



UBS Australasia Conference

17 November 2015



integral
DIAGNOSTICS

What is diagnostic imaging (DI)?

- Techniques that produce images of the human body for clinical analysis and medical intervention
- Type of image depends on the symptoms and body part being examined
- Images can be produced using a variety of Modalities, including:

Radiography (x-ray)

Ultrasound

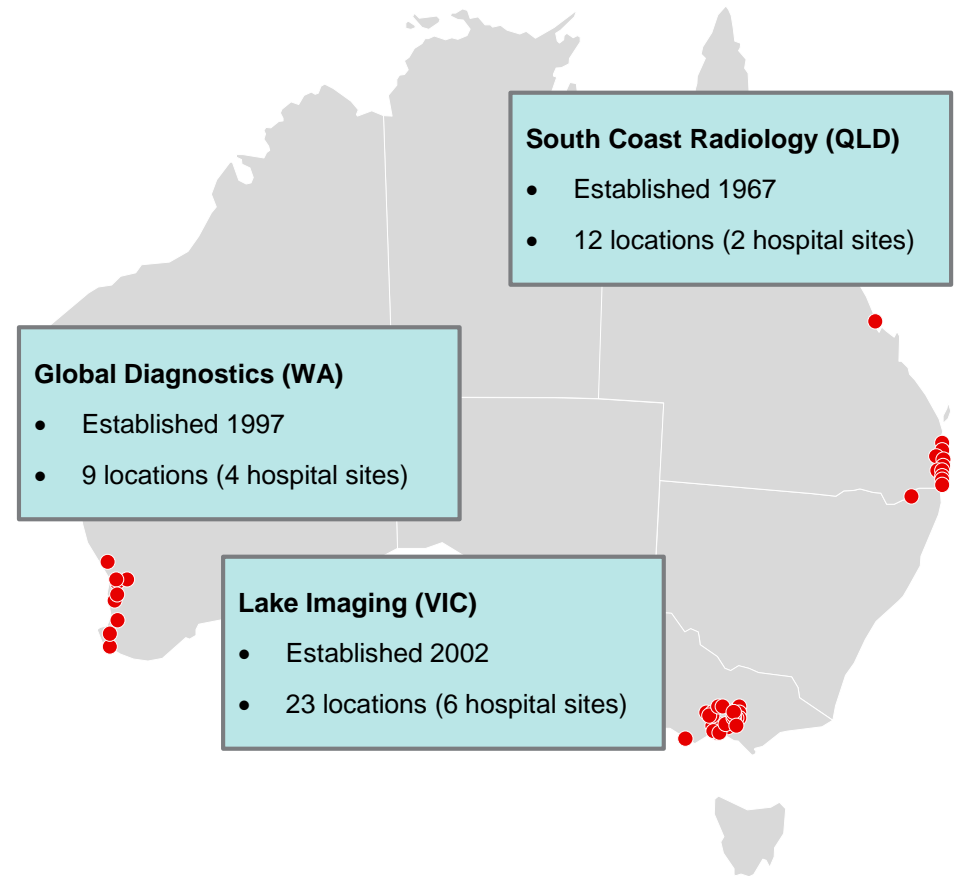
Computed Tomography
(CT)

Magnetic Resonance
Imaging (MRI)

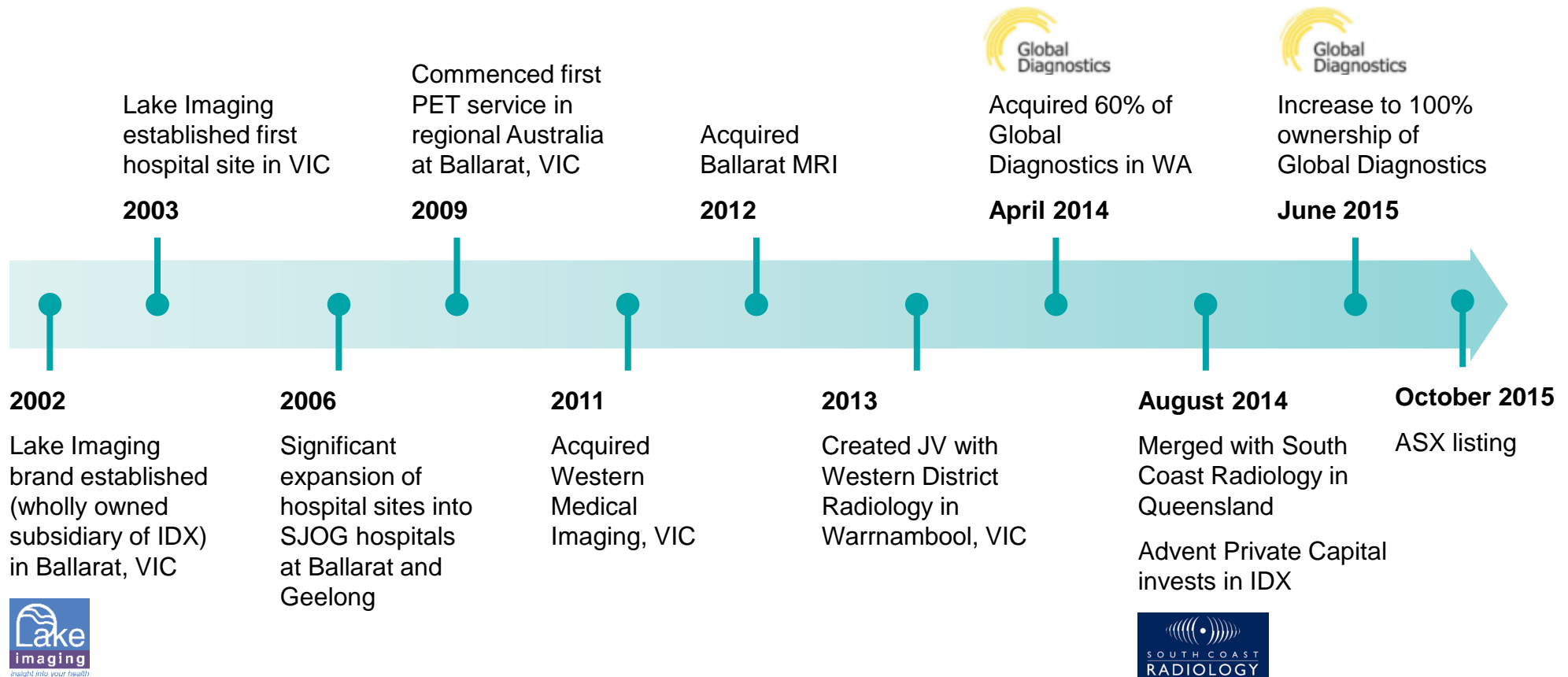
Nuclear Medicine (incl.
Positron Emission
Tomography or PET)

A leading DI business with key strength in hospital sites

- 1 **Long history** in markets which IDX operates in
- 2 **#1 position** in each market IDX operates in
- 3 **Hospital sites** in all IDX markets
 - underpin higher complexity work
 - 46% of FY2015PF revenue
 - partners include SJOG, Ramsay, Govt.
 - long term relationships
- 4 **Specialist healthcare model** to ensure doctor alignment
- 5 Network of **16,000+ referrers**
- 6 Focus on **higher value Modalities**



Proven track record of growth



Attractive financial profile

Steady and consistent revenue and earnings growth from growing patient demand and capacity expansion strategy


\$m, June year end	Pro forma ^{1,2}			
	FY2013	FY2014	FY2015	FY2016F
Total revenue	138.7	149.9	160.0	169.6
EBITDA	25.6	30.7	34.6	37.3
EBITA	16.4	21.6	26.1	29.1
EBIT	15.7	20.9	25.4	28.4
NPAT	8.8	12.5	15.8	17.9

- Financials presented on a pro forma basis for historical acquisitions
- Revenue growth of c.6-8% p.a.
- Strong profit growth

Notes:

1 Pro forma for South Coast Radiology and Global Diagnostics acquisitions

2 No pro forma adjustments for new sites, site relocations or new machines

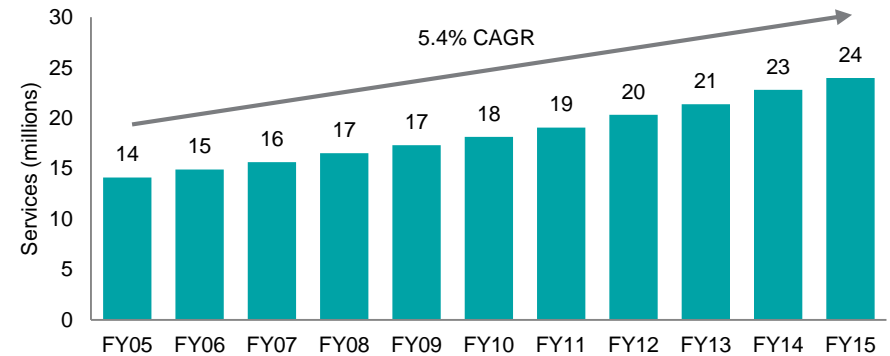
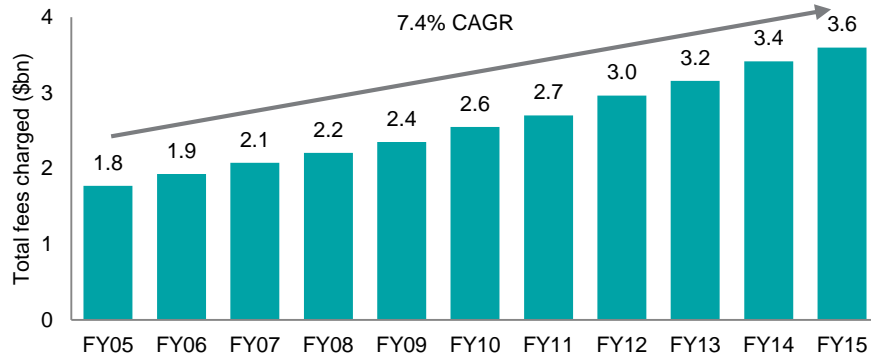


Growth underpinned by attractive fundamentals

Attractive macro settings driving industry growth

Industry revenue has grown at 7.4% pa...

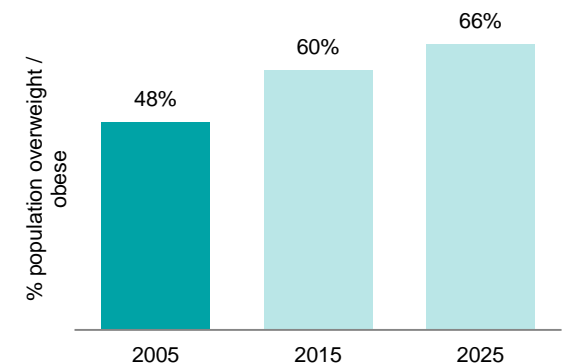
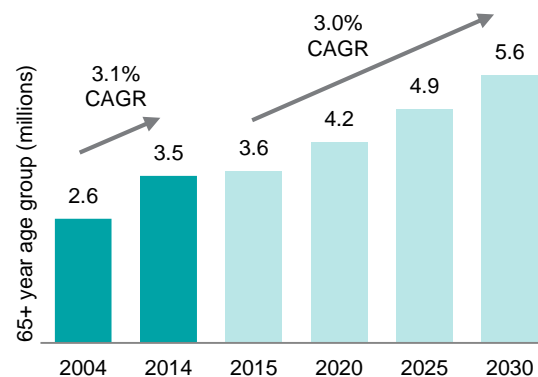
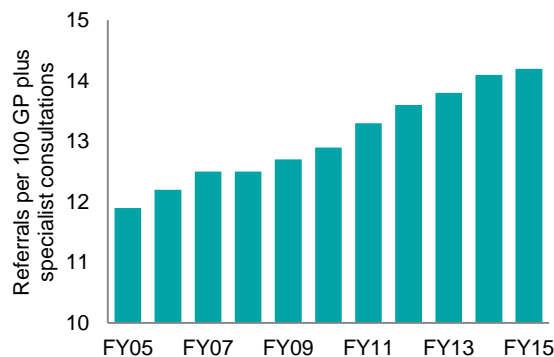
...primarily due to volume growth at 5.4% pa



The rate of DI referrals has grown...

...driven by the ageing population...

...and the prevalence of chronic diseases (partly driven by lifestyle choices)



Source: Dept. of Health Quarterly Medicare Statistics (industry revenue, industry volume and DI referral rate), ABS (ageing population and proportion of population that is overweight/obese)

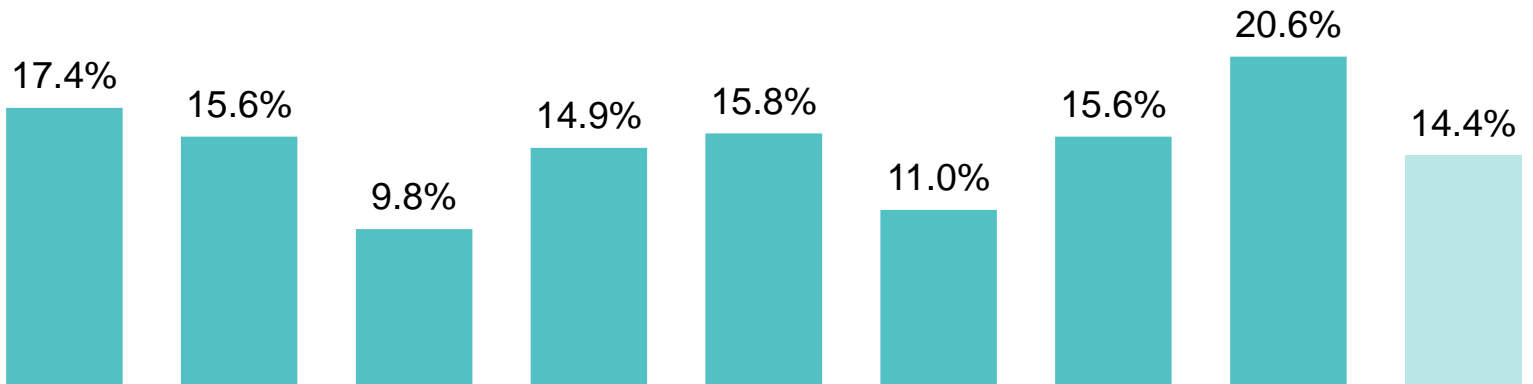
Growing demand for IDX's services



2013–2026
CAGR in
population
+65 years

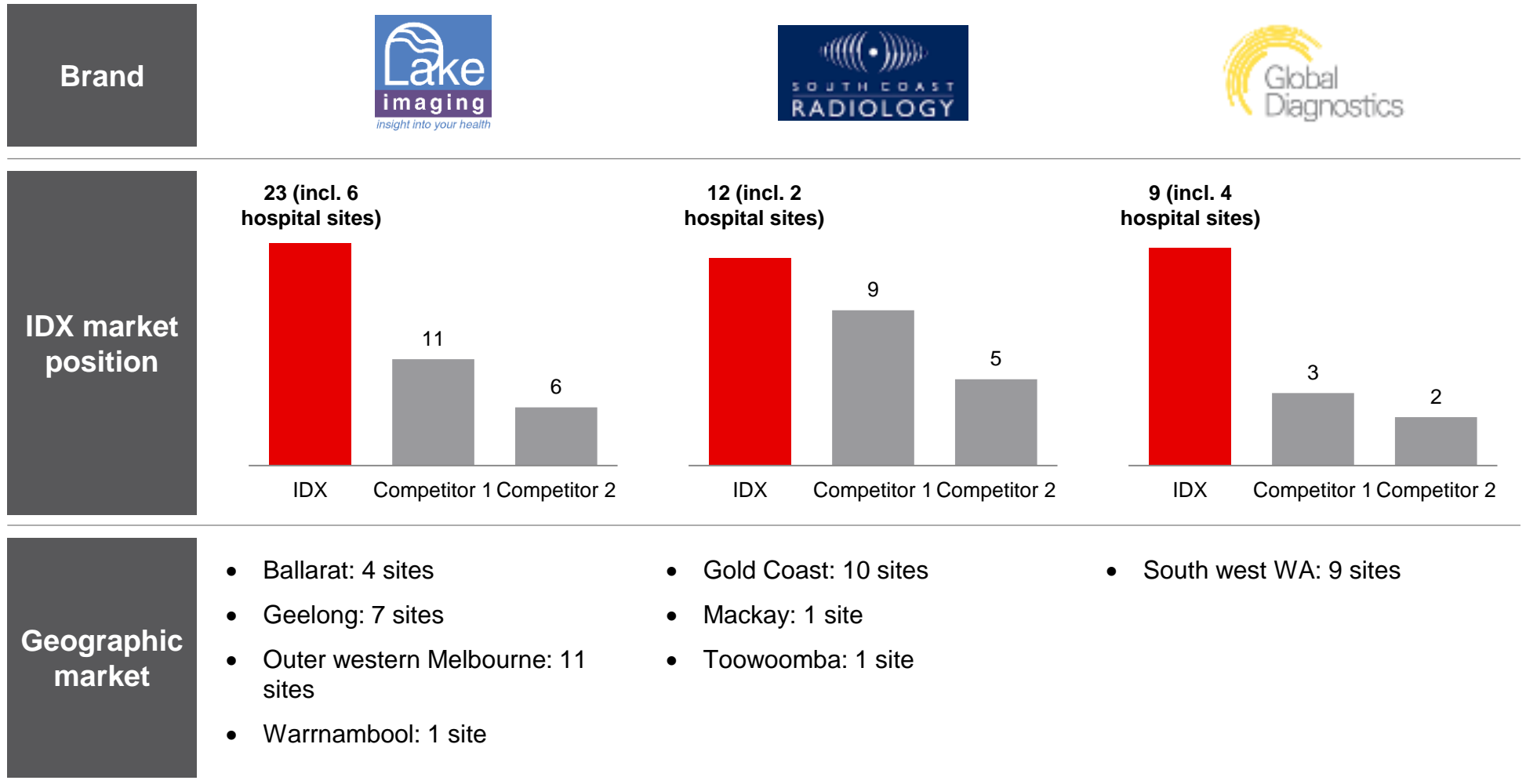
2.9% 2.9% 4.9% 3.9% 3.4% 3.8% 2.8% 2.8% 3.2%

% total
population
+65 years
(2013)



Geelong Ballarat Outer Western Melb Gold Coast Toowoomba Mackay Bunbury Mandurah Australia

IDX is the clear leader in its regional markets



Diversified sources of funding for an essential service

- 1 Diversified revenue stream from Medicare, patient out-of-pockets and other sources
- 2 ~50% of revenue is not bulk-billed
- 3 Non-discretionary service
- 4 No indexation in Medicare funding for diagnostic imaging in ~15 years
- 5 Young equipment fleet—full MBS fee
- 6 Nine fully funded and three partly funded MRI licenses

Sustainable model ensures radiologist alignment

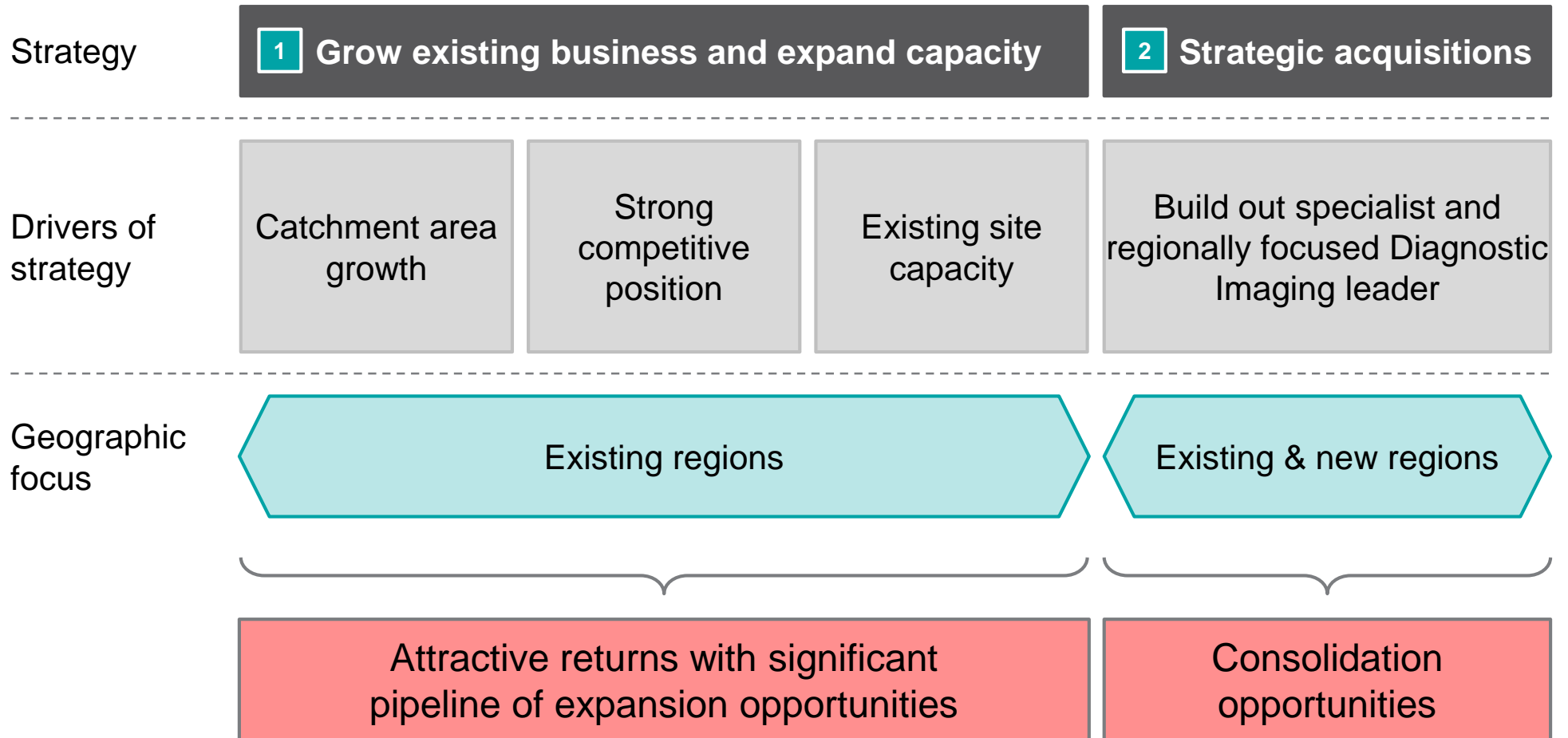
IDX is a highly attractive place for radiologists to work

- Clinical autonomy and excellence
- Diverse and interesting mix of work
- Large referral network
- Sub-specialisation opportunities
- Technology and systems
- Training and development
- Pathway to equity ownership
- Incentive plan for radiologist shareholders



Growth strategy

IDX's growth strategy



1 Capacity expansions generate attractive returns

Strategy

1. Expand capacity at existing sites

- Upgrade existing machines
- Add more machines at existing sites
- Expand sites in line with local hospitals

2. Relocate and expand existing sites

- Relocate sites facing physical space constraints
- Potential to add new machines

3. Establish new sites

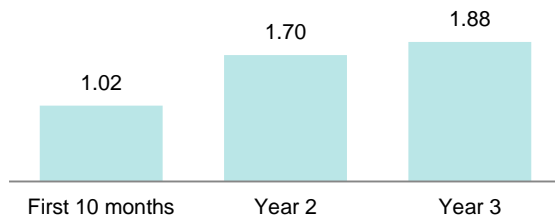
- New sites benefit from IDX's strong competitive position within the region, and ability to manage patient and referrer demand across multiple sites

Case studies

Installed new MRI at hospital site

- Capital cost: \$1.8m
- Strong demand due to unmet demand for MRI services

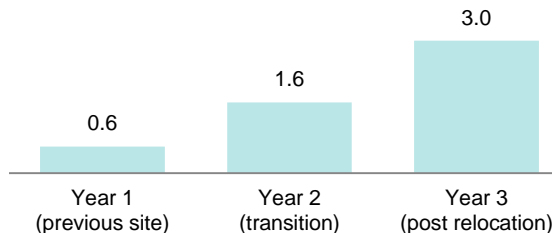
MRI revenue at site (\$m)



Relocated clinic; added CT machine

- Capital cost: \$710k
- Strong growth from new CT machine + relocation to a site with greater demand

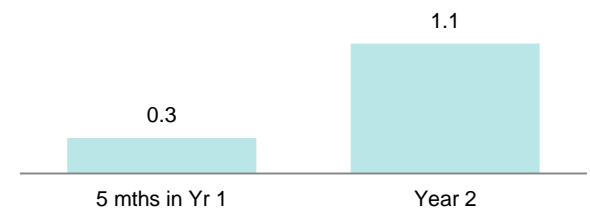
Revenue from site (\$m)



New site offering CT, ultrasound, x-ray

- Capital cost: \$960k

Revenue from site (\$m)



1 Significant pipeline of capacity expansion projects

- 16 capacity expansion opportunities at existing sites and 9 opportunities to add new sites in existing regions
- 4 of the identified initiatives (MRI units at Toowoomba and SJOG Geelong, relocation of Sunbury, relocation of Toowoomba) are underway and have been included in FY2016F (only part year contribution in forecasts)
- MRI expected to be key source of growth

Capacity expansion opportunities

Strategy	Opportunities	Description
Expand capacity at existing site	10	<ul style="list-style-type: none"> • Typically MRI, CT and nuclear/PET opportunities • Cost per project varies from \$500k to over \$3m; typical cost is \$1-2m
Relocate & expand existing site	6	<ul style="list-style-type: none"> • Larger opportunities estimated at \$2-5m per project based on opportunities identified and Modalities expected to be offered at relocated site
Total existing sites	16	
Establish new sites	9	<ul style="list-style-type: none"> • Average cost per new site approx. \$3-4m
Total opportunities	25	

2 Acquisitions

IDX will consider acquisition opportunities in existing and new regions in order to continue its expansion as a leading regionally focused Diagnostic Imaging Service provider

Successful track record of growing via acquisition

Acquisition	Year	Strategy
Western Medical Imaging	2011	<ul style="list-style-type: none">• Bolt-on acquisition in Victoria
Ballarat MRI	2012	<ul style="list-style-type: none">• Bolt-on acquisition in Victoria
South West MRI	2013	<ul style="list-style-type: none">• Investment to establish joint venture in Victoria
Global Diagnostics Australia	2014 / 2015	<ul style="list-style-type: none">• Acquisition in new region (Western Australia)• Acquired 60% in 2014 and 40% in 2015
South Coast Radiology	2014	<ul style="list-style-type: none">• Merger to enter new region in (Queensland)

IDX has identified a number of acquisition opportunities that meet the following criteria

- Strong market position
- Operate with hospital sites
- Offer comprehensive range of Modalities
- Display strength in higher value Modalities

Acquisition pipeline

- IDX is considering potential bolt-on acquisitions in existing regions
- In addition, IDX continues to consider potential acquisition opportunities in new regions

In summary...


1 Well established diagnostic imaging business and clear leader in existing regional markets

- Long-term hospital contracts
- Diversified funding model
- Focus on higher complexity / value Modalities
- Culture and track record of technological innovation and integration

2 Highly attractive industry fundamentals

3 Radiologist model designed to attract, retain and grow

4 Compelling growth strategy with multiple levers



Q&A

Disclaimer

This presentation is provided by Integral Diagnostics Limited (IDX) to provide summary information about IDX and its subsidiaries (the Group). The information in this presentation remains subject to change without notice. The information in this presentation is of a general nature and does not purport to be complete, is provided solely for information purposes and should not be relied upon by the recipient. This presentation is not a prospectus, disclosure document or other offering document, and does not constitute, or form any part of, an offer to sell or issue, or the solicitation, invitation or recommendation to purchase any securities. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. This presentation does not purport to summarise all information that a recipient should consider when making an investment decision, and should not form the basis of any decision by a recipient. Recipients should carry out their own investigations and analysis of the Group and verify the accuracy, reliability and completeness of the information contained in this presentation or any other form of communication to which the recipient is permitted access in the course of evaluating an investment in IDX.

No liability

To the maximum extent permitted by law, none of IDX, or its respective affiliates or related bodies corporate or any of their respective officers, directors, employees and agents (Related Parties), nor any other person, accepts any responsibility or liability for, and makes no recommendation, representation or warranty concerning, the content of this presentation, IDX, the Group or IDX securities including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of or reliance on any of the information contained in this presentation or otherwise arising in connection with it.

Eligible recipients

This presentation is provided to you as an investor to whom an offer document is not required to be given, and no registration, lodgement or other formality is required, in connection with an offer of securities. In accepting this presentation you warrant that you are an investor within the scope of this paragraph and that you accept this presentation on the basis set out in this presentation. This presentation is not, and does not constitute, or form any part of, an offer to sell or the solicitation, invitation or recommendation to purchase any securities in the United States and neither this presentation nor anything contained herein shall form the basis of any contract or commitment. This presentation may not be distributed or released in the United States. Securities may not be offered or sold in the United States unless such securities are registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws. Any public offering of securities in the United States would be made by means of a prospectus that would be obtained from the issuer or selling security holder and that would contain detailed information regarding the company and management, as well as financial statements. Each institution or person that reviews this presentation will be deemed to represent that each such institution or person is not in the United States. The distribution of this presentation may be restricted by law. Persons who come into possession of this presentation should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Confidentiality

This presentation is confidential and not for further distribution. It is provided by IDX on the basis that, by accepting this presentation, persons to whom this presentation is given agree to keep the information confidential, not copy the presentation and not to disclose it, in whole or in part, to anyone within their organisation except on a need-to-know basis and subject to these restrictions, or to anyone outside their organisation.

Not financial product advice

Reliance should not be placed on the information or opinions contained in this presentation. This presentation is for informational purposes only and is not a financial product or investment advice or recommendation to acquire IDX securities and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. You should make your own assessment of an investment in IDX and should not rely on this presentation. In all cases, you should conduct your own research of IDX and the Group and analysis of the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of IDX, the Group and its business, and the contents of this presentation. You should seek legal, financial, tax and other advice appropriate to your jurisdiction.

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

Future performance

This presentation may contain certain forward-looking statements (including financial forecasts) with respect to the financial condition, operations and business of the Group and certain plans and objectives of the management of IDX. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of the Group to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the political and economic environment in which the Group will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts. Forward-looking statements speak only as at the date of this presentation and to the full extent permitted by law, IDX and its respective affiliates and related bodies corporate and each of their respective Related Parties and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

Financial Information

The pro forma and forecast financial information provided in this presentation is for illustrative purposes only and does not represent a forecast or expectation as to the Group's future financial condition and/or performance. This document has been prepared at a time where the review of financial information contained in this presentation has not been completed and accordingly, you should only rely on any forecast or expectation as to the Group's future financial condition and/or performance that is contained in a prospectus or other offering document which may be issued by IDX in connection with any offer of IDX securities.