

## Investor Fact Sheet: Q3, 2008



*Specialty Healthcare Services*

(Nasdaq: INMD)

### **INMD at a Glance ( date)**

Fiscal Year: December 31  
52 Week High-Low: \$12.38/\$4.60  
Share Price: \$7.15 (09.30.08)  
TTM P/E: 17.01  
Book Value per share: \$5.99  
Cash per share: \$2,58

Shares Out. Diluted: 8,685,000  
TTM EBITDA: \$14,222,000

TTM Free Cash Flow: \$1,846,000  
TTM Cash From Op's.: \$7,751,000  
Debt to Equity ratio: 0.45  
Return on Equity: 7.0%

### **IntegraMed is the dominant operator in two growing U.S. healthcare segments**

- Fertility: INMD's network of 101 clinics performs approx. 25% of all in vitro fertilization (IVF) procedures nationally
- Vein Care: Entered segment via Aug. 2007 acquisition of Vein Clinics of America (VCA). VCA is the leading network of clinics, with 31 locations, providing non-surgical treatment of varicose veins.

### **INMD is a growth story and a substantial cash generator with a proven history of success**

- VCA acquisition expected to accelerate growth and increase margins
- Net income has grown- five year CAGR of 26%
- EBITDA has grown- five year CAGR of 16%

### **IntegraMed supports its clinics with a strong business infrastructure:**

- Clinical and financial information systems, revenue cycle management, patient recruitment, sales and marketing, legal services, human resources, group purchasing, finance, accounting, facilities and various other management tasks.
- Treatment-financing programs, including the Attain™ IVF Refund Program (also known as the IntegraMed® Shared Risk® Refund Program) which provides

multiple treatment cycles and refunds to patients who are not successful in giving birth.

### **Positioned for Long-Term Growth in Revenues and Earnings**

Industry leader in two growing, highly fragmented medical sectors offering market share and margin expansion opportunities:

- Fertility Care--\$3 billion market growing 3% per annum
  - INMD is growing at 11%
  - Attain™ IVF Program is growing at 17%
- Vein Care--\$2 billion market growing 12% per annum
  - VCA is growing at 17%
  - Under-penetrated market: Nearly 4.5 MM people diagnosed with vein disease in 2006; only 480,000 procedures performed
  - Insurance reimbursement has been established and is growing
  - Target once clinic per 1MM in population—250 possible locations, only 31 currently
  - Expect to open 4-5 clinics per year through 2009, increase rollout in 2010

### **Investment Highlights**

- INMD performs over 25% of all IVF procedures in U.S., operates 4 of top 5 practices
- Largest IVF market share with 31 contracted centers in 101 locations across the United States, including 171 physicians and Ph.D scientists
- IntegraMed Fertility business grew at 11%
- Slowing growth in fertility sector makes INMD's value-add even more attractive to new clinics
- VCA acquisition added substantial growth opportunity via national ramp-up of clinic start-ups. Higher margins of 19%, lower start up costs and faster breakeven
- Strong balance sheet, substantial cash flow, consistently improving performance
- Scalable model offers excellent growth potential
- No viable competitors on horizon

### **Fertility Business Models:**

**Fertility Centers:** INMD has partner contract agreements with 13 large-market fertility centers. INMD owns the clinic assets, provides turnkey business infrastructure and marketing services and consumer product offerings. INMD has three revenue sources: 1) reimbursement of all direct costs to operate the center; 2) base fee of approximately 6% of net revenue; and 3) 10%-20% of center profits. Fertility centers grow and deliver improving operating leverage through IntegraMed's proven model.

**Consumer Services:** The Attain IVF Program offers patients the opportunity of up to six assisted reproductive technology treatments for a fixed price and a significant refund if treatment is unsuccessful. Distributed through the Company's Partner fertility centers as well as an additional 20 contracted Affiliate

Centers, this program is the Company's highest margin and fastest growing business unit.

**Vein Care Business Model:**

INMD's Vein Clinics division is a pioneer in non-surgical treatment of vein disease. INMD utilizes principally Endovenous Laser Treatments (ELT). ELT obliterates the vein in a minimally invasive technique using a high-energy laser. It is painless, safe, and saves time and money compared to other alternatives. This enhanced method, combined with the under penetration of vein disease treatment and the advent of insurance reimbursement, should support significant growth in coming years.

At approximately \$300,000, new vein clinic start-up costs are low and EBITDA breakeven is projected at month nine. Highly structured model utilizes 5 employees and 2,000 square foot facility. INMD targets one clinic per 1 million in population, providing 250 possible locations. INMD expects to open 4-5 clinics each year through 2010, before accelerating the rollout. Contribution margins are approximately 25% at the average mature vein clinic. It takes about three years for a clinic to reach full market penetration.

**Management Team**

**Jay Higham, President & CEO** – Leader of diversification strategy, 14 years with INMD

**John Hlywak, EVP & CFO**—Over 20 years of public healthcare finance experience

**Dan Doman, President, Vein Clinics Division-** Former CFO, promoted May, 2008.

**Joe Travia, President, Fertility Centers Division**—Has led double digit same clinic growth

**Pam Schumann, President, Consumer Services Division**—Has led and grown the segment to its current leadership position in the market

**Scott Soifer- SVP, Administration and Development-** Has lead healthcare marketing and strategy activities for over 18 years.

**Investor Relations Contact:**

Norberto Aja or David Collins

Jaffoni & Collins, 212-835-8500 or email [inmd@jcir.com](mailto:inmd@jcir.com), or visit the IntegraMed corporate website at [www.integramed.com](http://www.integramed.com)