SONIC HEALTHCARE

Annual General Meeting

19 November 2024

Forward-looking Statements

This presentation may include forward-looking statements about our financial results, guidance and business prospects that may involve risks and uncertainties, many of which are outside the control of Sonic Healthcare. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date that they are made, and which reflect management's current estimates, projections, expectations or beliefs and which involve risks and uncertainties that could cause actual results and outcomes to be materially different. Risks and uncertainties that may affect the future results of the company include, but are not limited to, adverse decisions by Governments and healthcare regulators, changes in the competitive environment and billing policies, lawsuits, loss of contracts or unexpected growth in costs. The statements being made in this presentation do not constitute an offer to sell, or solicitation of an offer to buy, any securities of Sonic Healthcare. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Sonic Healthcare). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward-looking statement will be achieved. Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Given these uncertainties, readers are cautioned to not place undue reliance on such forward-looking statements. The information provided in this presentation is based on and should be read in conjunction with the 2024 Annual Report.

Headlines FY 2024

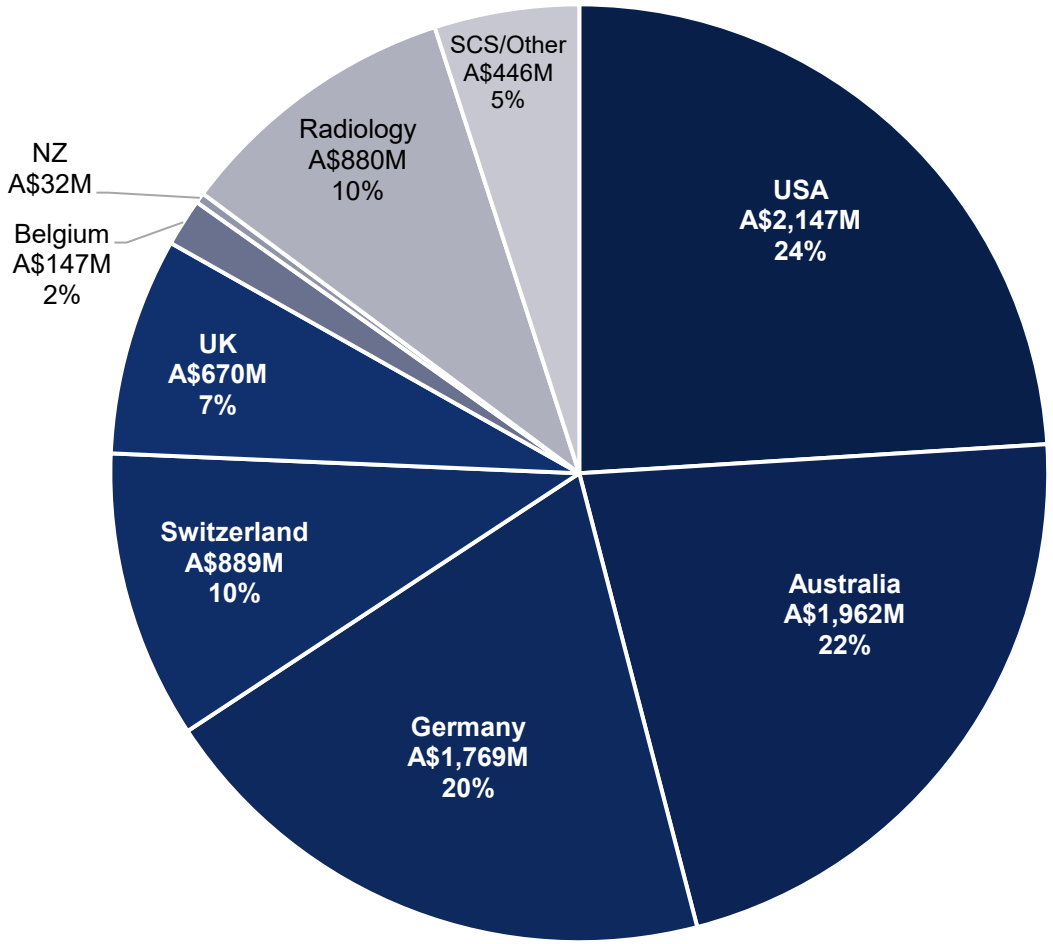
A$M (Statutory)	FY 2024	FY 2023	Change
Base business* revenue	8,905	7,684	16%
COVID revenue	62	485	(87)%
Total Revenue	8,967	8,169	10%
EBITDA *(excluding gain related to sale of West division USA)*	1,602	1,708	(6)%
Net Profit	511	685	(25)%

- Revenue and earnings comparisons with FY 2023 materially impacted by reduction in COVID revenue
- Base business organic revenue growth** 6%
- ~A$655 million p.a. of new revenue secured from acquisitions through the year, plus additional revenue from new contract wins
- EBITDA margin in H2 FY 2024 vs H1 FY 2024 demonstrates return to margin expansion

*** Base business excludes COVID revenue**

**** Base business organic revenue growth**
Growth in base business revenues normalised for working days, currency exchange rates and acquisitions/disposals

FY 2024 Revenue Split



Revenue in A$ millions

Total Revenue A$8,967 million (including A$25 million interest)

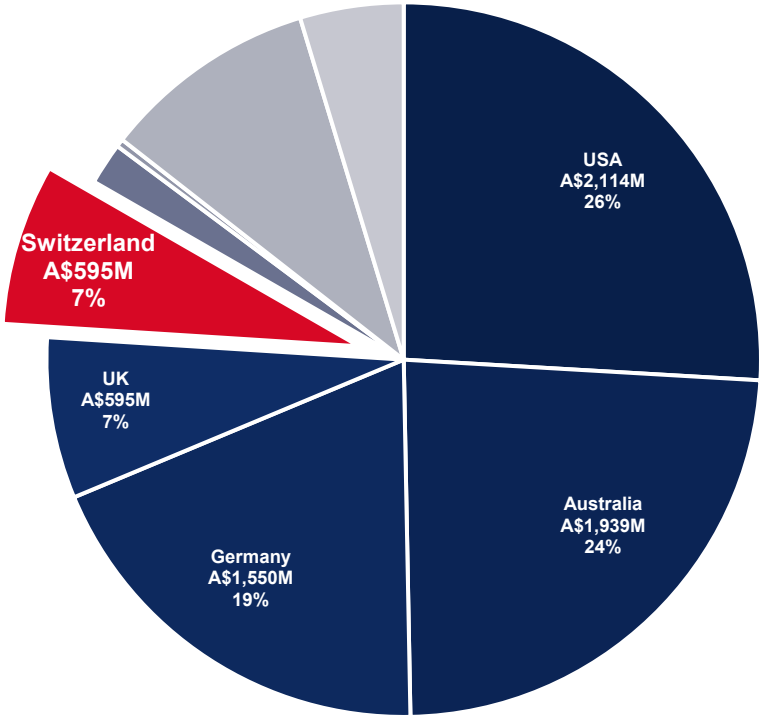
SCS / Other = Sonic Clinical Services (IPN Medical Centres, Sonic HealthPlus, other clinical service entities) and other minor operations

Acquisitions and Major Contracts in FY 2024

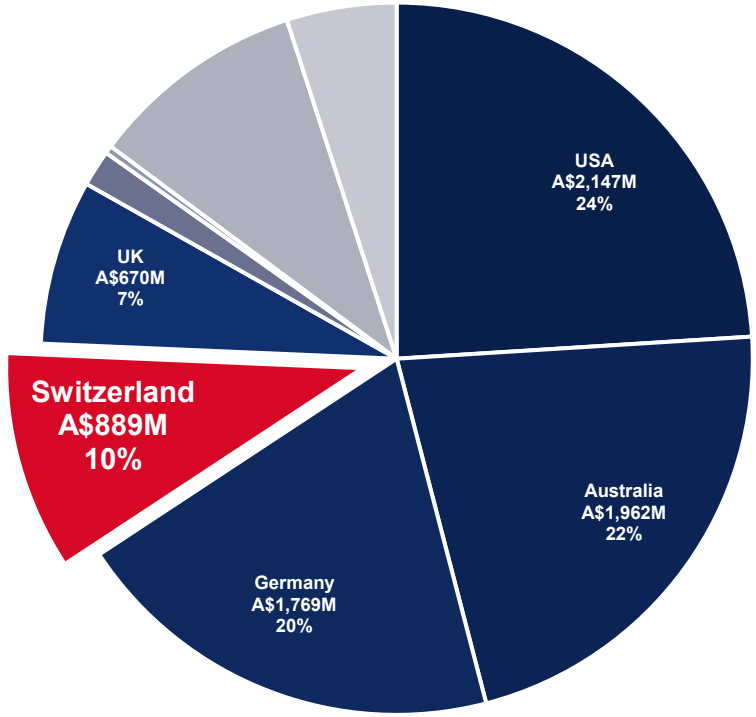
Acquisition / Contract	~ Annual Revenue (A$M)
Germany	
Medical Laboratories Duesseldorf (MLD)	85
Diagnosticum Laboratory Group	110
Smaller laboratory acquisitions (4)	70
Switzerland	
Medisyn (formerly Synlab Suisse)	175
Pathologie Enge	15
Dr Risch Group	175
USA	
PathologyWatch	25
TOTAL	**655**
UK – NHS Contracts	
Whittington Health Trust	20
Hertfordshire & West Essex Trusts	Commercial in confidence

Revenue Split

FY 2023



FY 2024



Sonic Suisse

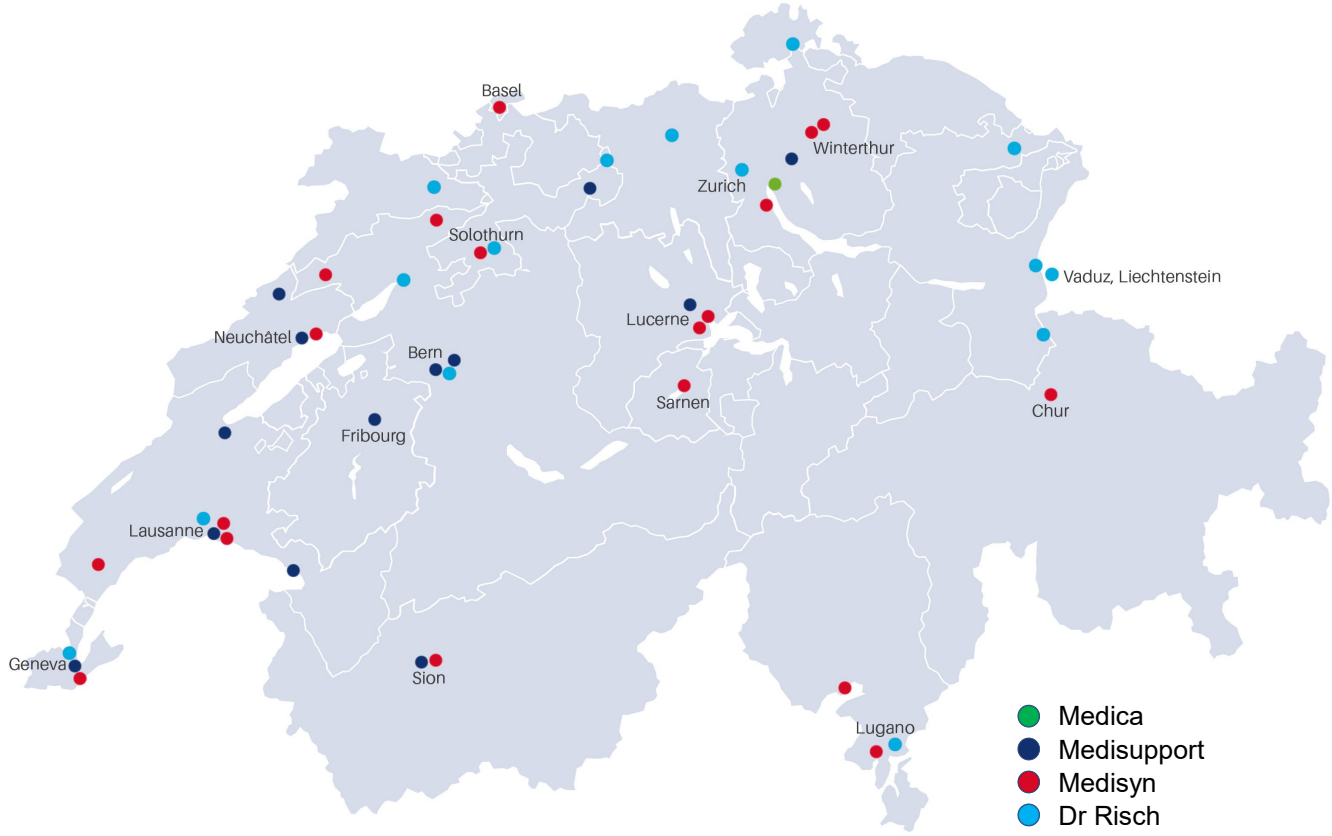
- Formation of new unified national group (Sonic Suisse):
  - Medisupport
  - Medica

  } Previously owned
  - Medisyn
  - Dr Risch Group

  } New acquisitions
- Major synergy workstreams commenced
  - Multiple laboratory mergers, procurement, IT integrations, logistics, corporate services
- Medisyn and Dr Risch Group – low margin acquisitions
- Significant earnings upside, weighted to FY 2026 and beyond

Sonic Suisse

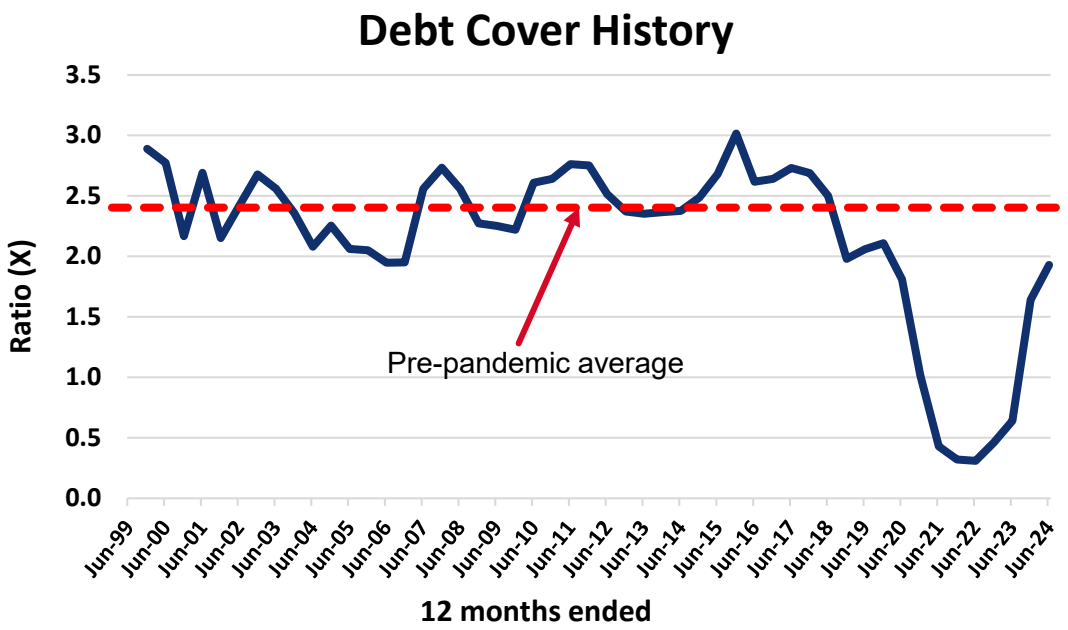
Laboratory locations, including hospital sites



Capital Management

		30 June 2024	30 June 2023
Net interest-bearing debt	A$M	2,349	886
Equity	A$M	8,075	7,922
Debt cover	X	1.9	0.6
Gearing ratio	%	22.3	9.9
Interest cover	X	12.0	29.4

- Increase in net debt reflects acquisitions completed in the year
- Gearing returning towards pre-pandemic average, to be maintained at investment grade level

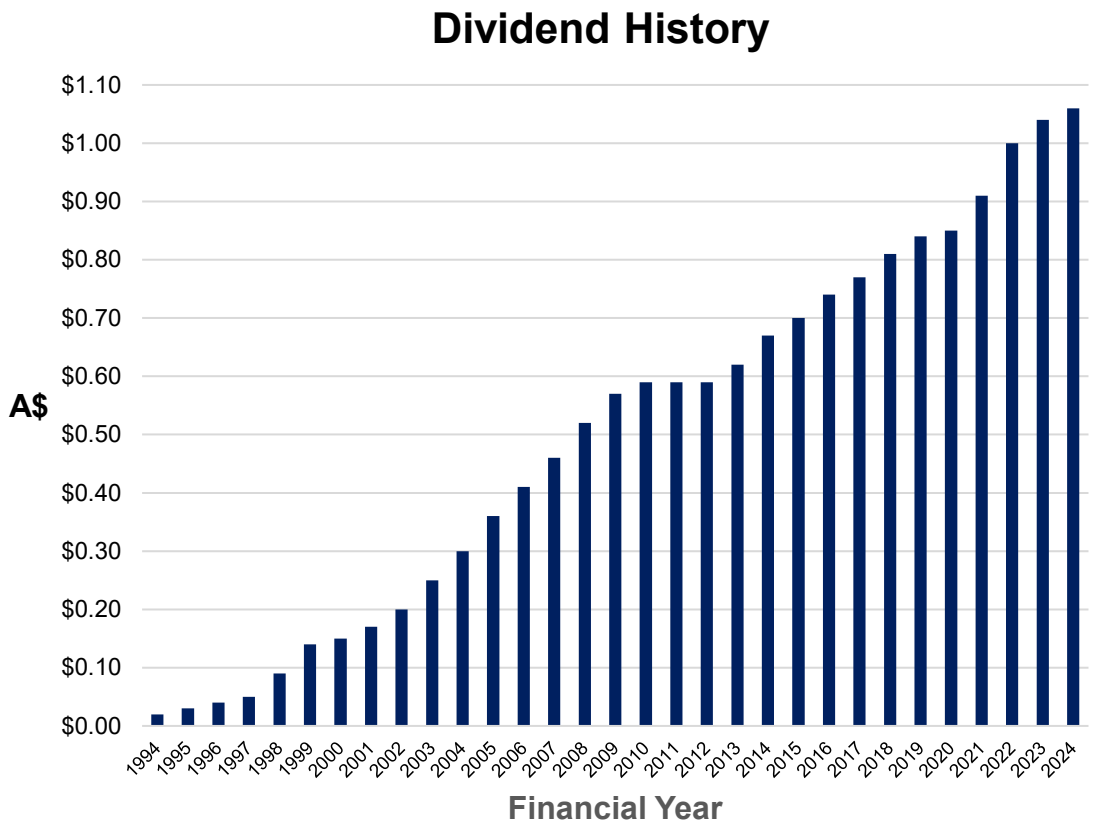


- Debt cover = Net debt / EBITDA (covenant limit <3.5)
- Gearing ratio = Net debt / Net debt + equity (covenant limit <55%)
- Interest cover = EBITA / Net interest expense (covenant limit >3.25)
- Formulas as per facility definitions, which exclude impacts of AASB 16

Dividends

A$	FY 2024	FY 2023	Growth
Interim Dividend	$0.43	$0.42	2%
Final Dividend	$0.63	$0.62	2%
Total Dividends	$1.06	$1.04	2%

- Final dividend unfranked
- Future earnings growth expected to support progressive dividend strategy following high payout ratio in FY 2024



FY 2025 Guidance Update

- Guidance reaffirmed after 4 months' trading
- YTD October 2024 results (4 months) vs prior corresponding period
  - Total revenue growth 10% (constant currency)
  - Organic revenue growth >5% (constant currency, working day adjusted)
  - Strong group-wide organic revenue growth, strongest in Australian pathology (~8%) and radiology (~11%), weaker in USA
  - EBITDA growth >10% (constant currency)
- Guidance issued August 2024
  - EBITDA A$1.70 – 1.75 billion (constant currency), reflecting up to ~10% EBITDA growth on FY 2024
  - Depreciation expense (including on leased assets) as a percentage of revenue expected to be similar to FY 2024
  - Interest expense to increase by ~25% (constant currency), reflecting acquisitions completed in FY 2024
  - Effective tax rate 26-27%
  - Includes completed acquisitions only
  - No regulatory changes assumed
  - Assumes current interest rates prevail

Earnings Growth FY 2025 and Beyond

- Earnings margins
  - Earnings margins fell in FY 2023 and FY 2024 in the wake of the pandemic
  - Major group-wide project to grow earnings margins continuing
  - Initial outcomes in FY 2025, gaining momentum through FY 2026 and FY 2027
  - Project based on contributions from **strong revenue growth** and **cost management** initiatives
- Strong revenue growth
  - Strong organic revenue growth in most divisions providing marginal profit gains
  - Strong acquisitional revenue growth in Germany and Switzerland
  - Revenue growth from contract wins in UK
- Cost management
  - Post-pandemic headcount reduction programs to right size company nearing completion
  - Inflationary pressures on labour and other costs easing
  - Synergies from two large, low-margin Swiss acquisitions, with consolidation into single national operation (Sonic Suisse)
  - Sale of West division USA (March 2024) – elimination of ~A$20 million p.a. operating loss
  - Rollout of PathologyWatch digital pathology system to create efficiencies
  - Hertfordshire & West Essex contract (UK), expected ~A$10 million loss in FY 2025, profitable from FY 2026 onwards
  - Enhanced revenue collection system in USA, expected uplifts: ~US$10M in FY 2025, additional US$20 – 25M in FY 2026, further uplift in FY 2027

Sustainability

FY2024 Sustainability Performance Highlights

ENVIRONMENT

26.8%
Reduction in scope 1 & 2 (market-based) emissions compared with FY2021 base year

41%
Global electricity from certified renewable sources

28.6%
Hybrid/electric motor vehicles in the fleet

40%
Additional solar power generation capacity added in FY2024

OUR PEOPLE

17.2 hours
Training per employee during FY2024

40%
Women in executive senior leadership positions

COMMUNITIES

7%
The percentage of total Sonic Healthcare Foundation funds under management allocated to charitable causes

131M
Patient consultations

GOVERNANCE

Continuous improvement in externally assessed cybersecurity maturity score

Published Modern Slavery Statement 2024

Progress measured against FY2021 base year.

Sustainability

sonichealthcare.com/sustainability

Independent ESG ratings during FY23

MSCI **FY 2024 AA Leader**
FY 2023 AA Leader

ISS ESG **FY 2024 C+ Prime**
FY 2023 C+ Prime

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Thank you