



2018 ANNUAL GENERAL MEETING

22 NOVEMBER 2018

PRIMARY
HEALTH CARE LIMITED

ROBERT HUBBARD CHAIRMAN



BOARD OF DIRECTORS



Robert Hubbard
Non-executive Chairman



Dr Errol Katz
Non-executive Director



Sally Evans
Non-executive Director



Gordon Davis
Non-executive Director



Dr Malcolm Parmenter
MD & CEO



Charles Tilley
Company Secretary



Arlene Tansey
Non-executive Director



Dr Paul Jones
Non-executive Director

FY 2018 HIGHLIGHTS

Group \$m	Underlying		Reported	
	FY 2018	FY 2017	FY 2018	FY 2017
Revenue	1,740.3	1,658.6	1,740.3	1,658.6
EBIT	160.1	174.6	64.6	(469.7)
NPAT	87.5	92.1	4.1	(516.9)
As at			30 June 2018	30 June 2017
Free cash flow			146.6	141.5
Dividend cps 100% franked (60% UNPAT)			10.6	10.6

- » Revenue growth of 4.9%
- » Underlying NPAT of \$92.3 million (before subsequent adjustment)
 - » with drop in referral activity May and June preventing us reaching higher end of guidance
 - » improved EBIT contributions from Pathology, Imaging, Corporate
- » Dorevitch arbitration caused \$4.8m subsequent adjustment to Underlying NPAT
- » Free cash flow (before growth capex) up 3.6%
- » Final fully franked dividend of 5.5cps, total dividends 10.6cps

DIVISIONAL FY18 HIGHLIGHTS

FY 2018 \$m	Pathology	Medical Centres ¹	Imaging	Corporate	Group ²
Revenue	1,090.6	319.6	368.4	-	1,740.3
EBIT	114.1	31.6	33.8	(19.4)	160.1

Pathology

- » 5% revenue growth
- » EBIT growth before subsequent events
- » Continued success with Approved Collection Centre rents growing at a lower rate than revenue

Medical Centres

- » 75% of GPs transitioned onto flexible capital-light contracts
- » Record 159 GPs recruited
- » Strong dental performance
- » 4th IVF clinic opened
- » H&C finished at breakeven

Imaging

- » Strong EBIT performance up nearly 17%
- » Reflects turnaround strategy
- » Successful Brisbane Private Imaging acquisition

Corporate

- » Enhanced Finance, Property and HR services
- » Developing a strong, central IT platform

¹ Medical centres included PRY Medical Centres and Health & Co

² \$38.3m of inter-company revenue/expenses eliminated at the Group level

UNDERLYING PROFIT = CORE TRADING

FY 2018 \$m	Reported	Impairment	Restructuring & strategic initiatives	Non-recurring items	Underlying
EBIT	64.6	49.5	40.9	5.1	160.1
Finance costs	(35.1)				(35.1)
PBT	29.5				125.0
Income Tax	(25.4)				(37.5)
NPAT	4.1				87.5
FY 2017 \$m	Reported	Impairment	Restructuring & strategic initiatives	Non-recurring items	Underlying
EBIT	(469.7)	587.0	39.2	18.1	174.6
Finance costs	(43.1)				(43.1)
PBT	(512.8)				131.5
Income Tax	(4.1)				(39.4)
NPAT	(516.9)				92.1

» Strategic initiatives include:

- » Leapfrog
- » Pathology IT platform
- » Imaging iCAR platform
- » Corporate functions

» Further non-underlying items in FY 2019 expected for above strategic projects

ROBERT HUBBARD CHAIRMAN



**ROBERT FERGUSON
RETIRED**

**SALLY EVANS
NEW NED**



ROBERT HUBBARD CHAIRMAN



DR MALCOLM PARMENTER MANAGING DIRECTOR AND CEO



EXECUTIVE TEAM



Malcolm Ashcroft
Chief Financial Officer



Wesley Lawrence
Chief Executive
Pathology



Tim Haggett
Chief Executive
Medical Centres



Maxine Jaquet
Chief Executive
Health & Co



Scott Beattie
Group Executive
Commercial Solutions



Yvette Cachia
Group Executive
People and Legal



Ryan Fahy
Chief Information Officer



Janet Payne
Group Executive
Corporate Affairs



Dean Lewsam
Chief Executive
Imaging

A YEAR IN REVIEW

**PURPOSE,
MISSION &
VALUES**



**CHANGING TO
MEET NEW
HEALTHCARE
LANDSCAPE**



**CAPITAL
RAISE**



PATHOLOGY



**MEDICAL
CENTRES**



IMAGING



**DAY
HOSPITALS**



**NAME &
BRAND**



**TRADING
UPDATE**



PATHOLOGY: CONSISTENT GROWTH

- » Optimise portfolio of ACCs and laboratories
- » Re-platforming technology in LIS and SWA
 - Deliver significant clinical, operational and financial benefits
 - Support future growth
 - Cost savings from automation, standardisation and efficiency
 - ~\$20 million p.a. benefits once embedded



PEOPLE

- Attract the best healthcare professionals
- Improve referrer experience
- Strong focus on staff engagement

PROCESS

- Optimisation in pre-analytical process
- Technology upgrade via SWA
- Improved consumer experience

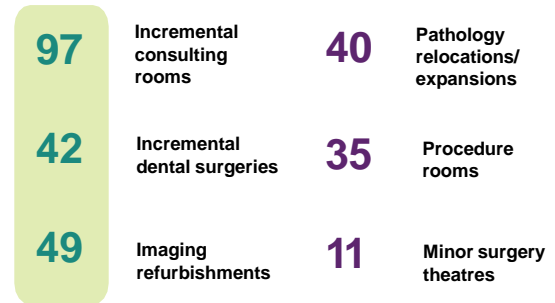
PROPERTY

- ACC network optimisation
- Speciality service expansion
- Laboratory uplifts
- ACC enhancement in Medical Centres

MEDICAL CENTRES: LEAPFROG TO DELIVER TRANSFORMATION

- » A unique portfolio of large-scale clinics of remarkable size, location, accessibility and range of services
- » Aim to deliver care when, where and how consumers want it
- » Project Leapfrog to deliver a comprehensive renewal of the operating model
- » \$140m cost over 3 years
- » Targeting an average of \$1m EBIT across all 73 centres

52 Medical Centres modernised and extended¹



Equivalent to 4 new large-scale medical centres without any incremental rent overhead

¹ 64 centres receiving an uplift of which 52 will be reconfigured with new GP consulting, dentist surgeries, ACCs and other services



IMAGING: COMMUNITY SITES AND ICAR

- » Revitalisation of community sites with focus on consumer value proposition, rebrand and marketing
- » Investment in iCAR : radiologist workflow, voice recognition and enhanced imaging



Northern Beaches Hospital, Sydney

Siemens MRI imaging equipment

PEOPLE

Staff engagement
Brand enhancement
Improved radiologist experience

PROCESS

Operational efficiency
Improved referral delivery channels
Patient experience improvements

PROPERTY

Uplift to community & medical centre sites
Development of high-end sites
Optimise hospitals



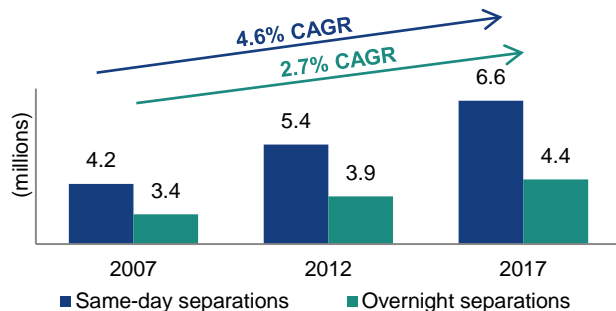
Northern Beaches Hospital, Sydney



Holy Spirit Northside Private Hospital, Brisbane

MONTSERRAT

Separations – day vs. overnight hospitals



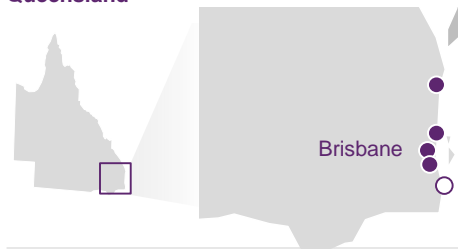
Source: AIHW

Complementary business for Primary

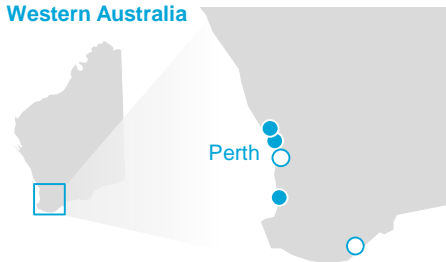
- » Strategically aligned providing synergies especially in haematology and oncology
- » With 5 day hospitals at PRY, Montserrat to provide a platform for growth and improved performance
- » Opportunity to integrate with our IVF business
- » Opportunity for significant growth in what is a fragmented market place.

Montserrat Locations

Queensland



Western Australia



NSW



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