



1H16 Highlights

25 February 2016

Australian Securities Exchange Limited

PULSE HEALTH GROWTH CONTINUES

Highlights

- Group revenue from continuing operations up 29% to \$34.9m (1H15: \$27.1m)
- Underlying EBITDA⁽¹⁾ increase of 46% to \$4.5m (1H15: \$3.1m)
- Interim fully franked dividend of 0.3 cents per share declared
- Executed on 7 specialist hospitals and day surgeries, with completions through 2H16

Specialist private hospital and day surgery operator **Pulse Health Limited (ASX Code: PHG or the "Company")**, today released its results for the first half of 2016, reflecting further revenue and underlying earnings growth. An interim dividend was declared to shareholders.

The Company reported that revenue from continuing operations had increased 29% on the same period last year. Growth in revenue and underlying earnings was driven by the full period contribution of The Hills Clinic, acquired in May 2015, and the ramp-up of Mackay Rehabilitation Hospital to profitability.

After excluding one-off transaction costs associated with the execution of the acquisition pipeline, and the ramp-up costs at the Gold Coast Surgical Hospital, Group EBITDA increased by 46%.

Continued growth through acquisition and development

The Company's strategy is to grow as a niche operator of specialist private hospitals and day surgeries.

The Company completed the acquisition of Healthwoods Day Surgery in Sydney on 15 January 2015. This is the first of the 7 acquisitions announced on 7 December 2015. Other acquisitions are expected to complete within the next 2 – 3 months as regulatory processes conclude, bringing to 15 the number of Pulse Health facilities.

Note 1 – Underlying EBITDA is reconciled to NPAT from continuing operations as reported in appendix 1.



Beyond this, progress continues on execution of a robust pipeline of strongly accretive acquisitions of mental health and surgical hospitals and day surgeries.

Outlook

The Company reaffirms guidance of FY16 underlying EBITDA⁽²⁾ of more than \$10.2m from existing assets, upgraded to more than \$11.4m with acquisitions to complete in 2H16.

Gold Coast Surgical Hospital is forecast to make a contribution in 1H17.

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For more information on **Pulse Health** please visit www.pulsehealth.net.au

Note 2 – Underlying EBITDA excludes ramp-up costs associated with the Gold Coast Surgical Hospital and one-off costs of execution of our acquisition pipeline.



Appendix 1 – Reconciliation of Underlying EBITDA to Reported Net Profit Before Tax from Continuing Operations

	IH16 \$'000	IH15 \$'000
Net profit after tax from continuing operations as reported	(812)	1,559
Income tax (benefit)/expense	(519)	774
Depreciation and amortisation	851	456
Finance costs (net)	599	9
Rent expense	5,280	2,716
Acquisition activity expenses and associated costs (note 1)	1,635	308
Ramp up costs - Gold Coast Surgical Hospital (note 2)	1,642	-
EBITDA-R *	8,677	5,822
Rent paid (note 3)	(4,153)	(2,716)
EBITDA *	4,523	3,106

For the first half of 2016 the following significant and non-recurring expenses were incurred:

- Note 1. During the period the Company incurred costs of \$1.635m associated with development of the acquisition pipeline, including acquisition costs for the Australian and New Zealand acquisitions that were announced to the market on 7 December 2015.
- Note 2. The Company commissioned the Gold Coast Surgical Hospital on 1 September 2015. The costs disclosed include expenses incurred prior to opening, and ramp-up costs as the business moves to profitability.
- Note 3. Excludes Gold Coast Surgical Hospital.