

IntegraMed Up; Demographics Seen Boosting EPS: Dutton

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By Barnini Chakraborty Of DOW JONES NEWSWIRES

NEW YORK (Dow Jones)--Shares of IntegraMed America Inc. (INMD) rose more than 24% for a second day after Dutton Associates said Wednesday the company could benefit from new demographics on aging.

IntegraMed pays Sutton an annual fee for research coverage. The firm received \$28,000 from IntegraMed for four research reports, with coverage starting on March 24, 2004. "A lot of people didn't know there was an investable way to play the age growing market but you have this little company being incredibly managed and doing really well," analyst David Riedel said in an interview.

IntegraMed is a leading supplier of physician practice management products and services for clinical practices involved with treating infertility. "The U.S. population is getting older. Changes in birth rates, lifestyle and technology have raised life expectancy and changed the way that Americans are having families," Riedel said. "With these changes come opportunities and we believe that (IntegraMed) can provide excellent ways to play the aging of America." In addition to the trend toward the U.S. population getting older, there is a firm trend towards women having children later in life, which is contributing to a rise in treatment for fertility, he said.

Delayed childbearing has resulted in more women in their late 30s and early 40s attempting conception than ever before.

Many women seeking to conceive after age 40 have no difficulty in achieving a pregnancy. For those who do, prompt and thorough evaluation and aggressive treatment are crucial, Riedel said, adding the probability of having a baby decreases 3%-5% a year after the age of 30, and at a faster rate after 40.

Between 1970 and 2000, the average age of a mother giving birth to her first child increased from 21 to nearly 25. This has also led to many more women attempting conception at 35 or older. Riedel added that the new demographics bode well for IntegraMed, which is the only listed company providing pure exposure to the growing use of IVF treatments in the U.S.

In the most recent quarter, IntegraMed posted revenue growth of 22.3% and operating profit growth of 19%. "The company has been adding practices to its business portfolio and expects to add five affiliates and two partner practices in the next year," Riedel said, adding that it would "be a significant boost to its earnings profile." Riedel, who has a buy rating on the company, said he believes the Street "undervalues the impressive performance and bright prospects for IntegraMed." Calls to IntegraMed were not immediately returned.

Shares of IntegraMed recently traded at \$11.75, up \$2.44, or 26.4%, on volume of

4.3 million shares. Average daily volume is 14,146 shares. The stock rose by 29% on Wednesday.

Riedel does not own shares of the company.

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