



31 August 2016

Australian Securities Exchange Limited

PULSE HEALTH GROWTH CONTINUES

Financial highlights

- ▶ Group revenue growth of 29% to \$72.4m
 - Revenue from established hospitals and day surgeries increased by 23% to \$68.9m
 - Revenue contribution from greenfield hospital \$3.2m
- ▶ Underlying EBITDA growth of 38% to \$9.1m after excluding one off items and greenfield ramp up
 - EBITDA from established hospitals and day surgeries increased by 33% to \$12.1m (2015 \$9.1m)
- ▶ On a pro forma basis (full year effect of acquisitions in FY16), the group delivered an EBITDA of \$10.2m
- ▶ Underlying EBITDA from established hospitals forecast for FY17 - \$13.5m to \$15.5m

Operational highlights

- ▶ Acquisition of four endoscopy specialty day surgeries in New South Wales and Victoria
 - Healthwoods Specialists Centre
 - Altona Endoscopy Centre (Hobson Healthcare)
 - Sydenham Day Surgery (Hobson Healthcare)
 - Werribee Endoscopy Centre (Hobson Healthcare)
- ▶ Acquisition, on July 1 2016, of Boulcott Hospital in Wellington, New Zealand
- ▶ Commissioned greenfield Gold Coast Surgical Hospital

Specialist private hospital operator Pulse Health Limited (ASX Code: PHG) ("**Company**"), today released its results for the financial year ended 30 June 2016, announcing a further year of underlying earnings growth.

In accordance with its updated guidance expectations, the Company delivered underlying EBITDA of \$9.1m, excluding one-off items, acquisition costs and greenfield ramp up costs, against guidance to the market on 25 May for underlying EBITDA of between \$8.7m and \$9.9m. On a pro forma basis (full year effect of acquisitions in FY16), the group delivered an EBITDA of \$10.2m.

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Growth through acquisition and development

Pulse's strategy of growth via acquisitions or development of niche specialist private hospitals and day surgeries has a dual track focus on surgical hospitals and day surgeries and mental health hospitals.

On 31 August 2015, the Group opened the Gold Coast Surgical Hospital at Varsity Lakes, Queensland. This is a purpose built specialist surgical hospital comprising six theatres and a 24 bed in-patient ward. The capital cost to the Group has been approximately \$16m and the business continues to ramp up.

In January 2016 the Company completed the acquisition of an endoscopy specialty day surgery in Sydney.

In February 2016 the Company completed the acquisition of three endoscopy specialty day surgeries in Melbourne.

On 1 July 2016, the Company completed the acquisition of the Boulcott Hospital in Wellington, New Zealand. The hospital is a specialist surgical hospital similar to the Gold Coast Surgical Hospital, consisting of three theatres, an endoscopy unit and 29 beds.

Outlook

The Company expects underlying FY17 EBITDA from established hospitals to be between \$13.5m and \$15.5m.

EBITDA Ramp-up losses associated with the Gold Coast Surgical Hospital are expected to be in the range of \$1.0m to \$3.0m, before the greenfield development turns to profit in FY18. As the greenfield hospital matures, the Company anticipates it's earning profile to be similar to Boulcott Hospital, with a high level of confidence in the medium and long term growth prospects.

In FY17, the Company intends to focus on the consolidation of recent acquisitions, continued development of the Gold Coast Surgical Hospital and revenue generating and efficiency initiatives, particularly focused on the Rehabilitation hospitals. The Company remains committed to its development and acquisition led growth strategy.

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