

12 February 2026

Interview with Dr Sam Hupert, CEO Pro Medicus Limited

- Half-Year results
- Sales and implementation update
- Investment in 4DX
- Impact of AI – disruptor or not
- Update on Cardiology and other "ologies"
- Pipeline

Q1. You said that the result was another solid one for PME. Could you expand on this please?

A: Not accounting for the one-off contribution from our investment in 4D Medical, we grew our underlying profit after tax by approx. 30%. This was despite our largest go-live (Trinity Cohort 1) occurring towards the end of October, so it had limited financial impact in the half but will have in the second half. All our other financial metrics, including retained earnings and EBIT margins increased period on period. On the sales side we had seven sales with a total minimum value of over \$280 million, as well as completing six implementations in the half. All the above will set us up for the second half, which is traditionally stronger than our first.

Q2. You announced seven new deals in the half with a total minimum dollar value of \$280M and a renewal with a value of \$20M. Can you provide some colour around these deals?

A: This half was very different in terms of the sales cycle compared to the corresponding half last year. Last year we had one small sale in July and then our biggest sale ever in Trinity in late November, whereas this period there were seven individual sales across the broad range of market segments, including large academic hospitals such as University of Colorado, specialist children's hospitals such as Children's Hospital of Alabama and ARM, a material sale in the private radiology space. We sold in six months what we used to sell in a year, before the Trinity deal in 2025. Our total minimum contracted volume for the next 5 years (assuming client renewals that fall due within the 5 years) has climbed to over \$1Billion for the first time.

Q3. As your base continues to grow, how difficult will it be to keep profits growing at 30%+?

A: Clearly as our customer base expands, we must continue delivering higher absolute growth to maintain our growth rate. So far we have been able to do that. The six implementations we completed in the first half, including Trinity cohort one, which is arguably the industry's largest go-live, plus our recent sales, that are scheduled to be implemented within the coming months. There is also the growth through existing customers increased usage and take up of additional products all of which gives us confidence in our ability to sustain growth going forward.

Q4. The investment in 4D Medical has clearly been a good one so far. Can you please comment on this?

A: The 4D Medical investment was a hybrid investment in that there is debt with an equity component if their share price increases above 48c per share (double our entry point of 24c per share). Reading the financial press, you would be aware that there has been a very material accretion in the 4D Medical share price since we invested, which has resulted in an unrealised gain of just under \$150 million. However, the ultimate value of the deal to us will be determined by the share price on the 31st of July 2027. But you are correct, at this stage it has been a good investment.

Q5. You have more than \$220 million in cash and other financial assets as of December. Might we see more of these sorts of investments from PME or was this a one-off?

A: We are always looking for investment opportunities such as our investment in Elucid and 4D Medical, so it is possible there could be others.

When it comes to M&A we are highly selective as we believe we can achieve our growth aspirations organically, so we will only go down the M&A path if we think we can add significant value to the acquisition. This sets a high bar in terms of M&A but not one that is impossible to achieve.

Q6. What other plans do you have for your cash reserves?

A: During the period we returned a fair amount to shareholders in the form of increased dividends and two share buy-backs totaling a bit over \$10M. We plan to continue to pay out roughly 50% of profits as dividends, as we have done in the past. But by far the main purpose for our reserves is to enable us to invest in the business to ensure that we retain and if possible, increase our market-leading position.

Q7. There has been a lot of talk about the impact of AI in recent months, which has seen a very dramatic lowering of share prices for software companies globally. This has been attributed to huge capex expenditure and the disruptive role of AI in programming such as vibe-coding. What, if any, impact do you foresee it will have on PME?

A: You are correct in that there has been an unprecedented amount of hype around the disruption AI will have on the software industry and to some degree healthcare.

There are concerns at the huge level of capital expenditure committed to develop AI and build datacenters to run it. This has seen the share prices of some of the largest software and data center companies gyrate wildly and as a tech company we have been caught up in the wash even though we are in no way involved in infrastructure. Ours is a capital-light, software-only model. If anything, we will be the beneficiaries of the infrastructure funded by others.

The second concern is a belief held by some that new AI tools will radically disrupt software development with Vibe coding helping destroy the “IP moat” of all software and SaaS providers. They claim anyone will be able to use AI tools to write industry grade software in a fraction of the time.

This, in our view, is an overly simplistic generalisation, one that certainly doesn't apply to us. Visage 7 was built from the ground up using our own proprietary technology. It is not based on some readily available tool kit or platform. It is a very specialised, highly technical, patented suite of software that incorporates more than 30 years of domain knowledge; it is not a product that can be readily replicated with or without AI. We have not left a roadmap for others to follow.

Thirdly, our offering is more than just software, it is all the systems and methods we have built around it that enable us to deliver the highly sophisticated, deeply integrated solution used by many of the world's leading medical institutions. This includes our unique ability to seamlessly implement in under a fifth the time of our competitors. We are talking about training literally hundreds if not thousands of healthcare professionals with each go live. And then there is the way in which we deliver 24/7 support. Our systems are mission critical, patient welfare is at stake. It is a combination of this and many other things that make Visage, Visage.

Also let's not forget, these AI tools are available to us as well. Our developers have been using AI for quite a while. You can't just go "Hey Claude" sit back and wait for industry grade software to be produced. The tools are not that sophisticated. What they do is allow highly skilled developers to focus on system design rather than coding. They are at their most effective when used by a small, highly skilled development team, which is exactly what we are at Visage.

Finally, there is a view that AI will disrupt the diagnostic imaging market to the point where there won't be a need for radiologists. Again, we think this is an oversimplification and overestimation of the current capability of AI in our market. Based on recent manpower surveys it is estimated that the efficiencies that AI currently delivers, and is predicted to deliver soon, will be counterbalanced by the increasing workload generated by new forms of imaging and larger data sets. In other words, it will be used to "play catchup" rather than replace radiologists who are currently in huge demand.

Q8. PME completed six implementations in the first half with seven more due to go live in the current half. Are you getting better at implementations? Does Cloud-hosting make them significantly easier?

A: There is no question that Cloud makes our job quicker and easier as we have highly optimised our implementation around it. We continually refine our techniques and processes to the point where we recently successfully completed one of the biggest go-lives in the history of the industry (Trinity cohort 1) and then subsequently repeated this in January this year with Trinity cohort 2. To put these implementations into perspective, each cohort is the equivalent of implementing a large, multi-site academic institution.

Q9. Your underlying EBIT margins continue to grow above 70%. Can you keep this up?

A: Normally our first-half margins are slightly less than the second half due to the cost of RSNA, which is biggest single spend that increases year on year but even taking this into account we have grown our margins above what they were in the second half of FY25.

Q10. How important was the University Hospital Heidelberg contract to PME in terms of your European footprint?

A: The University of Heidelberg is a very high-profile European institution. It is one of the world's oldest universities. It has a renowned medical school, and it is also home to the largest cancer research center in Europe. Signing this contract has a network effect that positions us well with other German and broader European institutions.

Q11. We saw a raising of Australian interest rates this month. What impact may that, and the general economic environment, have on PME?

A: Interest rates tend not to impact us as we are not consumer facing. Our clients are well-funded healthcare enterprises, and we work in a largely non-discretionary area of the market, so we are insulated from the impact of increasing interest rates more so than most other businesses. If anything, higher interest rates benefit us as we have no borrowings and a growing amount of cash and other financial assets.

Q12. During the period two clients – University of Colorado and the Vancouver Clinic – added your cardiology offering. Can you comment on this please?

A: Cardiology is beginning to pay material dividends for us, not only with these two clients but we are seeing a lot more RFPs looking at both diagnostic imaging and cardiology. As with University of Colorado and Vancouver Clinic we could potentially land deals that are full stack +1, the +1 being cardiology. We are also receiving strong interest in our cardiology offering from our existing user base.

Q13. Lastly, could you comment on your pipeline?

A: Our pipeline continues to be strong and, as we have seen with the range of opportunities we have won over the past six months, spans the full range of market segments. RSNA was very strong, with many leads coming from the company's attendance at the conference late last year in Chicago. We feel we are unique in that we can address everything from small sub-specialty hospitals through to some of the biggest IDN's and academic health systems in the world, with the one product (and business model) which provides us with a significantly larger TAM than our competitors.

Thank you, Sam.

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Authorised by the Board of Pro Medicus Limited