

ASX Announcement (ASX: HLS)

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Organisational and management update

Healius today stated that it is undertaking an organisational re-design to simplify its management structure, improve divisional agility and autonomy, and drive a more efficient group function in order to support the growth strategies outlined in last year's capital raising.

Commenting on the review, Malcolm Parmenter stated: "This re-design is a continuation of the previously announced productivity program and is integral to delivering on our stated strategy. That strategy, including the Leapfrog program in Medical Centres, is progressing well. It is incumbent upon us to make sure we have the leanest, most agile structures possible. This is particularly relevant at a time when we are making a substantial investment to secure an exciting future for the group.

"We will provide a more detailed update as part of our full-year results in August. However, preliminary unaudited financial results for FY 2019 point to all divisions improving performance in the second half compared to the first half and to positive lead indicators within the Medical Centres division. Overall we expect to deliver a result at the lower end of the guidance range (of \$93 million to \$98 million Underlying Net Profit after Tax) and in line with market consensus," Dr Parmenter stated.

Healius also today announced two senior executive changes. Malcolm Ashcroft, the Chief Financial Officer, will be leaving Healius after completion of the FY 2019 financial results.

Dr Parmenter stated: "Mal has been a great asset to Healius and pivotal in the positive changes that have occurred. He has transformed our finance systems and processes to establish a modern finance function and additionally managed risk, property, M&A, and, at various times, strategy and IT.

"Mal served as CEO for a transitional period before my arrival and then committed a further two years to helping set Healius on its current transformational pathway. Personally, I will miss Mal's knowledge, dedication and advice. On behalf of my colleagues in the executive team and on the Board, I wish him every success for his future," Dr Parmenter said.

Additionally, Wes Lawrence is leaving Healius after 25 years with the group, most recently as CEO of the Pathology division. Thanking Mr Lawrence for his commitment and contribution to the group, Dr Parmenter said: "Wes' proven experience in the industry, coupled with his strong leadership capabilities, has not only ensured our Pathology division retains its leading position in the Australian market but has also delivered sustainable improvements in all aspects of the business.

"This year, Wes has played a pivotal role in progressing the division's two key projects – the Serum Work Area upgrade and the introduction of a new Laboratory Information System – which are integral to its future. I, together with my colleagues in the executive team and the Board, would also like to sincerely wish Wes every success in his future endeavours," Dr Parmenter concluded.

Succession plans for these two roles are well advanced and an announcement is expected shortly.

ENDS

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For over 30 years Healius has been one of Australia's leading healthcare companies with a commitment to supporting quality, affordable and accessible healthcare for all Australians. Through an expansive network of multi-disciplinary medical centres, pathology laboratories, diagnostic imaging centres and day hospitals, Healius provides world class facilities and support services to independent GPs, radiologists, specialists and other healthcare professionals, enabling them to deliver quality care to patients in partnership with Healius' pathologists, nurses and other employees. Healius' 'medical home' model makes healthcare services easily accessible and cost efficient, while enabling the coordination and continuity of patient care.