

Integral Diagnostics Good Medicine is Good Business



2019 AGM

Dr. Ian Kadish (MD & CEO)



19 November 2019

Presenter



Dr. Ian Kadish

Managing Director and Chief Executive Officer

- Joined Integral Diagnostics in May 2017
- Has held roles including CSC Healthcare and McKinsey and Company in New York City; and Netcare, a major hospital group in South Africa and the United Kingdom where Ian was Executive Director from 1997 to 2005
- Since migrating to Australia in 2006, Ian's roles have included CEO and MD of Healthcare Australia, CEO and MD of Pulse Health Group (ASX-listed hospital group) and CEO of Lavery Pathology
- Medical Doctor with an MBA from the Wharton School of Finance at the University of Pennsylvania where he was on the Dean's List

IDX - About us



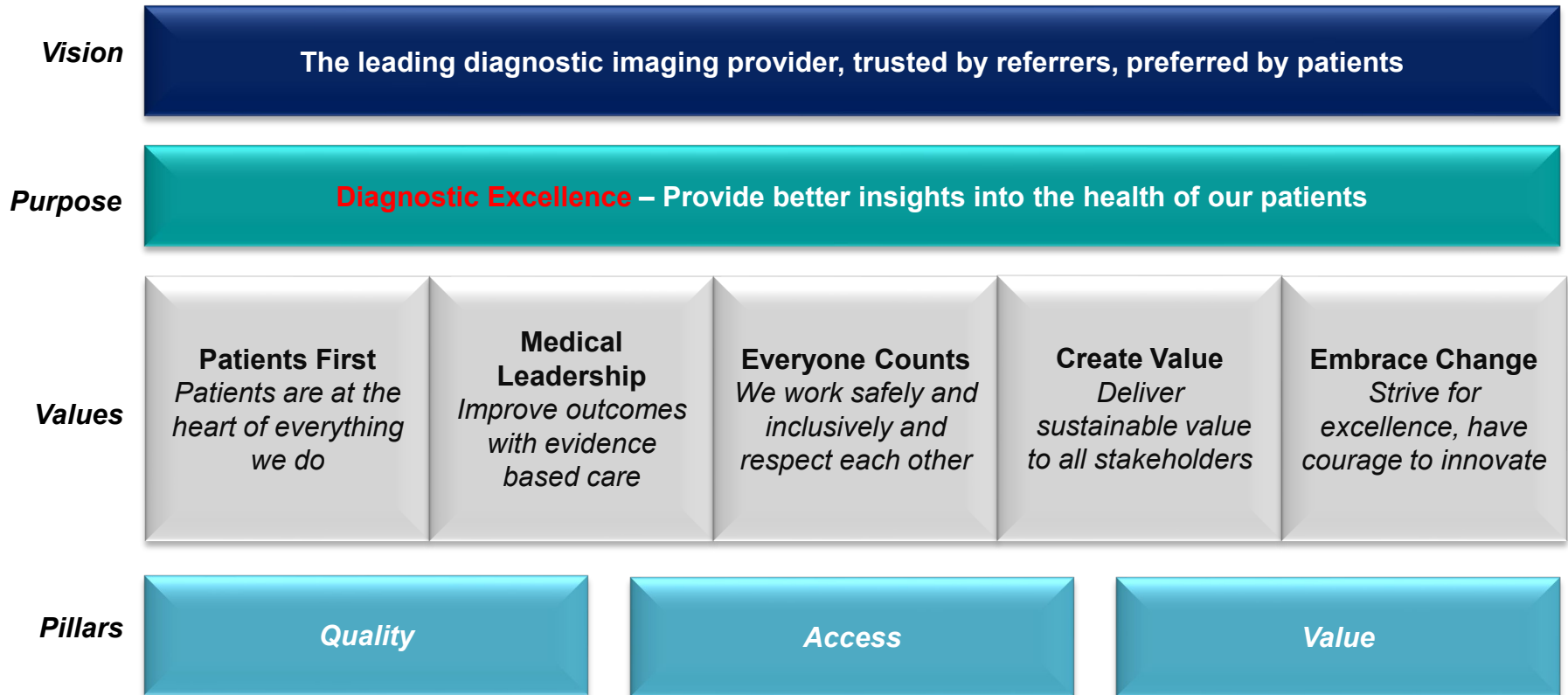
Integral Diagnostics (IDX) is a leading Diagnostic Imaging provider in Australia and NZ

- Concentrated presence in high growth markets – Gold Coast, Sunshine Coast, Western Victoria, Southwest Western Australia and South Auckland
- Leading provider in each geography we serve:
 - Comprehensive offerings (X-Ray, Ultrasound, CT, MRI, Nuclear Medicine and PET)
 - Hub and spoke distribution with specialty centres & hospitals as hub sites
 - Concentration in high value, high margin modalities with centres of excellence for musculo-skeletal, cardiac, neuro, ENT, urology and oncology
 - Hospital partners include St John of God, Ramsay and public hospitals
- Served >600,000 patients in FY19, and a network of >30,000 referrers
- High growth business (FY19 ONPAT growth > 40%)
- Industry-leading operating margin (FY19 EBITDA margin of 23%)
- DI market continues to grow strongly and is progressively consolidating
- Completed acquisition of Imaging Queensland on 1/11/19

IDX – Our Vision, Culture and Strategy



IDX Vision, Purpose, Values and Pillars



Our IDX culture revolves around the core tenet that “Good Medicine is Good Business”

Strategy is to 1. grow the existing business and margin and 2. progress strategically aligned, earnings accretive acquisitions that demonstrate strong clinical and cultural fit



IDX now operates in five key markets

						Total IDX
Geographic Market	Victoria	Western Australia	New Zealand	Queensland	Queensland	
Core markets	Ballarat, Geelong, Warrnambool, North and West Melbourne	South West Western Australia	Auckland	Gold Coast, Toowoomba and Mackay	Sunshine Coast, Rockhampton, Gladstone and North Brisbane	
Sites (includes hospital sites)	25	6	4	13	19	67
Hospital sites	7	4	-	2	8	21
MRI machines	8	2	3	7	6	26
MRI Licences	4 full 0 partial	2 full 0 partial	N/A	4 full 2 partial	3 full 2 partial	13 full 4 partial
Employed Radiologists¹	35	14	11	32	16	108
Employees	355	150	67	346	270	1,188

Note: Reflects current data as at November 2019.

¹ Relates to employed radiologists only. In addition IDX has a number of contractor radiologists (~35 currently)

IDX Performance



FY19 IDX highlights

- **Delivered solid growth in FY19**
 - 41% in operating NPAT
 - 30% in operating EPS (FY18: 20% organic growth)
 - 23% in operating revenue; 7.4% same-store revenue growth
 - 39% in Statutory NPAT
- **Successfully integrated acquisitions in Auckland and Geelong with both meeting expectations**

- **Improved EBITDA operating margin to 23% (FY18 20.3%)**
 - Industry leading margins across Australia and New Zealand
 - 0.4% margin decline in 2HFY19 due to investment in technology and radiologist recruitment

- **Declared a fully franked dividend of 5.0cps, totalling dividends of 10.0cps for FY19 (FY18 8.0cps)**

- **Expanded operations**
 - Completed Brownfields in Geelong (PET Scan), Mandurah and Bunbury (Cardiac CT's)
 - Completed Greenfields in North Melbourne, and Miami Beach on the Gold Coast

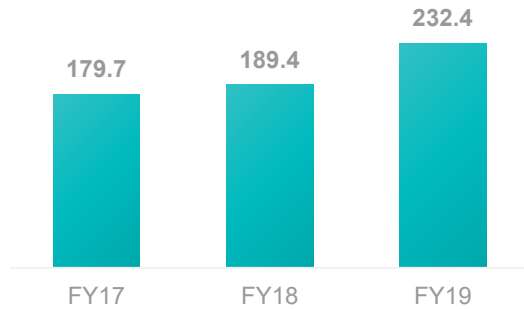
FY19 highlights continued

- **Revised radiologist remuneration and incentive structure**
 - Introduced Radiologist Share Plans to broaden radiologist shareholder base
 - Developed incentive plan for SCR and Lake businesses to drive revenue growth and productivity
 - Agreed full escrow release for employed radiologists subject to October 2015 IPO Restriction Deed by September 2020; 4,387,417 shares approved for release on 20/11/19
- **Leveraged technology to improve clinical outcomes and the patient experience**
 - Successful trial and introduction of leading AI diagnostic software in Western Australia
 - Developing integrated reporting platforms for load sharing and subspecialty reporting
 - Piloted patient portals, doctor portals and an electronic referral platform
 - Invested in cyber-security controls and protection of patient data
- **Agreed to acquire the Imaging Queensland Group (IQ); Completed with effect as of 1 Nov 2019**
 - Invested in thorough due diligence
 - IQ is strong clinical fit with IDX, strategically aligned and earnings accretive

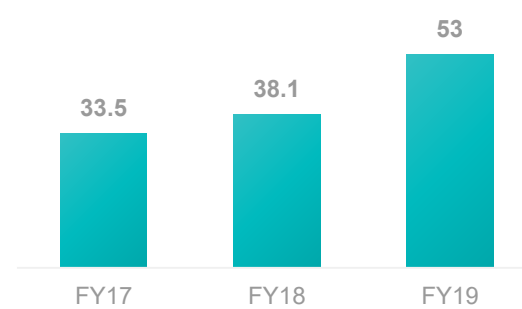
LEVERAGED THE PLATFORM TO DELIVER STRONG SUSTAINABLE GROWTH

IDX is growing well on all key financial metrics

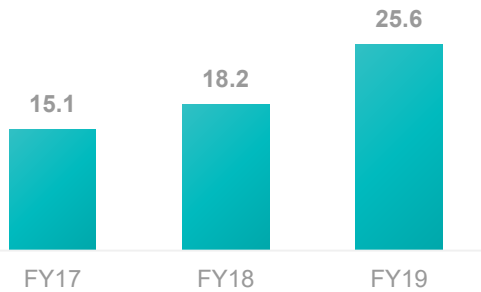
Revenue (\$m)



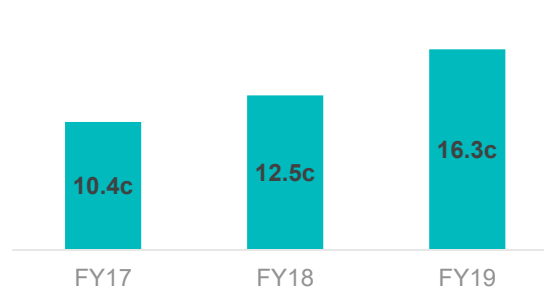
Operating EBITDA (\$m)



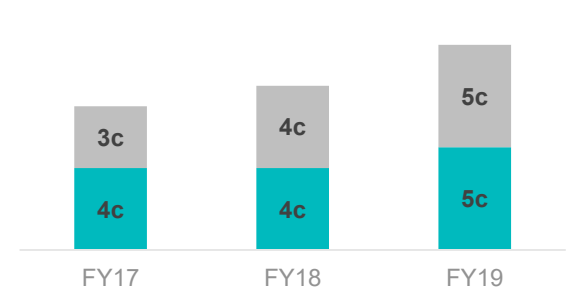
Operating NPAT (\$m)



Earnings Per Share



Dividends Per Share



■ Operating Basic EPS

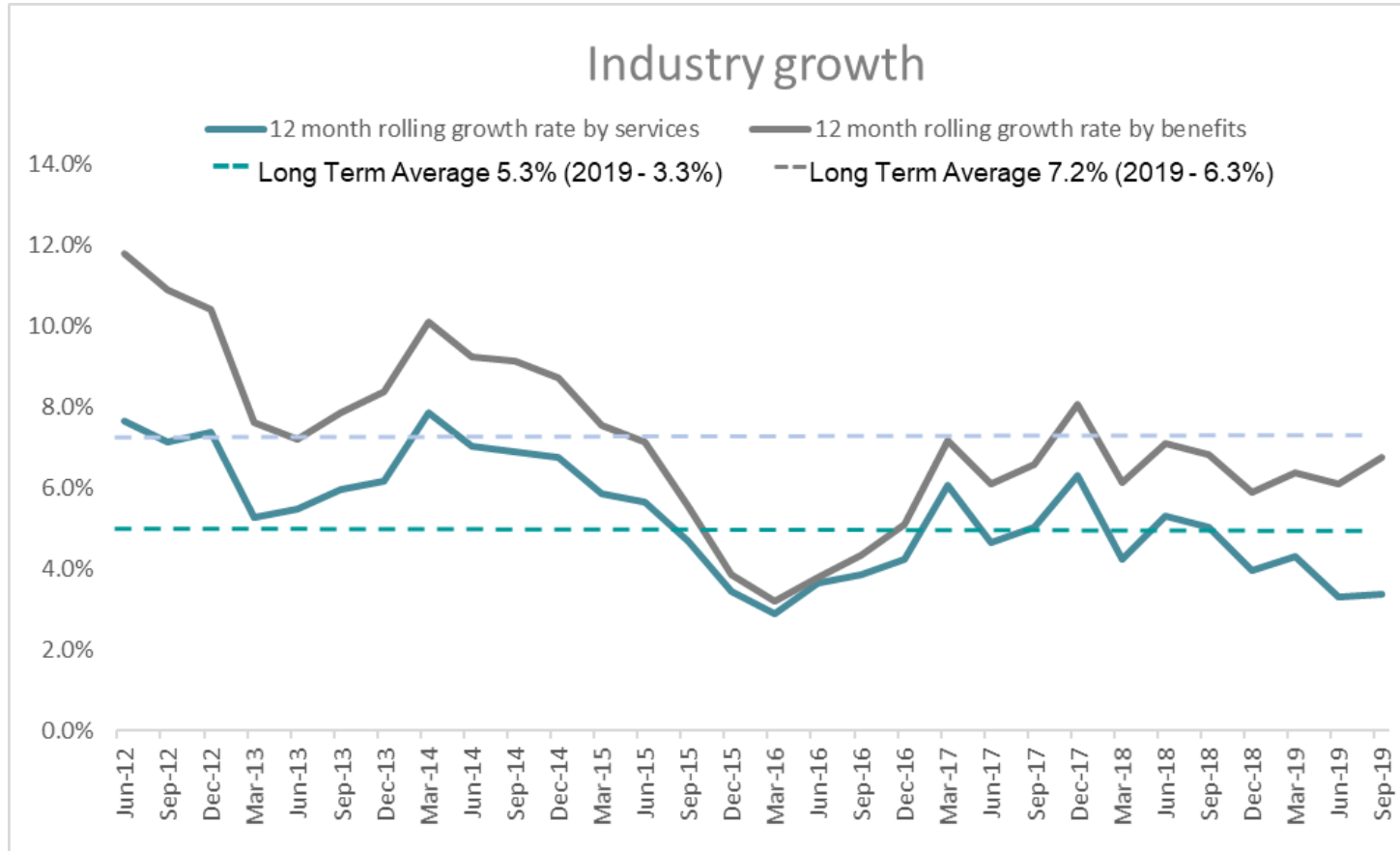
■ Interim Dividend ■ Final Dividend

Share price performance since IPO



Source: <https://www.investing.com/equities/integral-diagnostics-ltd-historical-data>

Industry is growing at 7.2%, driven by increasing use of high value, high margin modalities (CT, MRI and Nuclear Medicine)



Source: Medicare Australia Statistics for the states where IDX operates

Industry leadership

IDX plays an active role in ensuring that ANZ Diagnostic Imaging services retain their pre-eminent position and reputation for high quality care, services, training and research.



The Royal Australian
and New Zealand
College of Radiologists*

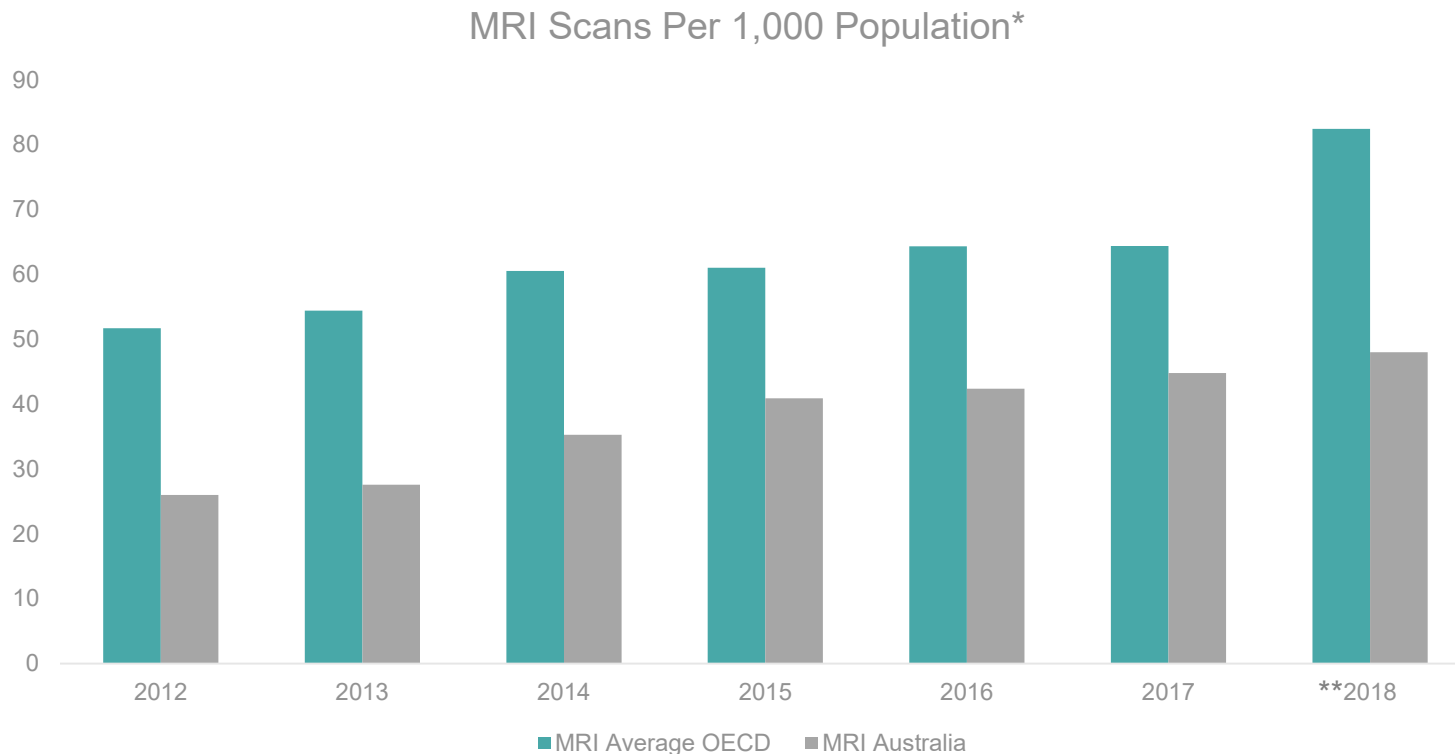
IDX is the annual sponsor of the graduation ceremony for new RANZCR graduates

- Provides good exposure to graduating radiologists and initiates ongoing engagement
- Facilitates recruitment of ANZ's leading graduates



- Member of the ADIA, the diagnostic industry's peak body
- Represented by Anne Lockwood, IDX CFCO, and Dr Siavash Es'Haghi, founding partner of IQ and ADIA President until November 2019.

Developing the Industry: Australia lags the developed world with regard to MRI utilisation



Australian patients are not receiving the benefits of a technology that the rest of the developed world finds very useful

It is incumbent on us as healthcare providers to ensure our patients benefit from the life enhancing capabilities that MRI technology provides

*As reported by the OECD. Australian numbers may be under-represented by 10%-20% (IDX analysis)

** 2018 data is not yet finalised, currently only includes 5 other OECD countries

Corporate social responsibility

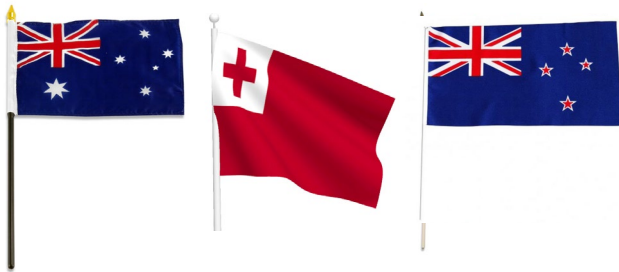
IDX actively drives social programs that assist patients in need to access vital diagnostic imaging services



Radiology Across Borders

Strategic partnership with Radiology Across Borders (RAB) to provide radiology development and training opportunities in the South Pacific and Asia

- IDX has a strong commitment to supporting communities and developing capability through medical leadership
- Provides education, training and resources to develop medical imaging capabilities in developing countries.



Tonga Radiology Twinning Project

- IDX clinical staff provide education and training in Tonga
- Tonga clinical staff rotate through selected IDX facilities for education and training

IDX Priorities for 2020



FY20 priorities...

DI is at the intersection of health and technology

Capitalise on new diagnostic technologies



- Commission new digital PET scanner at John Flynn Private Hospital on the Gold Coast
- Installed Cardiac CTs at SJOG Hospitals in Geelong and Mandurah and at Ramsay's Pindara Private Hospital in QLD and Peel Health Campus in WA
- Installing a CT at the Bacchus Marsh Hospital in Victoria - a fast growing regional corridor
- Commissioned a centralised MRI super-site at SJOG Ballarat with two licensed MRI's
- Developed Peel Health Specialist Centre in Mandurah to service new regional oncologists
- Installed "compressed sense" technology in NZ to improve image quality and throughput

Use digital technology to improve the patient and referrer experience



- Integrate proven AI software to improve clinical workflows and patient outcomes
- Roll out IDX patient app and doctor portals
- Grow the IDX Tele-Radiology business
- Continually enhance security to counteract cyber threats

Ramp up the North Melbourne Specialist and Research Centre



- Promote, market and grow the North Melbourne Specialist and Research Centre
- Offer advanced cardiac CT and wide-bore 3T MRI services to Melbourne's leading specialists
- Engaging with leading specialist referrers in Victoria's premier medical precinct around the Royal Melbourne Hospital

FY20 priorities continued

Promote our values, integrate our acquisitions, and develop the industry

Invest in recruitment and retention of world leading radiologist and clinical staff



- Implement recruitment strategies that attract ANZ's premier radiologists
- Promote the IDX Values – Patients First; Medical Leadership; Everyone Counts; Embrace Change and Create Value

Integrate acquisitions and evaluate further acquisitions in line with our strategy



- Integrate the IQ acquisition into the IDX group to deliver sustainable value to IDX stakeholders
- Evaluate potential acquisitions in line with our strategy

Develop the DI industry



- Lead ADIA, the peak industry body, to drive digital health technologies, reduce radiologist workforce shortages, and achieve indexation for Nuclear medicine and MRI
- Promote Prostate, Cardiac, Stroke-Imaging, Breast MRI and PET applications that will save lives and drive significant growth
- Educate and promote the benefits of MRI and PET so they're widely understood and recognised.

Questions?

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