



Company	Healius Limited (formerly Primary Healthcare)
Code	HLS
Meeting	AGM
Date	25 November 2019
Venue	Four Seasons Hotel, 199 George Street, The Rocks NSW
Monitor	Patricia Beal assisted by David Jackson

Number attendees at meeting	27 shareholders, 2 proxy holders plus 33 visitors; 3 Directors and 8 staff also voting.
Number of holdings represented by ASA	80
Value of proxies	\$1.8m
Number of shares represented by ASA	589,511
Market capitalisation	\$1,900m
Were proxies voted?	Yes, on a poll
Pre AGM-Meeting?	Yes with Chair Robert Hubbard, Janet Payne (Group Executive, Corporate Affairs) and Alison Stephenson (Company Secretary).

Smooth improvements and a smooth AGM

Both Chair and (in much more detail) CEO Dr Malcolm Parmenter gave confident presentations about the results for the financial year, highlighting the improvements achieved due to the plans outlined previously. Underlying NPAT for FY 2020 is forecast to be \$94 to \$102 m, the top of range being up 9.4% (subject to adjustments for accounting changes, and unforeseen items). There were several additions to the management team, and one Director (Dr E Katz) declined to re-nominate. A replacement will be sought in due course.

The largest division, Pathology, had a strong profit increase during the second half of the year. Increased automation, due to a new Serum Work Area in NSW, lowered costs and turnaround times and will be extended to other states.

Significant progress has been made in transforming some Medical Centres by refurbishment. More fundamentally, the staff also changed significantly by hiring more new GPs on different contracts, and new Practice Management software. Some Centres now allow 'joining the queue' to see a doctor by phone, and improving continuity of care by booking with a regular doctor, as well as being a resource for urgent treatment. Dental and IVF clinics have also done well, at least partly by the 'disruption' of lowering costs for these services.

The Montserrat acquisition of private hospitals is progressing well, with a likely trend to more day surgery. Strong growth is expected from FY 2020.

Imaging also has good long-term growth prospects, with a couple of contract wins, and its technology replacement is nearing successful completion.

We and several others asked questions in the category of general information, before the formal items. Regarding the major transformational projects, major expenditure on most should end in this financial year. However, the Laboratory Information System (LIS) is still in negotiation, and will progress slowly and carefully over around 5 years. It will need extensive testing before it is introduced, as results need to be available promptly. The current system is getting close to full capacity, so cannot be left indefinitely. And, of course, it is a high security/privacy item.

All the formal items of business were passed without specific questioning, and all received between 94 and 99% approval.