



Integral Diagnostics Limited

2025 Annual General Meeting – Managing Director & Chief Executive Officer

Address and Presentation

Thank you, Toby, and good morning everyone. It's good to see you all, in the room and online.

Vision and Values

Our vision – to build a healthier world – is anchored in our six values: Patients First, Medical Leadership, One Team, Create Value, Integrity and Excellence, and Embrace Change. These values shape our decisions daily. From recruitment to performance evaluation, from capital allocation to clinical governance, our values ensure that patient care remains at the heart of everything we do.

Our values define us as healthcare professionals and caregivers. These values differentiate our company, even amongst our healthcare peers. Our values build our culture, our commitment to always practice good medicine, and our patient first ethos. We know that by putting our patients first, we will also be putting our shareholders first.

IDX Today

We completed our merger with Capitol Health in December last year and we are now 'One Team'. The merger could not have progressed better, from a clinical, cultural and financial perspective. Our teleradiology arm, IDXt, has provided significant support to Capitol's clinics since October 2024, reducing turnaround time and expediting patient care, alleviating bottlenecks, and retaining referrer goodwill. Best practices and policies have been evaluated across both groups and the best practice has been adopted. Employee and referrer engagement, in both groups, has remained strong or strengthened.

The combined IDX and Capitol served 1.8m patients over the past financial year, performed more than 4m examinations, and helped more than 80,000 referring doctors to reach a diagnosis. Our 3,025 employees, including doctors and staff, delivered exemplary patient care at 145 clinics in Australia and New Zealand.

We are now the second largest radiology network in Australia and the only pure-play listed DI provider in Australia. Scale matters in this business. Larger providers are able to adopt new technologies sooner, spread investment costs across a broader network, and attract top clinical talent.

I'd like to call out our teleradiology business unit, IDXt. IDXt provides genuine 24/7 reporting services to both our own network and to a growing list of external clients, including private practices, hospitals and regional health services.

IDXt, has continued its rapid growth trajectory over the past year. The business unit currently engages 114 radiologists, and its reported revenue has grown consistently at a CAGR above 30%. The IDXt employee value proposition is compelling as it is able to provide radiologists with as much work as they want, in an area of their interest, at a time and place of their choosing.

FY25 Results Overview

We closed FY25 in a far stronger position than we began – significantly higher patient volumes and revenue, improved margins, materially improved EPS, greater operating free cash flow, and a stronger balance sheet.

The operating environment presented challenges in the first half of the financial year, including clinical skills shortages which were more acute in regional areas, and inflationary cost pressures. We effectively addressed many of these challenges in the second half, particularly through the increased use of teleradiology and AI, the adoption of technologies that optimised the patient care pathway, including e-referrals and online appointments, and the realisation of people, procurement and administrative synergies from the merger with Capitol.

For FY25, IDX delivered revenue and other income of \$628.0m, up 33.7% on the prior year. Operating EBITDA rose to \$126.5m, an increase of 38.3% with the EBITDA margin expanding to 20.1%, up 60 basis points on the prior corresponding period. Operating free cash flow improved to \$80.0m, up 42.9%, and reflected disciplined capital expenditure and effective working capital management.

Net debt to EBITDA reduced to 2.6x (or 2.4x pro forma including annualised merger synergies), down from 2.8x at 31 December 2024.

Growth was driven by increased volumes across higher-value modalities, particularly PET-CT and MRI, continued expansion in teleradiology, and efficiency gains from procurement and process improvements implemented in the latter part of FY25.

PET-CT continues to be our fastest-growing modality, reflecting its importance in oncology, neurology and other specialities. We remain disciplined in our capital allocation, ensuring that each investment meets strict return thresholds while enhancing patient care in areas of high demand.

FY25 Strategic Overview

In FY25 we delivered against our strategic goals.

Toby has touched upon the success of our merger with Capitol. We have implemented a new organisation structure to support our focus on patients and drive the business and our merged procurement function is driving cost savings above initial synergy projections. I'm particularly proud of the strong employee engagement scores recorded in annual July survey.

In relation to organic growth, we have continued to drive this and focus on operational efficiencies. Radiologist recruitment, both on the ground and in our market-leading teleradiologist business, IDXt continues to be a strategic focus in a very tight recruitment market.

During the financial year, we opened five new greenfield clinics, including Spotswood in Victoria, Glenorchy in Tasmania and Noosa in Queensland.

We also relocated two clinics to new state of the art facilities; Ocean Grove in Victoria and the Smith Street Nuclear Medicine & Women's Imaging Centre in Southport, Queensland.

Consolidation continues in our DI sector, and IDX will rigorously evaluate additional M&A opportunities as they arise.

Industry Fundamentals

IDX is well positioned to improve access and benefits for patients and capitalise on positive industry fundamentals.

Demand for diagnostic imaging is supported by strong demographic drivers (ageing populations and the rising incidence of chronic disease) and by the expansion of medical expertise and treatment options that depend on accurate diagnostic imaging. Globally, diagnostic imaging advances in both hardware (e.g. faster CT, higher-resolution MRI, digital PET) and software (AI-enabled image analysis, secure digital platforms) are enabling more accurate diagnosis, faster turnaround times, and better patient experiences.

Medicare announced indexation of 2.4% for diagnostic imaging services commencing on 1 July 2025.

From 1 July 2025, all radiology clinics with an MRI licence (full or partial) received full Medicare eligibility for all MRIs at that clinic. IDX received 16 new full licences that were automatically upgraded from partial licences on 1 July 2025 (10 from previous Capitol sites and 6 from original IDX sites). A full MRI licence provides a clinic with the ability to service specialist MRI referrals as well as GPs.

As at today, IDX holds 42 fully licenced MRIs and 22 unlicenced MRIs in Australia which compares to the 17 full MRI licences we held at 30 June 2024.

From 1 July 2025, the Health Department launched the National Lung Cancer Screening Program (NLCSP). The NLCSP is a screening program using low-dose computed tomography (low-dose CT) scans to look for lung cancer in smokers between 50 and 70 years old without any symptoms. It aims to find lung cancer early and save lives. IDX has introduced an IDX-wide program called "Chest Scan" to provide patients with easier access to this life-saving program.

The expansion of GP Bulk Billing Practice Incentive Program to all Australians, effective 1 November 2025, will drive increased GP visits and increase radiology referrals. The Benefits are higher in regional areas (2 to 3 times urban rates) which will be a positive for our regional clinic network.

Recovery of DI Growth Rates in Line with Long Term Trends

Industry growth rates, on a 12-month rolling basis, have recovered to be in line with long term trends, driven by Medicare indexation, modality mix shift and structural demographic trends.

The top line on the chart represents Medicare benefits paid to DI providers, the bottom line on the chart represents the number of tests that were performed. The two lines are diverging due to the higher rate of increase in high acuity, high value tests like CT, MRI and PET-CT, relative to lower acuity tests, like basic XRay and ultrasound.

MRI deregulation and the National Lung Cancer Screening Program is expected to drive further growth in the near-to-medium-term.

The National Lung Cancer Screening Program is driving growth in screening CTs and follow up growth in interventional and PET-CTs. The Health Department has committed \$264m to the screening program over the four-year forward estimates.

FY26 Strategy and Priorities

Our priorities for FY26 are clear:

- Drive organic earnings growth, including relentless focus on radiologist recruitment and productivity, together with operational efficiency;
- Accelerate use of teleradiology, digital and AI to improve the patient and referrer experience and doctor efficiency;
- Drive our ESG strategy;
- Lead through our Values; and
- Complete IDX and Capitol merger integration, including ongoing realisation of additional synergies.

Outlook for FY26 and Beyond

IDX is a specialist, quality provider of diagnostic services and is well positioned to benefit from positive industry fundamentals, and to grow services strongly going forward.

The combined Group (IDX and Capitol) achieved 8.3% revenue growth in Australia YTD September vs p.c.p. on a like-for-like basis, compared to 9.4% Medicare benefits growth for the same period.

Revenue growth and Operating EBITDA margin is expected to expand further over time, with a projected Operating EBITDA margin of ~20% for 1H FY26 and ~21% for full year FY26, driven by:

- Inclusion of \$14.0m of annualised merger synergies.
- Ramp up of new greenfield clinics and brownfield investments.
- Scale benefits, including increased use of IDXt teleradiology, both internally and externally, together with procurement efficiencies.

- Seasonally stronger 2H organic Operating EBITDA performance (2H ~53% vs 1H ~47% in recent years). In FY26 the 2H weighting is expected to be more pronounced driven by the ramp up of further de-regulation of MRI's, the National Lung Cancer Screening Program and expansion from 1 November 2025 of the \$8B GP Bulk Billing Incentive Program to all Australians.

Group FY26 replacement and growth capex is expected to be between \$45.0m to \$55.0m (FY25: \$55.3m).

Appreciation

I will be retiring from IDX at the end of FY26 after what has been an extraordinary journey. I joined IDX when it was a regional radiology practice in 2017, and over the course of the next eight years we built Australasia's second largest radiology network, owning and operating clinics in every state of Australia and in the greater Auckland region of New Zealand. This remarkable journey has only been made possible by the extraordinary team I have had the privilege of working with, a team that is dedicated to delivering the best health outcome for every patient we serve.

In April 2017, the month prior to my commencement at IDX, our share price averaged \$1.25 and our total market capitalisation was \$180m. Today our share price is \$2.48 and our market capitalisation is \$955m. Over that period, we have declared \$142.7m in dividends. And even more importantly, we have positively impacted the health and the lives of millions of Australians and New Zealanders.

Today, your company is in excellent shape, ideally positioned to capitalise on the strong industry fundamentals, favourable demographic tailwinds and awesome new capabilities in diagnostic radiology and AI. IDX's people, our scale, clinical expertise, and technological capabilities, are truly world class. I remain excited about the company's prospects.

In closing my address, I'd like to thank our frontline healthcare heroes at IDX who continue to put our patients first every day. Our doctors and staff include some of the finest healthcare professionals in the world. Their professionalism and dedication, and their commitment to our patients and referrers, is inspiring.

My thanks also to our patients who put their trust in us, to our loyal referrers who trust their patients to us, and to you, our shareholders, who put your faith in us.

My sincere thanks to Toby Hall, our Chair, and to the IDX Board and management team, for their valuable counsel, insight, commitment and support.

Good medicine is still good business.

Dr Ian Kadish
Managing Director & Chief Executive Officer