

ASX Announcement (ASX: HLS)

ASX Limited
Market Announcements Office
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000



ACN 064 530 516
REGISTERED OFFICE:
LEVEL 6
203 PACIFIC HIGHWAY
ST LEONARDS NSW 2065
TEL: +61 2 9432 9400
FAX: +61 2 9432 9447

25 November 2019

Trading and Management Update

As part of its Annual General Meeting today, Healius announced that underlying NPAT for FY 2020 is expected to be between \$94 million and \$102 million, subject to any unforeseen circumstances and before any impact from the implementation of AASB 16. At the top end of the range, this equates to a 9.4% increase, in line with the seasonally-adjusted run-rate from the second half of 2019. This updates the guidance announced on 16 August 2019, for underlying NPAT to be higher than FY 2019.

Additionally, Healius today announced further changes to its management team, following in part from the organisational re-design earlier in the year:

- Mr Scott Beattie, who has been running Healius Day Hospitals and Adora Fertility, the IVF business, as well as spearheading the IT decentralisation, is today assuming the role of Chief Executive Medical Centres, with Dr Tim Haggett moving to an advisory role.
- Mr Ben Korst, who has been the CEO of Montserrat since 2010, has been appointed as Chief Executive Day Hospitals managing Montserrat, Healius Day Hospitals and Adora.
- Mr Peter Wilson is joining Healius as Group Executive People and Shared Services, a new role which consolidates IT, Legal, Human Resources and Marketing functions.

Commenting on these appointments, Dr Malcolm Parmenter stated: “Tim has done an excellent job in turning around the Medical Centres’ brand and reputation. He has delivered record recruitment in FY 2019 and completed the first phase of our technology and facility upgrades with appointments now available in all our centres. He will remain involved with Healius in an advisory capacity, overseeing our Immediate Care, Occupational Health and other consumer offerings.

“While the timing was never fixed, Scott was always going to take up the reins of Medical Centres once the transformation was in train, bringing to bear a wealth of experience in corporate frontline healthcare. Having spent two years at Healius, he knows our Medical Centres division well and is the right person to deliver the next phase of its transformation and to ensure the efficient running of its operations.

“We are also fortunate to have Ben Korst assuming a greater role in our leadership team bringing the learnings from Montserrat to our own day surgeries and further developing our IVF business. I see this division as a key platform for growth and diversification. Our flagship hospital in Queensland, Westside, has over 40 specialists operating out of its facilities, mirroring the 5000-plus Ambulatory Surgical Centres in the US which perform a vast range of out-patient services and deliver cost-efficient healthcare.

“Finally, I am delighted to welcome Peter Wilson to Healius in a new role in shared services resulting from the organisational re-design. Peter has a record of improving productivity. He is the ideal candidate to ensure we manage the central support functions for our portfolio of businesses in the most efficient and effective way.

“These appointments round out the leadership team and will enable us to continue on our strategic journey,” Dr Parmenter stated.

“We expect our underlying net profit after tax for the year to be between \$94 million and \$102 million, before any changes from the implementation of AASB 16 on leases and subject to any unforeseen circumstances.

“At the top end of the range, we will deliver an increase of 9.4%, in line with the seasonally-adjusted run-rate from the second half of 2019.

“Continuation of the strong trading conditions in Pathology in quarter one will be the most important factor in the successful delivery of our forecast. At the top end of the range, we will also need to see a growth in volumes in the community space, both in Imaging and Medical Centres, and strong GP recruitment.

“With many options for investment, capital expenditure is under constant review as we manage spend within our gearing targets and align it to our best growth prospects. Mindful of the complexity of the Healius portfolio, we also continue to look for simplification and cost efficiencies.

“Overall, I believe we have the best capabilities in our team and the best optionality in our portfolio to deliver sustainable growth for our shareholders and high-quality affordable frontline healthcare for Australians,” Dr Parmenter concluded.

ENDS

BIOGRAPHIES

Scott Beattie has been with Healius since 2017 and has extensive experience in the healthcare industry. Prior to joining Healius, Scott held leadership roles at Sonic Clinical Services and IPN Medical Centres, the primary care division of Sonic Healthcare Ltd, where he brought together a range of businesses that provided national healthcare services and solutions, driving efficiencies and synergies across the group. Scott was pivotal to transforming under-performing companies, delivering growth, and implementing technology-driven service innovations. Through acquisition and development, the portfolio of clinics at Sonic Clinical Services expanded by approximately 60 clinics.

Ben Korst has extensive experience in the management and operations of Day Hospitals within Australia. Ben has been the CEO at Montserrat since 2010, during which time he has grown the business from 3 to 10 hospitals. Ben has a background in Finance, being a graduate of Commerce from the University of Queensland and having worked at Ernst & Young in Corporate Finance. He has also worked at BSM Steel, and immediately prior to joining Montserrat, at Informa Australia Pty Ltd as its Managing Director.

Peter Wilson has been responsible for leading large businesses through transition and transformation within the Aviation industry, having been Chief Operating Officer and Chief Pilot for Qantas Airways and later working with Virgin Australia and Tigerair. Peter was key in driving process and productivity improvements at Qantas to deliver a leaner operation while setting strategic direction and delivering on financial, customer, safety, people and regulatory objectives. He was appointed as Interim CEO with Tigerair to restructure business fundamentals, identify revenue opportunities and areas for cost reduction for the incoming CEO.

For further information contact:

Janet Payne
Group Executive, Corporate Affairs
Phone: +61 2 9432 9512
Mobile: +61 409 995 517

Katie Pearson
Manager, Corporate Affairs
Phone: +61 2 9432 9599
Mobile: +61 435 652 967

For over 30 years Healius has been one of Australia's leading healthcare companies with a commitment to supporting quality, affordable and accessible healthcare for all Australians. Today Healius has three main businesses – pathology, medical centres and imaging - and three emerging businesses – dental, IVF and day hospitals. Through its unique footprint of centres and 13,000 employees, Healius provides diagnostic services to consumers and their referring practitioners, as well as enabling a range of independent healthcare professionals to deliver patient care in partnership with Healius' nurses and support staff.