

## 2021 ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

Ladies and gentlemen,

The 2021 financial year was an outstanding year for Sonic Healthcare and our shareholders. The company continued to play important roles in combating the COVID-19 pandemic in the countries in which we operate, whilst at the same time providing our usual high quality of care for non-COVID patients.

The combination of COVID-19 testing and the strength of our base business enabled Sonic to report a record net profit of \$1.3 billion on revenues of \$8.8 billion, an increase of 149% and 28% respectively. We continued our progressive dividend policy, rewarding shareholders with a 7% increase, to 91 cents, in total dividends per share for the full year, and we were also able to increase the franking level to 65%.

Robust cash generation in the financial year produced a reduction in net interest-bearing debt of over \$1 billion, after payments for acquisitions and dividends, resulting in Sonic’s gearing at 30 June 2021 being at the lowest level in over 20 years. We chose to retain a substantial portion of the profit for the year within the company to better position Sonic for further growth, in particular, through further business acquisitions, which have been a key part of Sonic’s strategy over the last three decades. Since year-end we have already completed the acquisition of Canberra Imaging Group, and our management teams are currently working on a number of other opportunities.

Sonic and its amazing people answered the call to battle the COVID-19 pandemic by working with governments and other organisations in myriad ways. Sonic’s ability to assist governments and communities in key responses to the pandemic has been made possible through the decades of investment the company has made in specialist equipment, facilities and our people. It also required the courage and dedication of our staff at the frontline every day, whether at COVID-19 testing centres, vaccination hubs, collection centres, laboratories, as couriers, or essential administrative staff. On behalf of the Board of Sonic Healthcare, I take this opportunity to thank all of Sonic’s people, including my fellow Board members, for the contributions they have made during the height of the pandemic and continue to make, and for the exemplary way in which they assist our patients, our referring physicians and other stakeholders. I have no doubt that Sonic’s core culture of Medical Leadership along with its capacity to move swiftly and at scale in setting up and operating COVID-19 testing and COVID-19 vaccination clinics has significantly contributed to limiting the spread and reducing the burden of this virus, saving many lives across many jurisdictions.

As part of planning for Sonic’s future, the Board continues to focus on the development, renewal and diversity of the Sonic Board. The Board currently comprises seven non-executive Directors, six of whom are considered independent, plus our two Executives. Consistent with Sonic’s Medical Leadership culture, the Board includes a pathologist, a radiologist, a medical specialist and a registered general medical practitioner. Dr Philip Dubois, who is considered a non-independent Director, having served the company well as a senior executive for many years, has advised that he will permanently retire from the Sonic Board at the 2022 AGM and this change forms part of the Board’s renewal planning, with consideration already being given to recruiting an additional independent Director in 2022. I note that the Board has achieved its current gender diversity objective (minimum 30% membership of both male and female members), with one third of Directors being female.

Another key planning element for Sonic's future is to ensure that we operate in a sustainable manner. We have a strong foundation to build upon, given Sonic's core purpose is the provision of high-quality, safe and accessible medical services to urban, rural and remote communities, however one of the company's Core Values is continuous improvement and we are investing additional time and resources to improve our performance and reporting in the areas of environmental, social and governance practices. The company has recently appointed a Sustainability Director, a Sustainability Manager, and a Global Sustainability Steering Committee comprised of country/division CEOs and chaired by our global CEO to oversee our sustainability initiatives. This Steering Committee reports in to the Board. Under their leadership, Sonic will increase its focus on emissions and energy reduction programs, develop targets for renewable energy use and devise the company's strategy and timeline to achieve net zero greenhouse gas emissions.

Sonic's progress in relation to sustainability is described each year in our Corporate Responsibility report, and the 2021 edition is now available on our website. It also includes details of our Catalyst Program, which supports laboratory and imaging services in disadvantaged parts of Africa, as well as contributing to indigenous and other charities. The Corporate Responsibility report is an extraordinary document, capturing so many activities and reporting significant outcomes and reflecting the very important contribution Sonic and its people make to communities and progressing key ESG issues. I highly commend this excellent report to you.

We continue to maintain our strong focus on the health, safety and wellbeing of our staff, and management is working on strengthening formal goals in areas such as diversity, inclusion, training and development.

Sonic's approach to human rights and our management of modern slavery risks is overseen by the Sonic Board and supported by the Board's Risk Management Committee. The Modern Slavery Risk Working Group was established to identify and manage modern slavery risks within Sonic's operations and supply chains, implement mitigating actions and effect change where required. The Modern Slavery Risk Working Group includes senior group executives and representation from Sonic's procurement teams and operations, and works collaboratively and within the framework of the Global Sustainability Steering Committee.

Sonic's standing as a socially responsible company continues to be recognised through ongoing inclusion in the FTSE4Good Index Series, the FTSE4Good Australia 30 Index and by other external parties.

In closing, I would like to thank you, our shareholders, for your continuing support of Sonic Healthcare. We hope that you share the pride that the Board of Sonic feels for the way the company has responded to the COVID-19 pandemic, and for the company's environmental, social and governance initiatives.

**Professor Mark Compton AM**

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

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