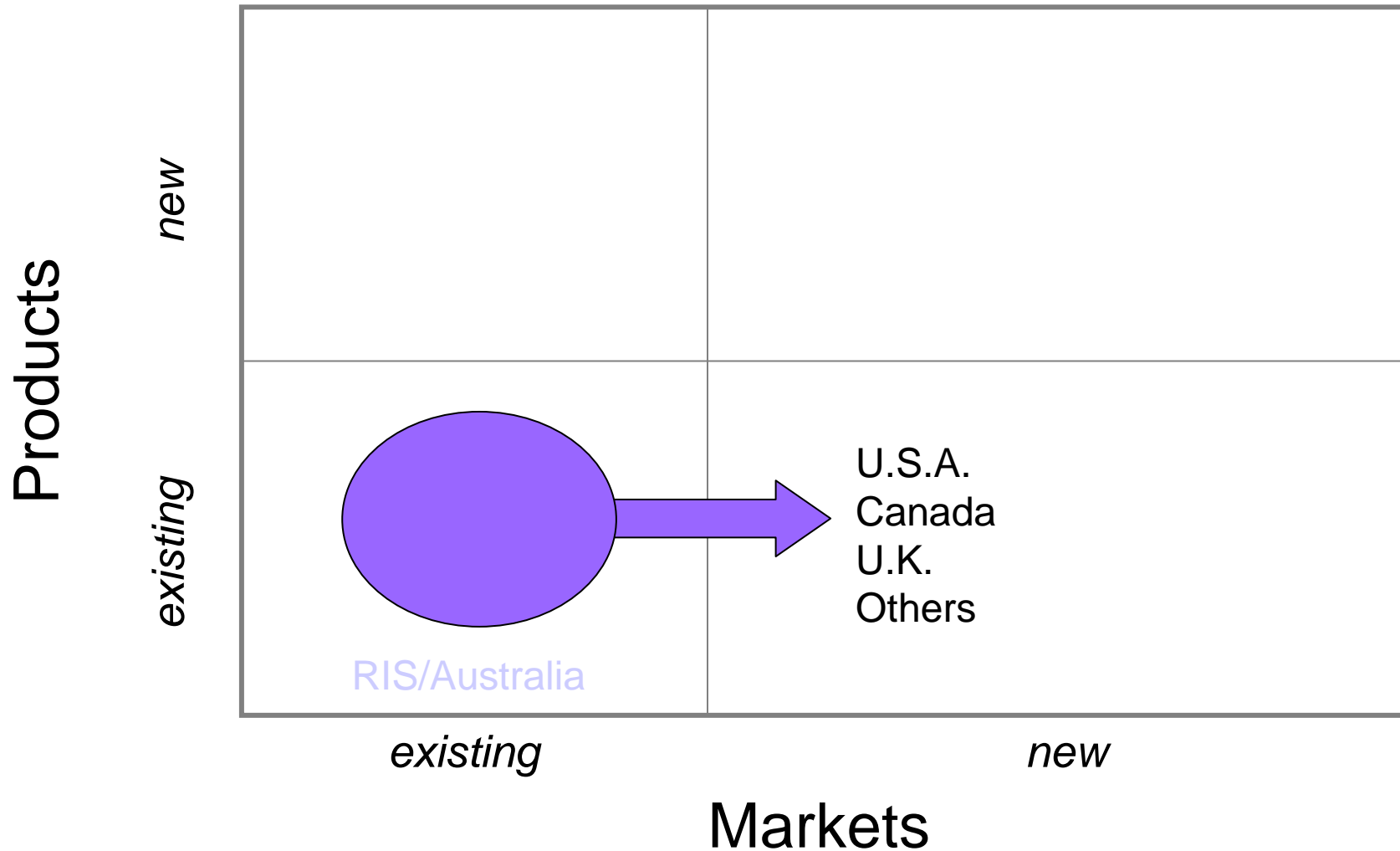


*existing*

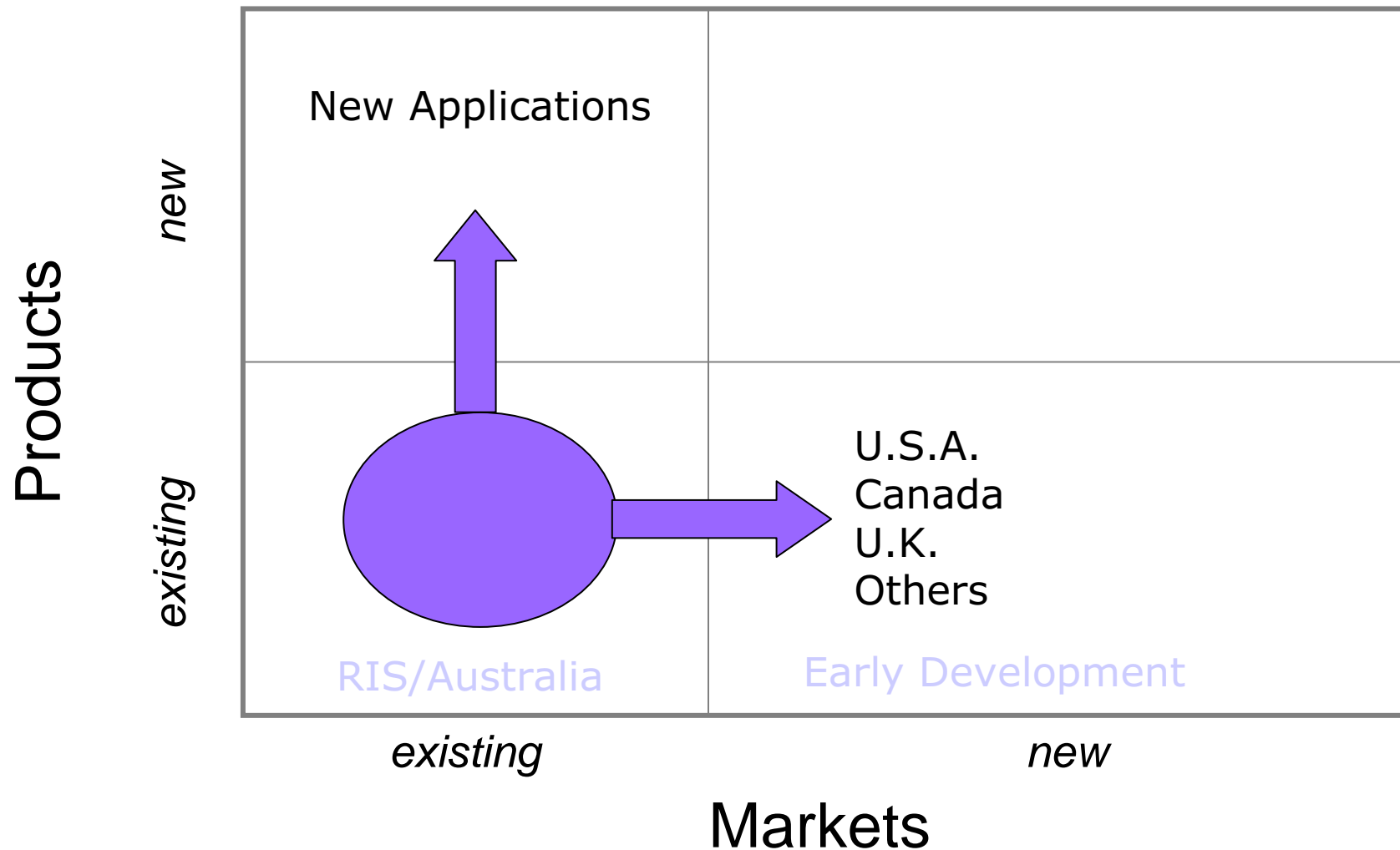
*new*

Markets

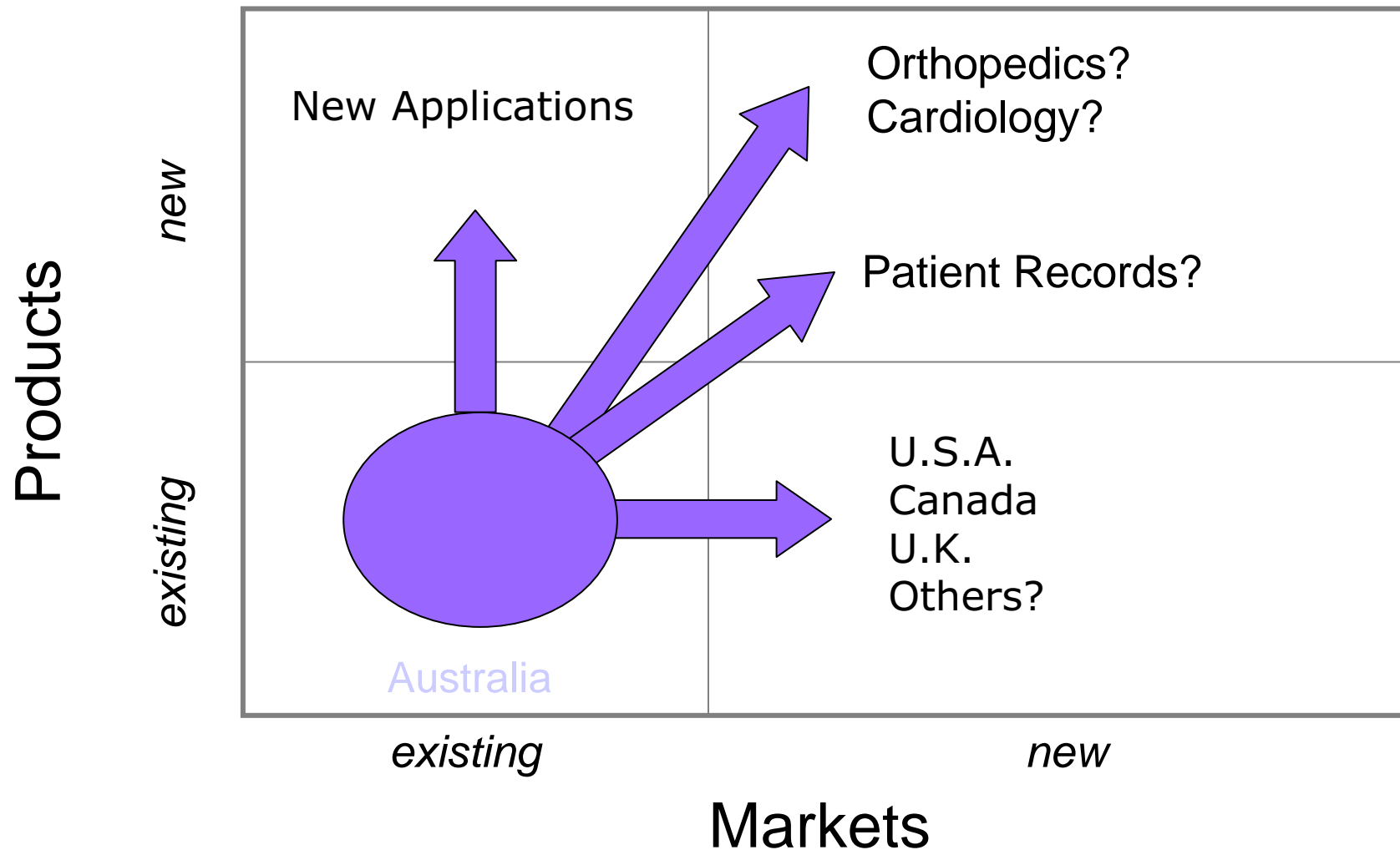
# Accelerate the reach of our solutions to International markets



# Migrate our knowledge to new related products and technologies

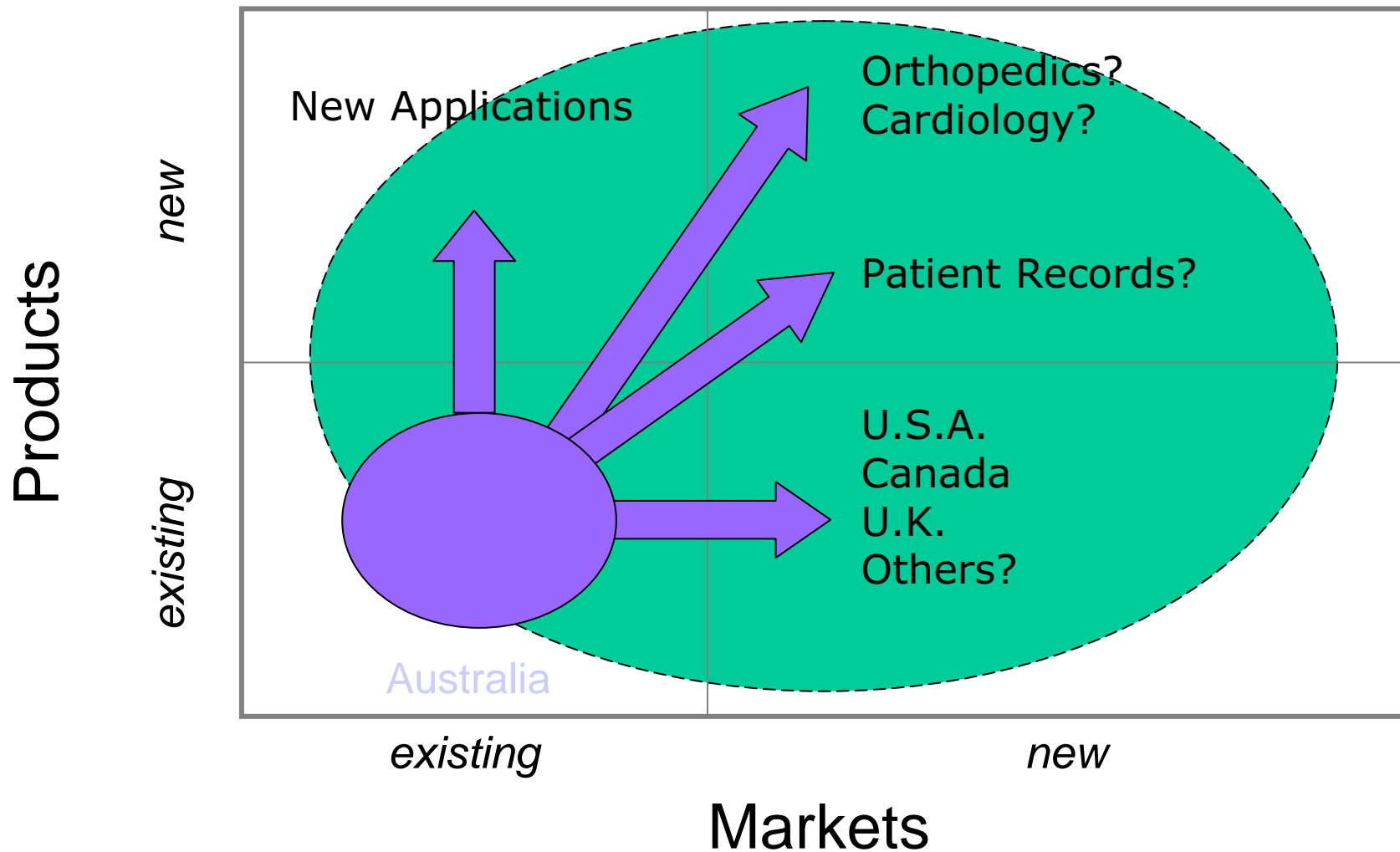


# New products, new markets

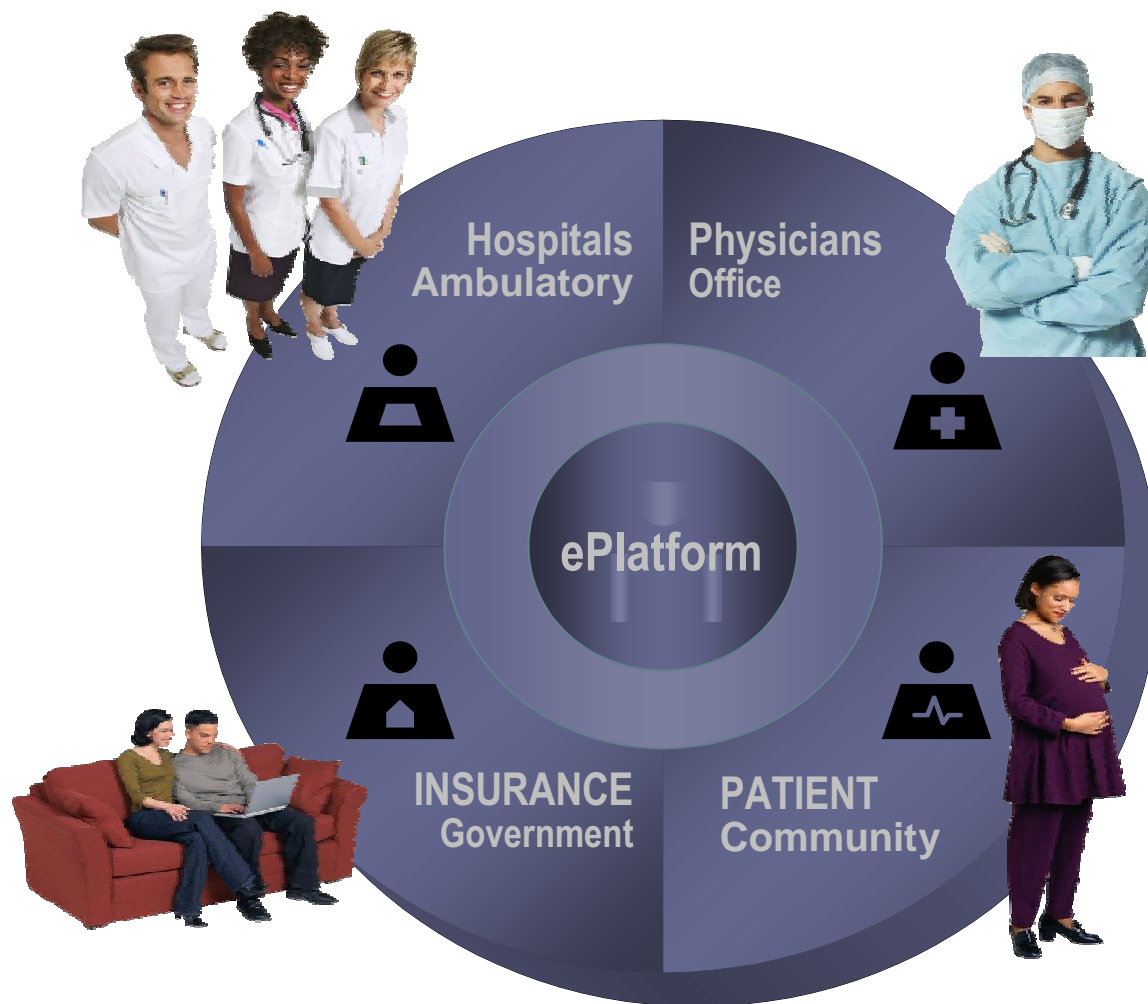




# Ongoing integration of our IT offering



# E Health Platforms... High Level Strategic Direction



What businesses underpin our growth?

- RIS
- PACS/Teleradiology
- Ambulatory vs. Acute Care
- Large, medium or small Hospitals
- Decision Support, CAD
- Orthopaedics
- Cardiology PACS
- E-prescription
- EMR/HER/PPR
- Web Portals
- Reporting
- Which geographies?

*Links will increasingly be established between all levels to get the right information to the right person at the right time*

# Strategic Stance varies depending on Market

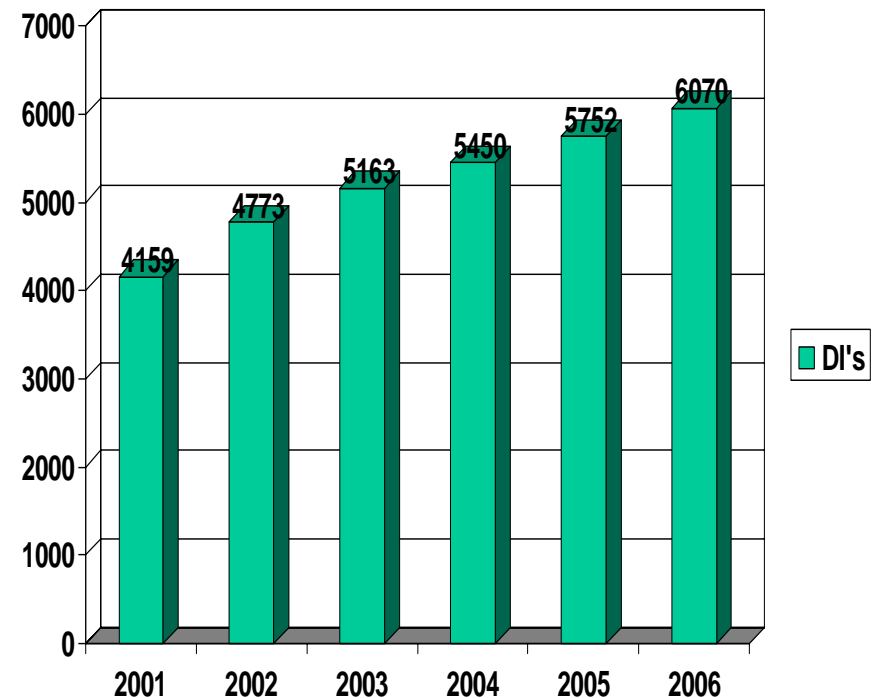
- |   |                  |   |                            |
|---|------------------|---|----------------------------|
| ➤ | <b>Australia</b> | ✓ | <b>Consolidate</b>         |
| ➤ | <b>U.S.A.</b>    | ✓ | <b>High Growth</b>         |
| ➤ | <b>Canada</b>    | ✓ | <b>Moderate Growth</b>     |
| ➤ | <b>U.K.</b>      | ✓ | <b>Moderate Growth</b>     |
| ➤ | <b>Asia</b>      | ✓ | <b>Selective Targeting</b> |
| ➤ | <b>Europe</b>    | ✓ | <b>Opportunistic</b>       |

# **U.S. Imaging Centers**

## **Let's look at the landscape**

# Adoption in Imaging Centres market grows in U.S.A.

- Imaging Centre market growth ~10-15%
- Consolidation of Hospitals and imaging centres in to distributed environments
- Drive for efficiency gains due to downward pressure on reimbursement
- IT seen as the 'enabler' of change
- Market consolidating and integration of disparate centres under one central management is the growing trend
- No established market leadership position, neither client or vendor





# Agfa US Deal

1. Improving departmental workflow ✓
2. Adding/improving web access to images ✓
3. Increasing imaging procedure volume ✓
4. Network security
5. Adding advanced visualization
6. Managing multi-slice CT images
7. Improving the speed and bandwidth of the network.
8. Buying a multi-slice CT scanner.
9. Adding enterprise storage.
10. Buying a Radiology Information System

**Top 3 are  
Promedicus  
strengths!**

Health Imaging & IT, January 2006

# Cornerstones of our Growth Strategy

- Digital Imaging growth in Australia
- Build on customer base in US, Canada and U.K.
- Seek out new product opportunities
- Develop and secure new alliances and markets

# Conclusion

This company is well positioned to move in to a new growth phase

# Pro Medicus – AGM 2007

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