SONIC HEALTHCARE

2024 ANNUAL GENERAL MEETING – CHAIRMAN'S ADDRESS

Ladies and gentlemen,

Sonic Healthcare today enjoys leading market positions in seven countries, has a strong and unifying culture defined as Medical Leadership, and is set fair strategically, financially and operationally for future growth. We provide essential healthcare services to our communities, and indeed our facilities, as dramatically demonstrated during the COVID-19 pandemic, are critical infrastructure elements of the healthcare systems in which we operate. The dynamics of the industries in which we operate are positive, with strong underlying growth driven by growing and ageing populations, new tests and technologies (such as AI), and increasing focus on both preventative medicine and genetics-based personalised medicine. On top of these industry drivers, Sonic's Medical Leadership culture continues to provide strong competitive advantages and differentiation which drives market share growth through excellent professional specialist medical practice.

For the 2024 financial year, Sonic Healthcare achieved revenue of $9 billion, and a net profit of $511 million. The net profit was lower than in 2023 due to a dramatic 87% reduction in COVID-related revenues. A significant reduction in COVID testing revenue was to be expected as the pandemic receded and vaccination rates increased. Our base-business revenue (excluding COVID related revenue) growth was strong at 16%, and included 6% organic growth on a like-for-like basis, plus the contributions of targeted business acquisitions.

The outlook is for earnings growth in future periods, driven by:

- ongoing strong organic revenue growth with consequent operating leverage;
- cost reduction programs and other earnings initiatives implemented during the 2024 and current year; and
- the realisation of synergies and enhanced earnings from completed acquisitions and technology investments.

The confidence we have in our earnings outlook, together with our strong balance sheet, allowed us to continue our progressive dividend policy, rewarding shareholders with a 2% increase in dividends over the previous year, to $1.06 per share.

The Company's balance sheet remains in a very strong position, with gearing still below pre-pandemic averages, despite the significant investments made during the 2024 year. This strength will enable the Company to take advantage of additional sensible growth opportunities as they arise.

To ensure that the strong governance required to oversee the Company's growth is in place and effective, we continue to focus on the development, renewal and diversity of the membership of Sonic's Board of Directors and Board Committees.

During the 2024 year Professor Suzanne Crowe AO was appointed as a member of the Remuneration and Nomination Committee, and Professor Christine Bennett AO was appointed to the Risk Management Committee, in each case bringing new insights and experiences to the Committees. I congratulate Suzanne and Christine on these appointments, and for the impact they are already making as Committee members.

Sonic's Board currently comprises seven independent, non-executive directors plus two executive directors (being the Chief Executive Officer and the Chief Financial Officer). The Board includes a pathologist and three other medical practitioners, in keeping with the company's Medical Leadership culture. The Board's gender diversity objective continues to be satisfied, with 44% of directors currently being female and 56% male.

As previously announced, Lou Panaccio will retire as a director at the end of this meeting. Lou has served Sonic and its shareholders extremely well and diligently for the last 19 years and we are saddened to be losing his insights and experience. We have highly valued Lou's sage counsel and contribution to the Board and sincerely thank him for the work and expertise he has brought to bear for the benefit of all whom we serve. On behalf of the Board, management and shareholders of Sonic Healthcare, I wish Lou the very best for the future.

As disclosed in the 2024 Notice of Meeting, Kate Spargo has advised that should she be re-elected by shareholders today, she will permanently retire from the Board by the end of that 3 year term. Kate is an excellent director acting on behalf of shareholders and is a strong advocate for and practitioner of Medical Leadership. The directors (excluding Kate) are strongly recommending her re-election at this meeting.

As announced to the ASX yesterday, we are delighted that Ms Nicola Wakefield Evans AM has agreed to join the Sonic Board as an independent, Non-executive Director with effect from 10 February 2025. Nicola will therefore stand for election by shareholders at our 2025 Annual General Meeting. As detailed in yesterday's announcement, Nicola is a very experienced Director who will further diversify the skills and viewpoints around our Board table.

I note that Sonic's 2024 Sustainability Report is now available on Sonic's website. This document provides a compelling summary of Sonic Healthcare's efforts and achievements in sustainability initiatives. I highly recommend that all our stakeholders take the time to read it. There is much in the document that will be of interest, and much to be proud of as shareholders. The Report describes our sustainability governance structure, sets out our material sustainability topics and climate-related risks and opportunities, outlines of our net zero strategy and milestones, and our current progress in executing our strategies in this space.

The Report also sets out the ways in which Sonic demonstrates care for our people, communities, and the environment. As part of this it describes the recent activities of the Sonic Healthcare Foundation, which was established and funded by Sonic, in providing healthcare support for communities in acute need. We are extraordinarily proud of the difference the Foundation is making in so many lives.

Sonic's sustainability strategy and activities continue to be favourably recognised by external bodies. We have maintained our MSCI rating of AA (Leader), and our ISS ESG rating of C+ (Prime), and continue to be included in the FTSE4Good Index Series and the FTSE4Good Australia 30 Index. This year we received a C rating from the Climate Disclosure Project (CDP) based on our inaugural submission. A C rating is equal to the average for our region, and we are very pleased with this outcome from our first submission.

Sonic's approach to human rights and our management of modern slavery risks are presented in the Company's 2024 Modern Slavery Statement. You may access the Statement on Sonic's website. Sonic's focus in this area is driven by our internal Global Human Rights Committee, and is overseen by the Sonic Board, supported by its committees.

In summary, Sonic Healthcare is one of the largest and most efficient operators in each of its markets, has stable, deep and experienced management globally, benefits from a unifying and differentiating culture of Medical Leadership, provides essential healthcare services to its communities, and benefits from geographic market diversification, both in terms of risk management and growth opportunities. We therefore look ahead with great optimism and expectation. I wish to thank all of our 42,000 talented and dedicated staff, the executive leadership and my fellow Directors, for the work they do every day to drive the Company forward by providing outstanding services.

I also thank you, our shareholders, for your continuing support of Sonic Healthcare and for your investment in a company that makes a positive difference to lives every day.

Professor Mark Compton AM
19 November 2024

This announcement has been authorised by Sonic's Company Secretary, whose contact details for further information are as follows:

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