



Company	Healius Limited
Code	HLS
Meeting	AGM
Date	20 October 2020
Venue	Online
Monitor	Patricia Beal assisted by Elizabeth Fish and trainee Raja Rajagopal

Number attendees at meeting	12 shareholders, 1 proxyholder, plus 44 visitors
Number of holdings represented by ASA	69
Value of proxies	\$1.97m
Number of shares represented by ASA	543,494
Market capitalisation	\$2.29b – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair Rob Hubbard, NED Sally Evans, Charles Tilley (Co Sec) and Charlene Jaws (Corp Affairs)

Helping heal us

The common story of the year is COVID-19 affecting business, but few other companies have benefitted from it as significantly, albeit after the common drop in revenues when lockdown was first instituted. However, the initial and continuing focus of this company, as well as striving to fulfil all requests on it, was to provide a safe environment for both staff and patients at this time. The willingness, empathy and care of staff was acknowledged by both chair Rob Hubbard and CEO Malcolm Parmenter. Notably, the infection rate among staff and doctors was only just over 1 in 1000 (which was stated as being similar to that of the general population), despite them being

in harm's way much of the time. One GP was mentioned as being still "quite unwell", but all others have recovered.

The announcement, just before the meeting of one new director, Ms. Jenny McDonald, was mentioned. She will become Chair of the Audit Committee, replacing Arlene Tansey, whose resignation was announced about a month ago. And the chair foreshadowed that another director is being sought, with a reference to the target of increased female representation on the board.

Befitting an Australia-wide organisation, the chair opened the meeting from the Brisbane office, the CEO and many of the Board met at the Sydney HQ, but other directors were in country NSW and VIC. There was one short blip in the proceedings, run by Lumi AGM, which was quickly restored. The rest of the meeting ran well, for just 1 hour.

Results for Q1 of FY21 were strong for pathology, including an increase in non-COVID-19 revenues. Imaging results have generally been up, but lower in VIC. Day Hospitals have performed very strongly. Of course, any further outbreaks will alter the outlook. Consequently, there is no guidance for the FY, but progressive updates will be provided. And long-term improvements to the company are being progressed in a variety of ways, which the CEO itemised.

Board directors spoke about their areas of responsibility, firstly Arlene Tansey on the financial results then Sally Evans on remuneration. The meeting was then opened to questions, with the comment that no questions would be taken after voting.

Queries were raised by one shareholder:

Total amount of assistance by government? \$11m to pathology, Day hospitals \$1.7m via JobKeeper; but there will be further discussions re pathology.

Also, risk related to population growth - what rates assumed? Answer: no definite value, given variability of immigration, aging of the population; probably it would be flat for 2 years.

ASA asked about the Imaging business, given it was in a more awkward ranking (#3) whereas Pathology was #2 in the Australian market; was Imaging likely to be able to improve its position in the Australian market? The answer was that it was not very far behind the #2 player; both acquisition (but carefully, prudently) or growth are possible.

All resolutions were carried very comfortably, the lowest being 94.6% for the changes to the constitution, the highest 98.7% for the rem report.

We did wonder about the lack of opportunity to raise any query, should there have been a more controversial vote.

The meeting was closed by chairman Rob, who hoped that we could meet face to face next year, but also foreshadowed the possibility of a hybrid meeting.