



SONIC
HEALTHCARE

Annual General Meeting

17 November 2022

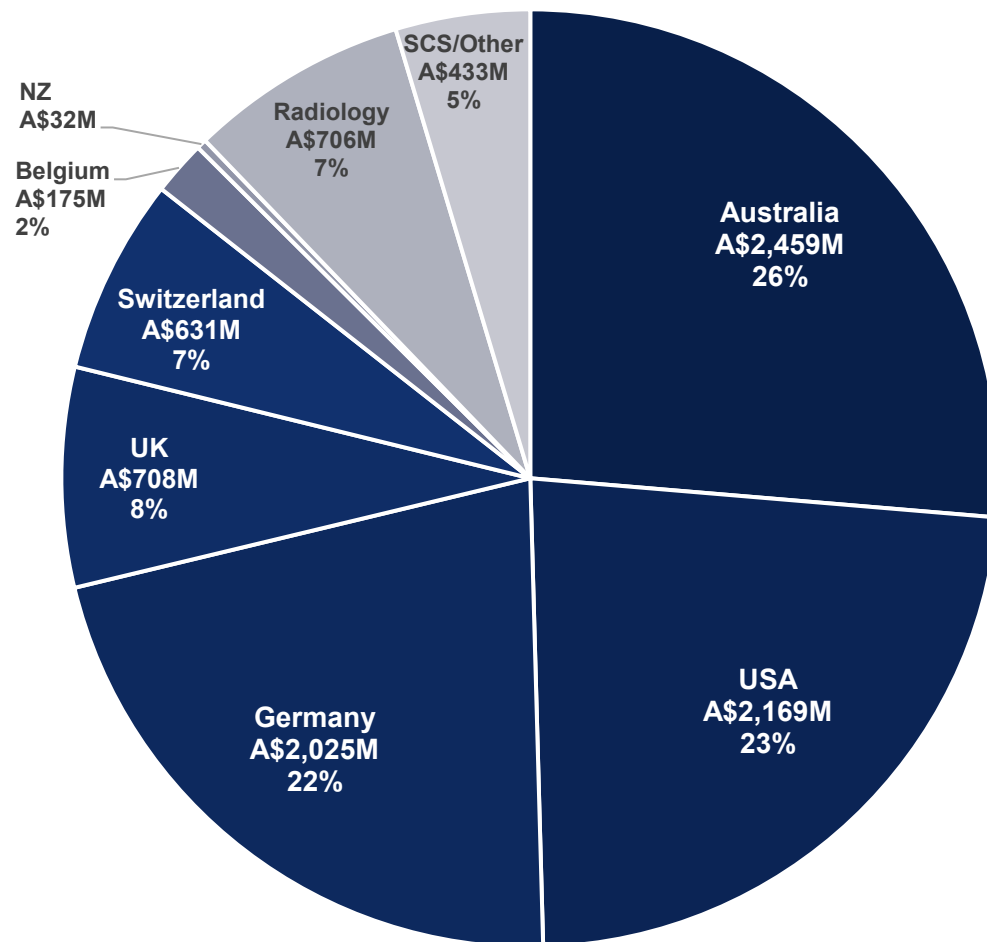
CEO's Presentation

Headlines FY 2022

- Record revenue and earnings for FY 2022
 - Revenue A\$9.3 billion, up 7%
 - EBITDA A\$2.8 billion, up 11%
 - Net profit A\$1.5 billion, up 11%
- Growth
 - Driven by ongoing COVID testing, base business and acquisitions
 - Organic revenue growth: 5% including 2% base business (non-COVID)
 - Acquisitions: A\$628 million invested in year, pursuing further opportunities
- Capital management
 - Gearing at record low level, no current exposure to interest rate increases
 - Available liquidity ~A\$1.5 billion
 - On-market share buy-back of up to A\$500 million ongoing
- Dividends
 - Full-year dividend A\$1.00 (up 10%), final dividend \$0.60 (up 9%), both fully franked
 - Progressive dividend strategy maintained



FY 2022 Revenue Split



Revenue in A\$ millions

Total Revenue A\$9,340 million (including A\$2 million interest)

SCS / Other = Sonic Clinical Services (IPN Medical Centres, Sonic HealthPlus, other clinical service entities) and other minor operations

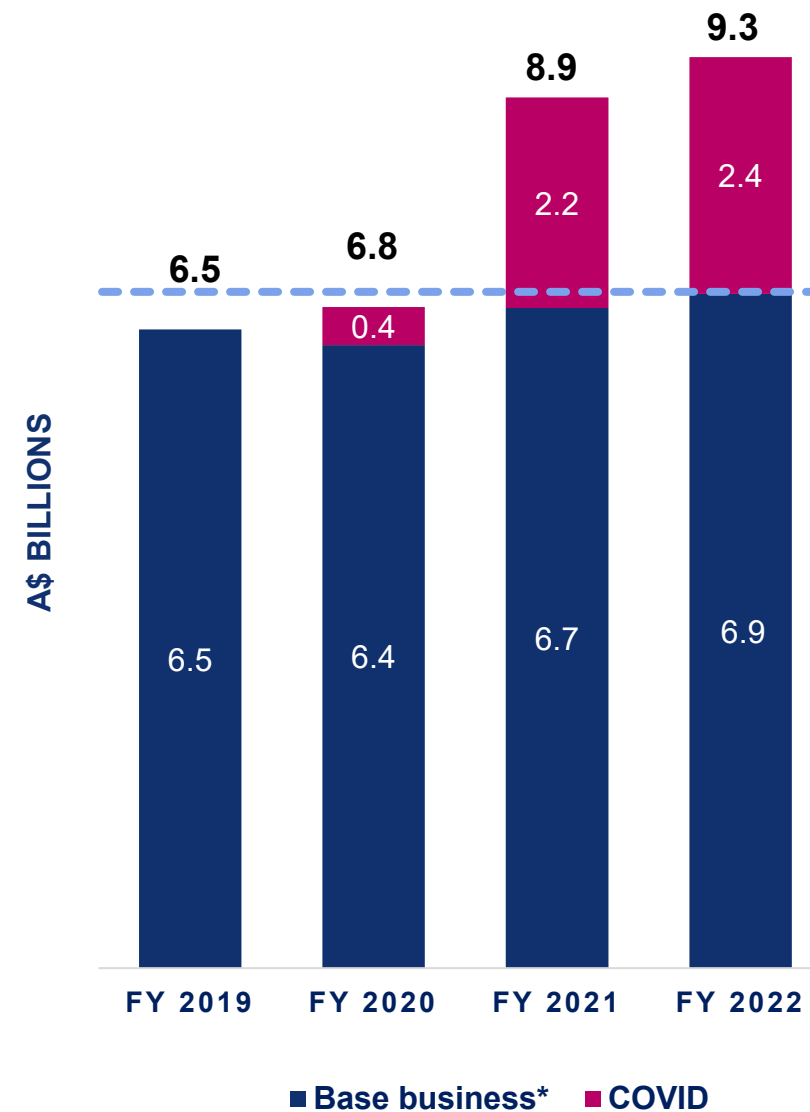


Revenue

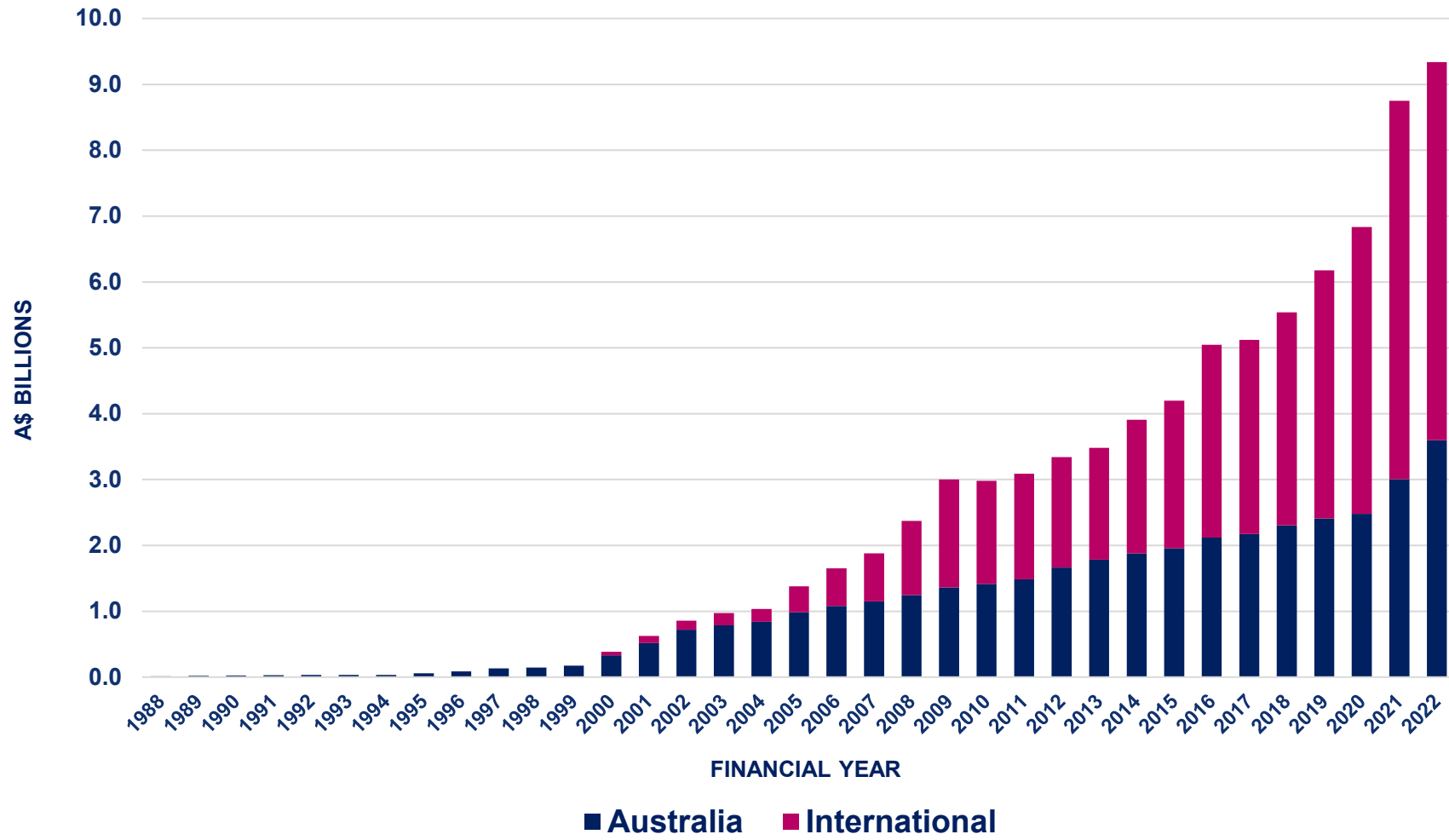
- FY 2022 total revenue growth 7% on FY 2021
 - Organic (constant currency) growth 5%
- FY 2022 base business revenue*
 - 2.1% growth on FY 2021
 - 5.5% growth on FY 2019 (pre-pandemic)
- FY 2022 COVID revenue
 - 13% growth on FY 2021 (constant currency) to A\$2.4 billion
- >55 million COVID PCR tests performed March 2020 to date
- Sonic's revenue growth benefits from geographical and business line diversification

* Base business revenue

- Total revenue excluding COVID revenue
- FY 2019, 2020, 2021 base business revenues normalised for:
 - Currency exchange rates
 - Acquisitions/disposals of businesses



Revenue History

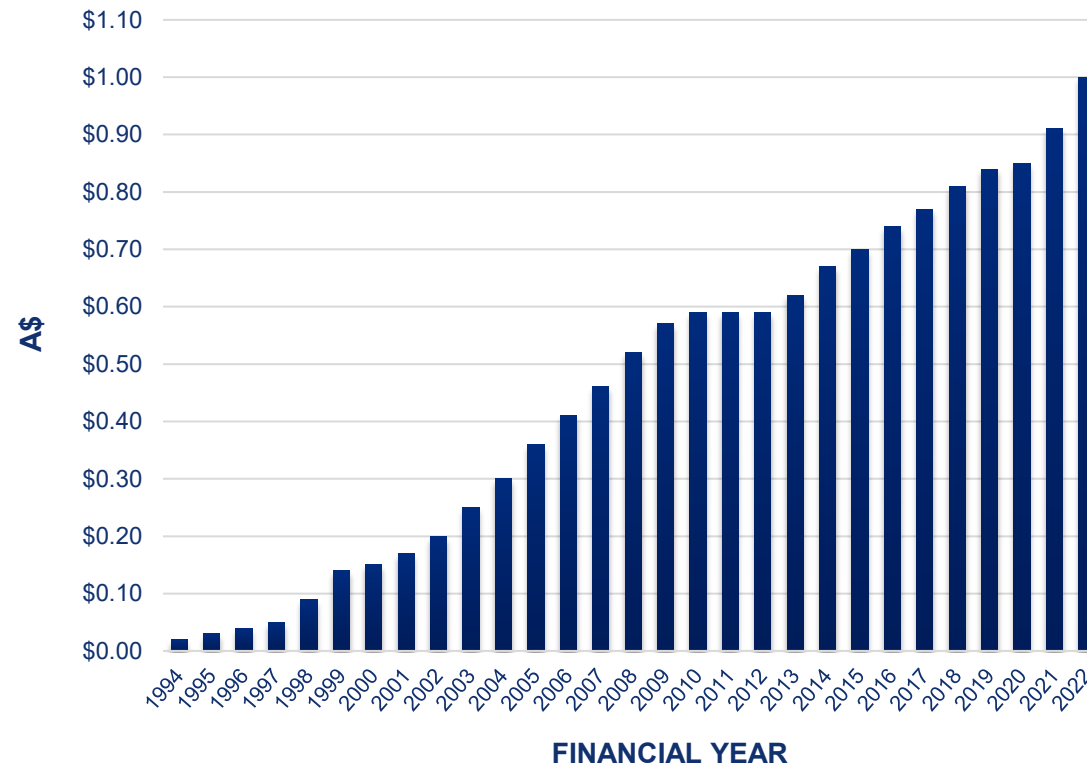


Dividends

A\$	FY 2022	FY 2021	Growth
Interim Dividend	\$0.40	\$0.36	11%
Final Dividend	\$0.60	\$0.55	9%
Total Dividends	\$1.00	\$0.91	10%

- Progressive dividend strategy maintained
- FY 2022 dividends franked to 100%

Dividend History

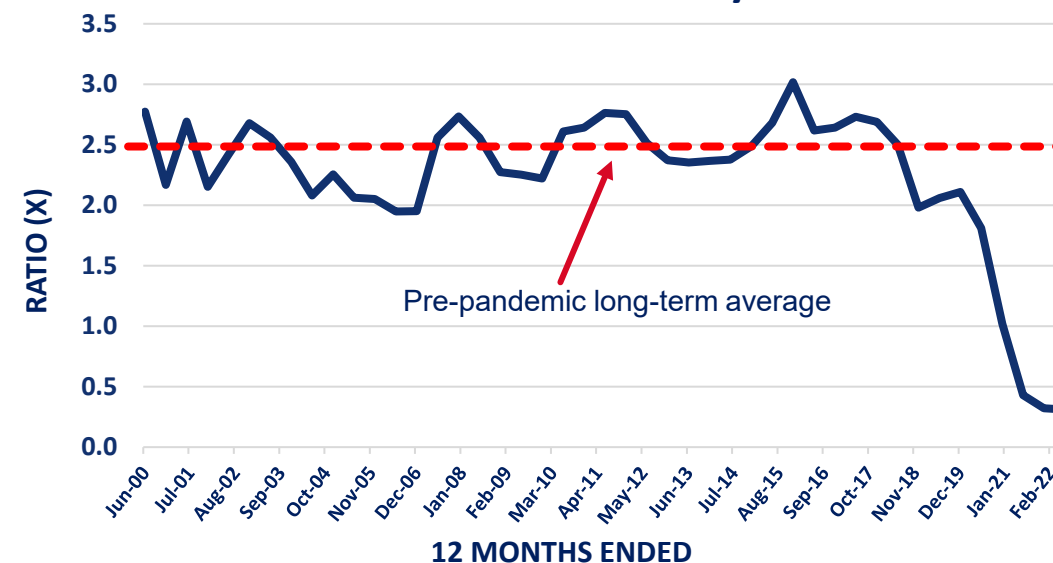


Capital Management

		30 June 2019	30 June 2021	30 June 2022
Net interest-bearing debt	A\$M	2,299	940	812
Equity	A\$M	5,492	6,504	7,428
Debt cover	X	2.1	0.4	0.3
Gearing ratio	%	29.5	12.5	9.7
Interest cover	X	10.5	33.8	47.3

- No current exposure to interest rate movements, bank debt fully repaid, remaining debt in long-term fixed rate notes
- Gearing at record low level
- Decrease of ~A\$1.5 billion in net debt vs 2019, after share buy-back program and acquisition investments of A\$788 million
- On-market share buy-back of up to A\$500 million ongoing, A\$425 million completed to date
- Current available headroom ~A\$1.5 billion
- Well placed for ongoing acquisitional growth

Debt Cover History



- Debt cover = Net debt / EBITDA (covenant limit <3.5)
- Gearing ratio = Net debt / Net debt + equity (covenant limit <55%)
- Interest cover = EBITA / Net interest expense (covenant limit >3.25)
- Formulas as per facility definitions, which exclude impacts of AASB 16



Outlook – FY 2023 (Issued August 2022)

- Guidance not provided due to pandemic-related unpredictability
- Base business growth expected to accelerate
 - Strong underlying industry drivers and market share growth
 - Backlog of testing postponed during pandemic
- COVID testing demand ongoing
 - Future level dependent on evolution and fluctuation of pandemic
 - Heightened awareness of respiratory illnesses driving demand for both COVID and other respiratory virus tests
- Cost management
 - Wage increases expected to be moderate, staggered impacts of multi-year agreements
 - Ongoing adjustments to staffing levels to match COVID volumes and focus on automation and innovation
 - Consumables cost reduced in FY 2022, no net price increases expected in FY 2023
 - Inflationary pressures on relatively minor cost categories of utilities and transport
- Progressive dividend strategy expected to continue in FY 2023 and beyond



Trading Update

4 Months to 31 October 2022

A\$M	YTD Oct 2022	YTD Oct 2021	YTD Oct 2019 (pre-pandemic)	Growth 2022 v 2021	Growth 2022 v 2019
COVID-19 revenue	280	795	-	(64.8)%	n/a
Base business revenue	2,446	2,292	2,254	6.7%	8.5%
Total revenue	2,726	3,087	2,254	(11.7)%	20.9%
EBITDA	621	991	468	(37.3)%	32.7%
EBITDA margin (%)	22.8%	32.1%	20.8%	(930) bps	200 bps
Working days	85	86	88	(1.2)%	(3.4)%

- COVID testing revenue significantly down vs prior period, flowing through to EBITDA level
- Base business revenue up 6.7% vs prior period and 8.5% vs 2019 (pre-pandemic)
- EBITDA up 32.7% vs 2019 (pre-pandemic), margin up 200 bps
- Sonic awarded preferred bidder status for large 15-year UK NHS laboratory contract (Hertfordshire and West Essex)

- bps = basis points of margin
- Actual average currency exchange rates used for each period
- Based on unaudited management financial reports



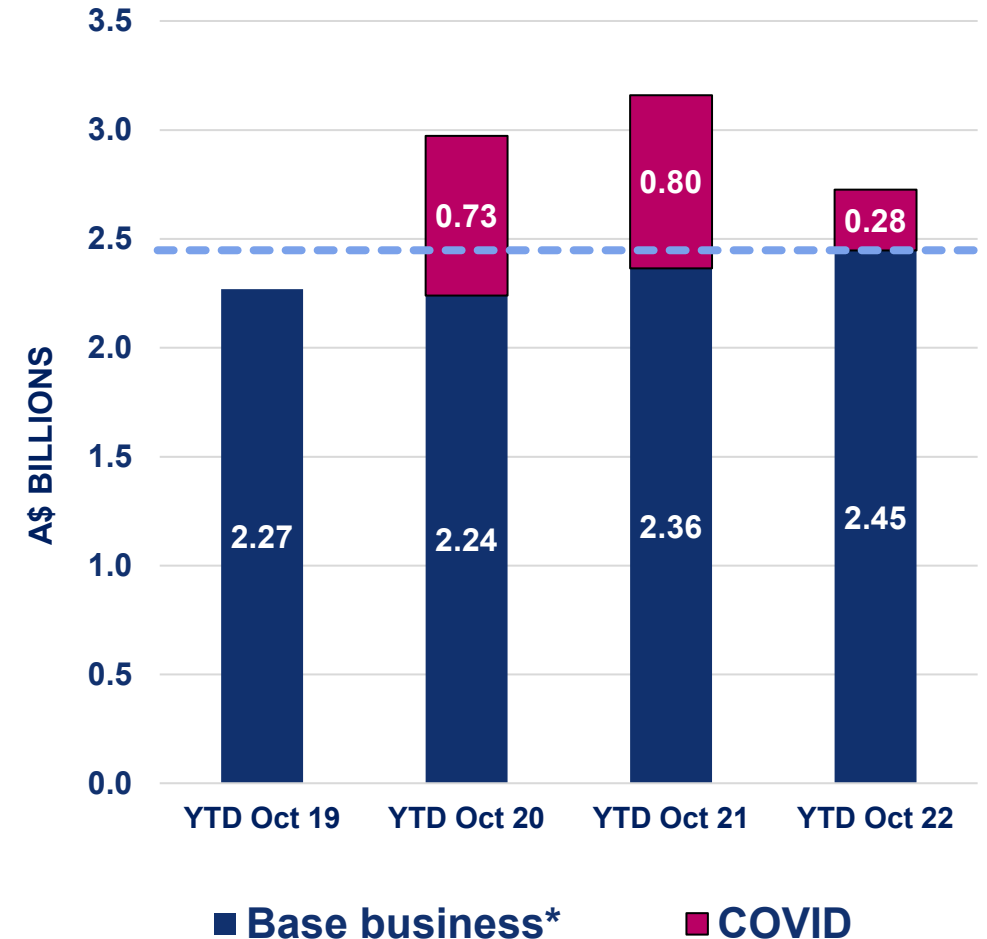
Revenue

4 Months to 31 October 2022

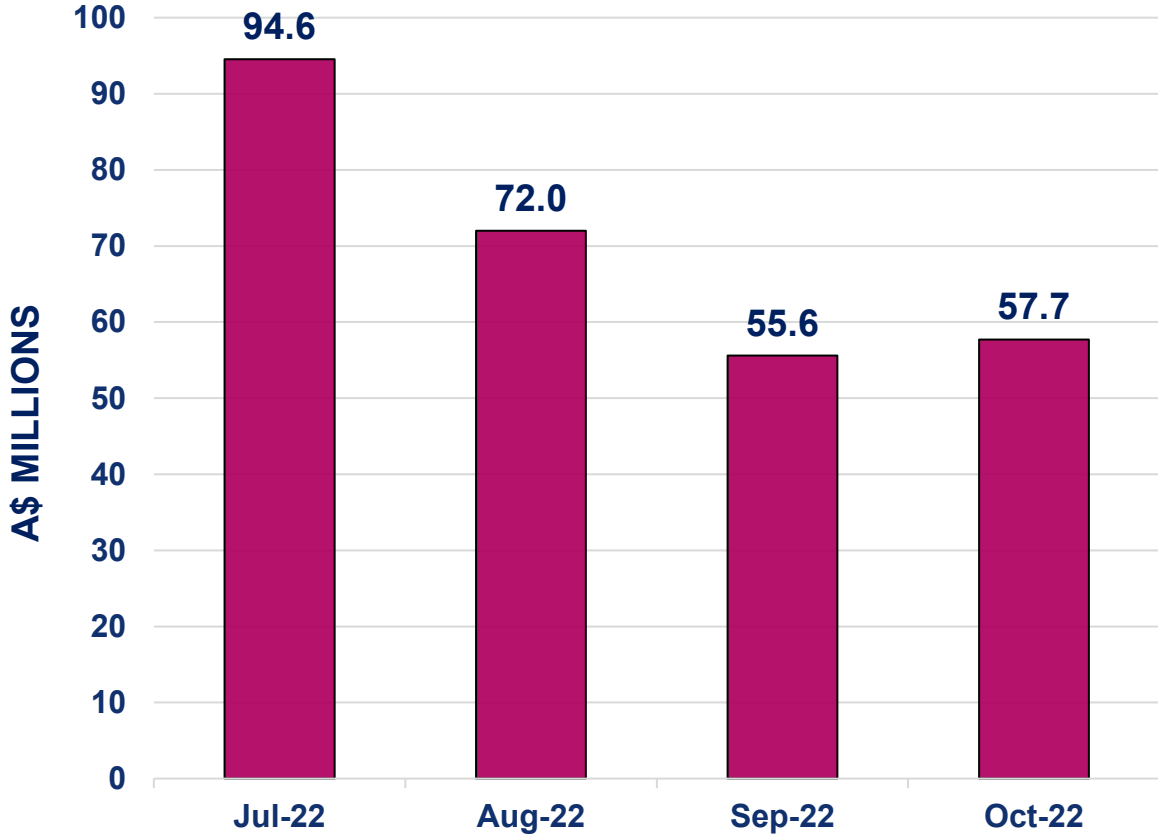
- October YTD base business (excl. COVID) revenue*
 - Up 3.5% on corresponding period in FY 2022
 - Up 7.8% on corresponding period in FY 2020 (pre-pandemic)
- COVID revenue down 65% on corresponding period
- Expect base business growth to accelerate, underlying growth drivers unchanged
- Expect significant ongoing COVID testing revenue

* Base business revenue

- Total revenue excluding COVID revenue
- Prior period revenues normalised for working days, currency exchange rates, acquisitions and disposal of Irish business



COVID Revenue by Month



Sonic's Approach to Cyber Security

- Sonic recognises that data security is critical to business continuity and stakeholder confidence
- Well-resourced IT division, including a dedicated and specialist cyber security group
- State-of-the-art tools to protect and monitor systems – ongoing, significant investment in cyber security tools
- Security controls in place at multiple levels – personnel, physical, operational, technical
- Internal and external penetration testing conducted continuously
- Annual NIST (National Institute of Standards and Technology) audits and regular system upgrades
- Security policies and systems targeted to exceed regulatory requirements in each of our markets
 - In Australia, certified to standards of Australian Government's Information Security Manual and ISO 27001
 - Standards in other markets include SOC2, ISO27001 and HITRUST in USA, and KRITIS in Germany

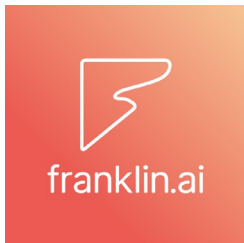


Artificial Intelligence (AI)

Sonic Partners with Harrison.ai



- Investment in Harrison.ai
 - 20% equity stake, acquired H1 FY 2022
 - Harrison.ai has an existing radiology AI product called Annalise.ai, a market leader in radiology AI
 - Annalise.ai chest X-ray product is the world's most comprehensive, capable of detecting 124 findings, marketed internationally with over 500 global installations to-date, including >100 Sonic radiology sites
 - Brain CT scan product now completed, tools for other modalities to follow



- Franklin.ai
 - Sonic's joint venture with Harrison.ai to develop best-in-class AI diagnostic tools for pathology
 - Rapidly built team of 30 experts to date covering all aspects of the project
 - Histopathology slide digitisation system built, generating mass data catalogue for AI model development
 - Product development and implementation strategy well underway
 - Targeting first product release within 2 years



Sustainability



Sonic Healthcare
Sustainability Report 2022

Available online:
www.sonichealthcare.com/sustainability2022

Material topics



Environment

Climate change

Circular economy and waste



Our people

Employee attraction, engagement and development

Workforce health, safety and wellbeing



Communities

Service quality and safety

Access and affordability



Governance





Ethics, integrity, compliance

Privacy and information security

Human rights



Sustainability

	Key Goals	FY 2022 Key Achievements
 Environment	<ul style="list-style-type: none"> Net-zero by 2050 Reduce scope 1 and 2 GHG by 43% by 2030 	<ul style="list-style-type: none"> Global scope 1 & 2 emissions baseline complete Scope 3 inventory commencing Renewable energy transition commenced 5% reduction in global emissions intensity 1.1 M kWh solar electricity generated 10.3% hybrid/electric vehicles in global fleet
 Our people	<ul style="list-style-type: none"> 40:40:20 gender diversity at senior executive level by 2030 Average 10 hours' training per employee p.a. Injury rates (LTIFR) at or below relevant industry benchmark 	<ul style="list-style-type: none"> 38% female representation at senior executive level 144,000 training courses globally in FY 2022 Injury rate 3.3 (benchmark 4.0)
 Communities	<ul style="list-style-type: none"> Quality accreditation at 100% of facilities Charitable donations of at least 5% p.a. of the Sonic Healthcare Foundation's total assets by 2024 	<ul style="list-style-type: none"> 100% of our facilities quality-accredited in FY 2022 Sonic Healthcare Foundation established with initial contribution of \$40 million
 Governance	<ul style="list-style-type: none"> Demonstrate improvement in Cybersecurity Framework maturity scores (NIST) Publish annual Modern Slavery Statement 	<ul style="list-style-type: none"> FY 2022 independent NIST audit completed 2022 Modern Slavery Statement published





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Thank you