

Appendix 4E

Preliminary Final Report

1. Company details

Name of entity

Pro Medicus Limited

ABN or equivalent
company reference

25 006 194 752

Financial year ended
(‘current period’)

30 June 2020

Financial year ended
(‘previous period’)

30 June 2019

2. Results for announcement to the market

ASX Listing Rules Ref		2020 A\$'000	2019 A\$'000	% change
2.1	Revenue from underlying operations (minus point in time sale)	56,821	45,850	23.9%
	One off – point in time sale (including hardware revenue)	-	4,255	N/A
	Revenue from contracts with customers	56,821	50,105	13.4%
2.2	Underlying profit before tax (minus currency gains/(losses) and one-off point in time sale)	30,238	22,663	33.4%
	One off - point in time sale before tax (net of hardware)	-	3,049	N/A
	Currency gains/(losses) before tax	(218)	411	N/A
	Reported profit before tax	30,020	26,123	14.9%
	Income tax expense	(6,944)	(6,998)	N/A
	Profit from ordinary activities after tax attributable to members	23,076	19,125	20.7%
2.3	Net profit for the period attributable to members	23,076		
	% change up/(down) of Net Profit/(Loss) for the period attributable to members from the previous corresponding period.	Up 20.7%		
2.4	Dividends (distributions)	Amount per security	Franked/Unfranked amount per security	
	Dividend amount per security			
	Final dividend (franked)	6.0 cents	6.0 cents	
	Interim dividend (franked)	6.0 cents	6.0 cents	
2.5	Record date for Final dividends	11 September 2020		
	Payment date for Final dividends	2 October 2020		

2.6	<u>Australia</u> The Group's Australian employees undertake research and development of Pro Medicus products (RIS) as well as sales and service/support functions. The Group's Australian revenue increased by 19.2% compared to the previous year, with the rollout of the Healius (ex-Primary Health) contract and extension of its contract with I-MED being the main contributors to the increased revenue. Promedius.net, the company's e-health offering, continued to hold its market position. <u>North America</u> The North American team fulfil sales, marketing and professional services roles. Revenue from North America increased by 23.7% compared to the previous year. This was attributable to increase in transaction-based revenue from sales of Visage technology as more contracts came on stream. <u>Europe</u> The Group's employees in its Berlin office undertake research and development of Visage Imaging products worldwide as well as sales, marketing and service/support functions for the Group's European operations. Revenue for software from our European operations was in line with expectations despite a decrease of 37.7% period on period, as a result of a one-off \$3.049m capital sale to the German government in FY19. <u>Financials</u> Reported profit after tax for the period was \$23.08m an increase of 20.7% from the previous year. Full year revenue of the Group increased from \$50.11m to \$56.82m, an increase of 13.4%. As the Group's costs are relatively fixed, an increase in sales has a significant impact on profitability. The key drivers of the profit increase were increases in transaction revenue in North American and as well as increased RIS sales in Australia. The result from the underlying operations for the year was a pre-tax profit of \$30.24m compared to an underlying pre-tax profit of \$22.66m from the previous corresponding period, an increase of 33.4%. The underlying profit comprises reported profit before tax of \$30.02m and adding the net currency loss of \$0.22m. The underlying profit from 2019, comprises of reported profit before tax of \$26.12m less the currency gain of \$0.41m and subtracting the one-off capital sale to the German government of \$3.05m. During the period the Company continued to make strong inroads into the North American market winning key contracts with Ohio State University (A\$9.0m – 5 year deal), a large multi-disciplinary academic medical center in Columbus, Ohio; Nines (A\$6.0m – 5 year deal), a Palo Alto based teleradiology business; and Northwestern Memorial (A\$22.0m – 5 year deal), a large, highly respected tier 1 academic hospital system in Chicago, Illinois . The Company also continued to make significant progress with all key implementations being on or ahead of schedule. <u>COVID-19</u> The company successfully transitioned its entire global operations to "work from home" in mid-March 2020 ensuring full continuity of all R&D and client support services. In addition, customer-facing activities including meetings with prospective clients, product demonstrations and training and implementation were performed remotely using a combination of the company's own Visage 7 technology and third party video conferencing tools, thereby enabling these activities to continue unabated throughout the period. Exam volumes, particularly in Australia and the US, declined during the last week in March 2020 and into the first two weeks of April 2020 as clients deferred all elective, non-urgent radiology examinations. Since that period to the end of the financial year, volumes steadily increased to a level just below that of the months prior to COVID. The impact on the full year results is estimated to be that profit after tax would have been higher by approximately \$1.2m, which equates to approximately 5% of underlying NPAT. <u>Cash Reserves</u> The directors are confident that the holdings of reserve cash are sufficient to underpin the development and foreseeable expansion needs of the company as the business looks to increase its penetration of existing markets.
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3.	Statement of Comprehensive Income Please refer to the Statement of Comprehensive Income in the attached Financial Statements.		
4.	Statement of Financial Position Please refer to the Statement of Financial Position in the attached Financial Statements.		
5.	Statement of cash flows Please refer to the Statement of cash flows in the attached Financial Statements.		
6.	Details of Dividends		
		2020	2019
		\$'000	\$'000
	Final Dividend		
	A franked Final Dividend of 6.0 cents (2019: 4.5 cents) per share will be paid on 2 October 2020.	6,239	4,663
	Current Year Interim		
	A franked Interim Dividend of 6.0 cents (2019: 3.5 cents franked) per share was paid on 20 March 2020.	6,237	3,627
	Special Dividend Special dividend of nil (2019:2.5 cents fully franked).	-	2,590
	No foreign sourced dividend or distribution is included in either the interim or final dividends.		
7.	Dividend or Distribution reinvestment plans There are no dividend or distribution reinvestment plans in operation.		
8.	Statement of Retained Earnings Please refer to Statement of Changes in Equity in the attached Financial Statements.		
9.	Net Tangible Assets per security	2020	2019
	Net Tangible Assets per security	\$0.32	\$0.23
10.	Details of entities over which control has been gained or lost during the period There are no entities over which control has been gained or lost during the period		
11.	Associates and joint venture entities There are no associates or joint venture entities		
12.	Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position. Please refer to section 2.6		
13.	Foreign Entity accounting standards Australian Accounting Standards & International Financial Reporting Standards		

14.	Commentary on results for the period. The earnings per security and the nature of any dilution aspects. Please refer to Note 8 of the attached Financial Statements. Returns to shareholders including distributions and buy backs. Please refer to Note 9 of the attached Financial Statements. Significant features of operating performance. Please refer to section 2.6. The results of segments that are significant to an understanding of the business. Please refer to Note 4 of the attached Financial Statements. Discussion of trends in performance. Please refer to section 2.6.
15.	Audit Statement This report is based on accounts to which one of the following applies. <i>(Tick one)</i> ☒ The *accounts have been audited. ☐ The *accounts have been subject to review. ☐ The *accounts are in the process of being audited. ☐ The *accounts have <i>not</i> yet been audited or reviewed.

Sign here:

Date: 20 August 2020



Print name: Sam Hupert
Chief Executive Officer