



Infratil Investor Day Presentation

24 March 2023

Chris Munday

Chief Executive Officer



Qscan Group is the premier provider of quality radiology services in the Australian market



2017,
Investment in
Qscan (Qld)



2017,
Investment in
North Coast
Radiology
Group (NNSW)



2017,
Investment in
Xradiology
(Brisbane)



2018,
Investment in
Universal
Medical
Imaging
(Canberra)



2019,
Investment in
Alpenglw
(Regional NSW
and SYD)



2019,
Investment in
Berera
Radiology
(Tasmania)



2019,
Investment in
Southeast
Radiology
(SNSW)



2022,
Investment in
Envision
Medical
Imaging
(Perth)

Qscan is differentiated from its peers by having a group of highly specialised radiologists and strong management who encourage and facilitate early adoption of leading healthcare technology

- **Highly specialised radiologist workforce** with focus on sub-speciality and high-value modalities (CT/MRI/PET-CT) and complex procedures
- **Market leaders in PET-CT**, first Australian operator with a dedicated strategy, first mover in non-hospital and unique operational model, including strong working partnership with Australia's leading private oncology network, ICON Group
- **Established and defensive regional clusters** leading to clear market leadership in catchments with attractive demographics
- **Implementing highly scalable teleradiology capability** – Radiology with external remote reporting increasingly used



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External hospital
reporting contracts

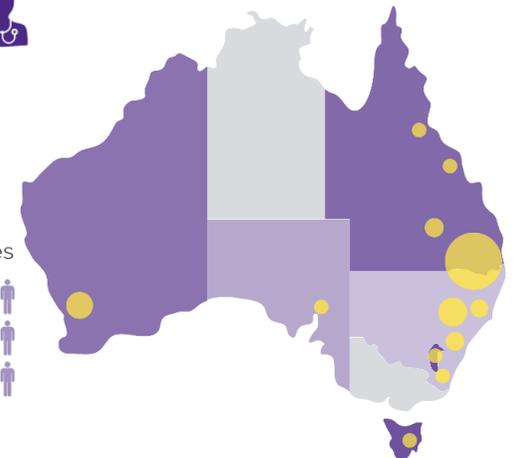


150+
doctors



80
clinics

1000+
employees



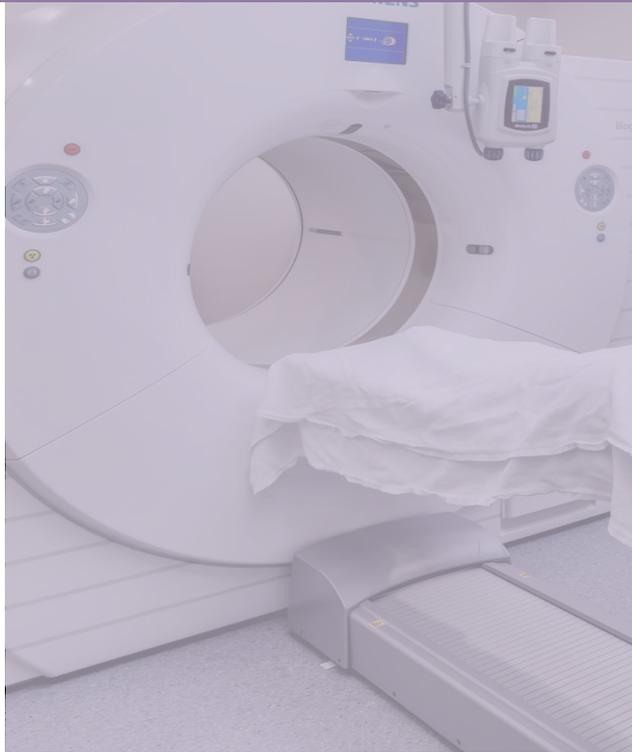
Our Q-ONE vision is to be number one...

- in **Quality**, which is central to everything we do
- as the **Leading** Diagnostic Imaging services provider nationally as recognised by radiologists, referrers and patients alike
- as the partner and **Employer of Choice** for radiologists, clinical and clerical staff desiring a career in health, whether they be based in a major capital city or a regional centre
- as **Innovators**, leading the use of advanced technology to ensure the delivery of world leading patient care in diagnostic imaging, customer service and training and development of our staff
- in supporting **Medical Research**, working with leading global health care providers to excel in collaborative and transformative research. Supporting clinical trials and delivering more advanced health care and medical technology to improve the health of all





Australian Diagnostic Imaging Sector Snapshot



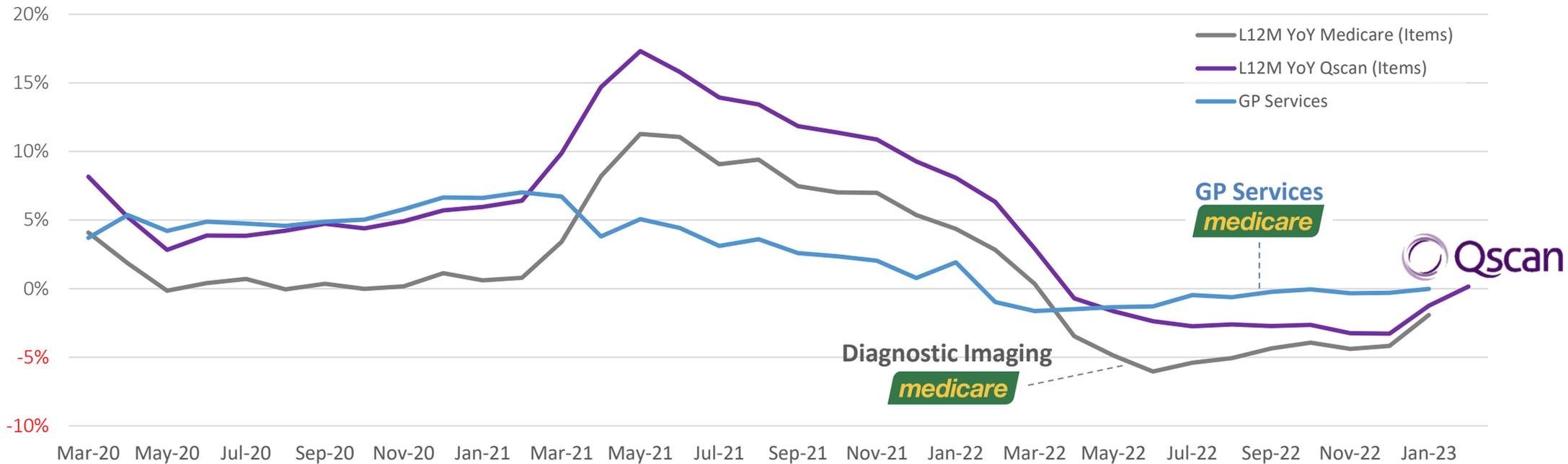
Radiology Key Industry Drivers

Long term sustainable growth is underpinned by a number of favourable industry conditions

Driver	Summary
 <p>Population</p>	<ul style="list-style-type: none">▪ Industry demand increases in-line with population growth▪ Australia's population is anticipated to grow steadily in the future at 1.6% p.a.
 <p>Median age of the population</p>	<ul style="list-style-type: none">▪ The general health of individuals tends to deteriorate with age▪ Australian's median age expected to increase, population over 65 has been growing at 3.3% p.a.▪ As such an increasing share of the population will have greater demand for radiology services
 <p>Federal funding for Medicare (universal healthcare)</p>	<ul style="list-style-type: none">▪ Medicare (Government funding) provides rebates for most diagnostic imaging services▪ The industry is highly sensitive to the structure of Medicare schedule fees and the proportion of rebates available▪ Indexation of rebates reintroduced June 2020, providing support for stable, long-term growth
 <p>Visits to a general practitioner</p>	<ul style="list-style-type: none">▪ Most patients visit diagnostic imaging centres on referral from their general practitioners▪ A rise in total visits to a general practitioner increases demand and revenue for the industry; visits to general practitioners are anticipated to rise in the immediate term
 <p>Industry consolidation</p>	<ul style="list-style-type: none">▪ High barriers to scale are driving consolidation with corporatised operators growing fastest▪ Scale provides ability to adapt to technological change and radiologist preferences, establishing competitive advantage▪ Employers and partners of choice, aided by investment in training of radiologists and staff

Qscan growth continues to outperform overall DI Market

Rolling 12 month YoY Billings Growth of Qscan Clinics vs Diagnostic Imaging Market (per Medicare data)



Covid materially impacted trade in Qld & NSW in 2HCY21 - Flooding also impacted Qld & NSW in FY23

Growth consistently outperformed the overall market in both examinations and billings

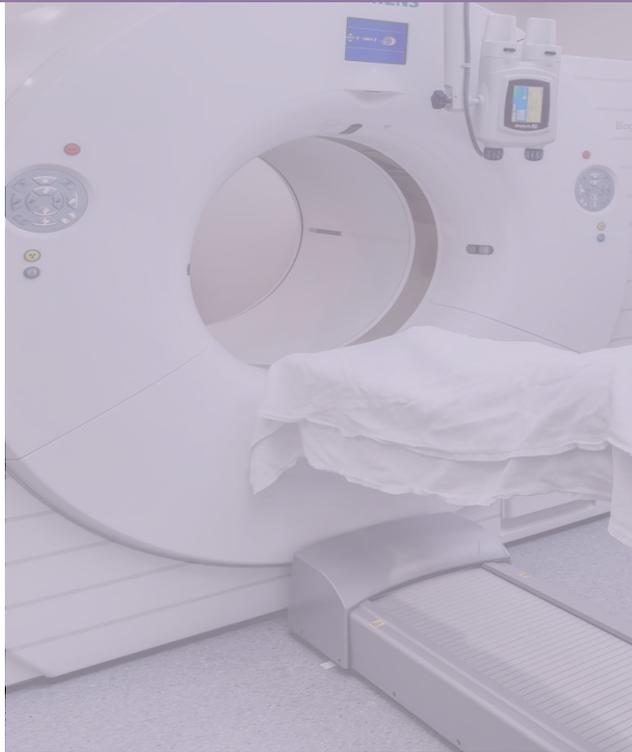
Covid restrictions delayed opening of 3x new clinics

Seeing material YOY improvement in 2023

Notes: 1. Radiology Medicare data is based on service types relevant to and in the Australian states (specifically Qld, NSW & ACT) which Qscan operate.



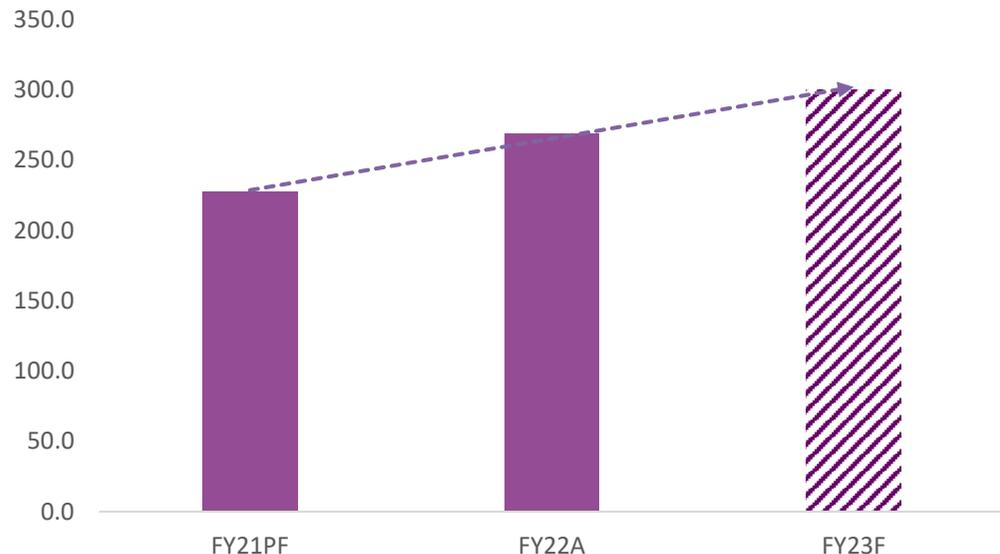
Current Financial Performance



Financial Highlights

Track record of strong annual revenue growth

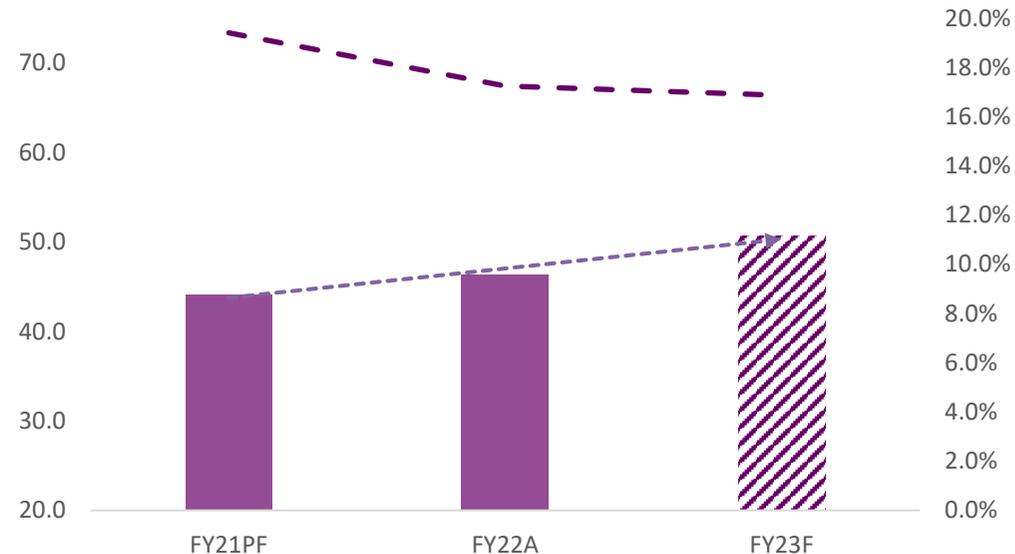
Revenue (\$m)



Results for FY23 materially impacted by Qld / NSW floods, including closure of a major Clinic in Brisbane (reopened February 2023)

Margin expansion expected in coming years

EBITDA (\$m) and EBITDA margin (%)



Material improvement in earnings and margin expected in FY24 as revenue and Doctor costs improve through Junior Doctor investment maturity, and other productivity improvements

Notes:

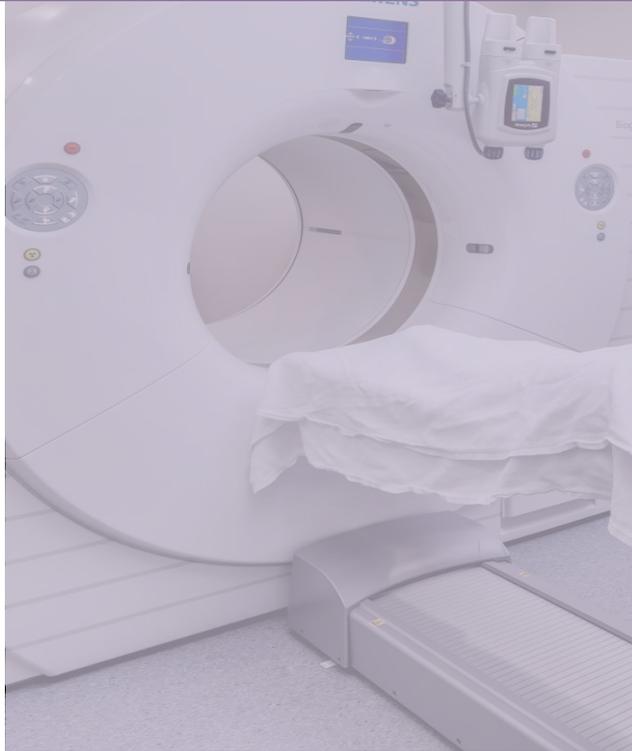
FY23F is a "Normalised" EBITDA number adjusted for one off costs (largely IT Transformation Costs) and ramp up of greenfield clinics.

EBITDA reported excludes impacts of AASB16.

FFY21PF are proforma adjusted for period prior to Infratil ownership (April 2020 – Dec 2020). Proforma figures exclude JobKeeper subsidy.



The Next Phase....



Our Strategic Pillar Imperatives for FY2024

OUR VISION

Our vision is to be the **leading provider of quality radiology in Australia**; we embrace next generation technologies and pioneer innovative solutions to improve patient outcomes.

OUR VALUES

Trusted Analysis | Excellence | Compassionate Care

Q-ONE PILLARS



Partner with our Doctors



Collaboration & Partnerships



Leverage the best technology



Improve access for patients



Empower our people

Embed new Managing Radiologist leadership structure across regions

Develop Teleradiology strategy including operating model & workforce management tools

Embed and realise real value from Intelligent Radiologist Workflow Orchestrator

Evolve the data & insights across the Group to drive decision making and operational improvements

Targeted Outcomes from New Doctor Remuneration Model

Engagement

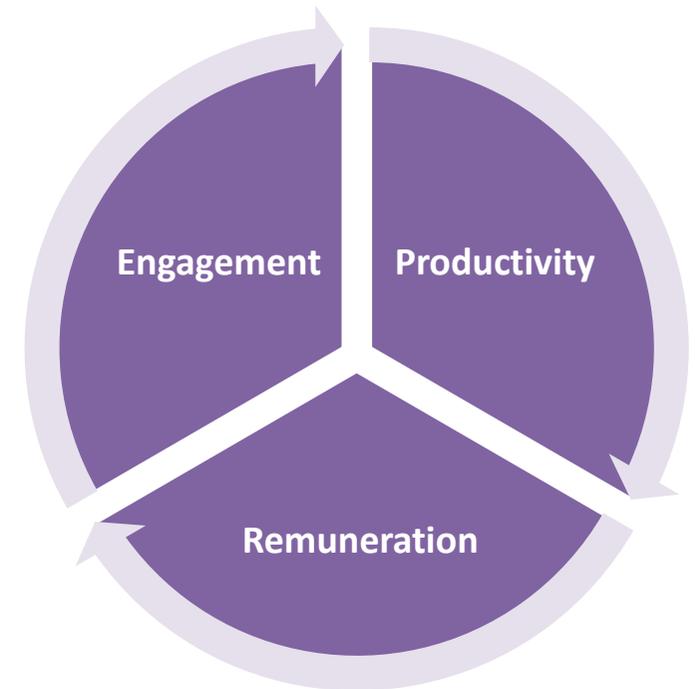
- Supports **diversity of case mix** as well as allowing doctors to focus on sub-specialties
- Encourages culture of **sharing across national network**, including supporting junior Radiologists
- Support involvement of Doctors in **clinical and practice management** via oversight committees
- Provides **pathways for 'new' radiologist to become shareholders / partners**

Productivity

- Maximises **radiologist productivity and capacity**, with assistance from significant IT transformation strategy namely, **Orchestrated Worklists (Clario selected), Seamless Tele-reporting capability and Efficient E-referrals**
- Supports continued **investment by company in "Best in class" equipment** in order to maintain high quality and ability to serve

Remuneration

- Contribution based remuneration structure with effective incentivisation that benefits both Doctors and clinic interests
- **Market leading, incentive driven, remuneration** scheme which rewards the existing Doctor group but also is simple to understand and attracts additional talent to join Qscan
- Greater **transparency and clarity on reporting fee structure** and more timely reporting / payment for work done



Our Key Objectives - Future Pillars of Growth

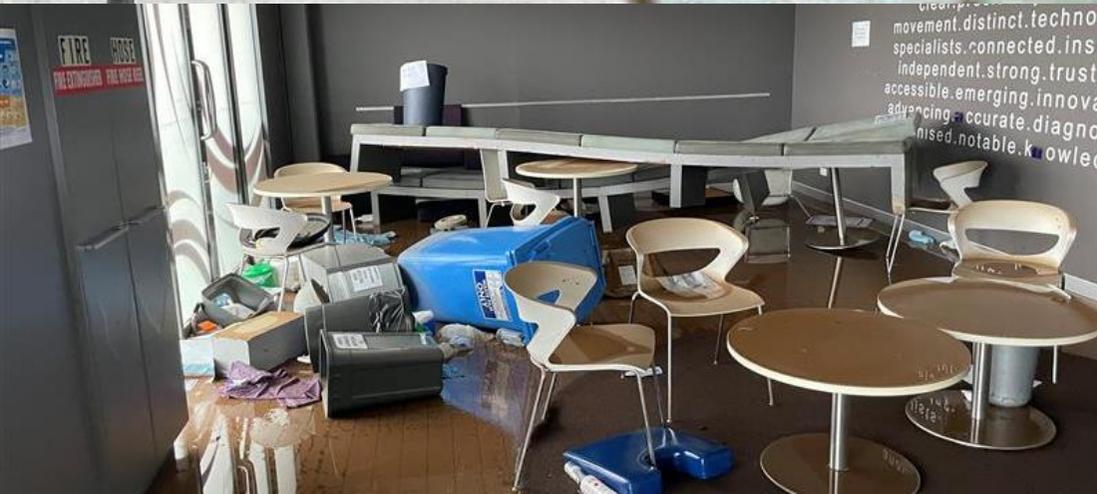
Long term sustainable growth is underpinned by four pillars of growth

 Brownfield Expansion	<ul style="list-style-type: none">▪ Significant opportunity for Brownfield expansion at existing sites with existing space available at a number of sites▪ Regional site in Young, NSW, with new 3TMRI is a good example
 Greenfield Expansion	<ul style="list-style-type: none">▪ Strong Pipeline of Opportunities, but radiologist pending▪ Development of fully comprehensive PET Clinic in Maroochydore Qld in FY2024
 IT Transformation	<ul style="list-style-type: none">▪ Projects like our national, orchestrated workflow solution: Clario; and digital Ultrasound solution, Sono Review; plus, E-referrals will significantly drive productivity, capacity utilisation and profitability, lifting margin
 M&A	<ul style="list-style-type: none">▪ Open to accretive opportunities of quality, like minded radiology groups

Recent Expanded Capability



Windsor Clinic Rebuild



Recent Expanded Capability – MRI Installations

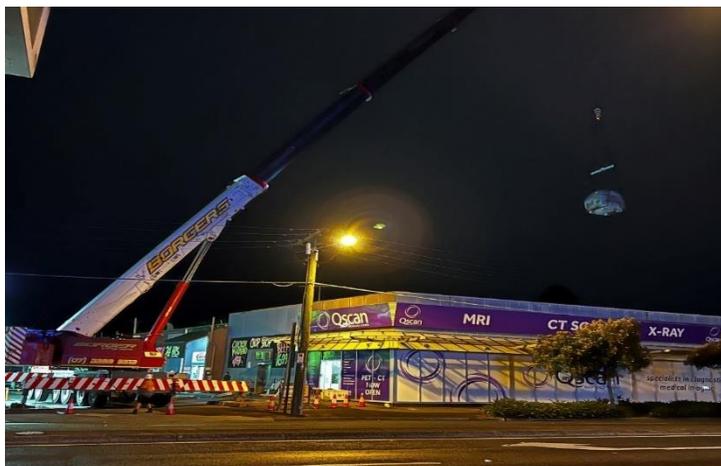
Young, NSW



Annerley, Qld



Grafton, NSW





Thank You

