SONIC HEALTHCARE

Financial and Operational Review

For the half year ended 31 December 2018

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 and unexpected growth in costs and expenses. 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 Appendix 4D released to the ASX on 20 February 2019 and may include earnings figures restated on a "constant currency" basis.

Headlines

- Guidance
  - On track to achieve full-year FY 2019 guidance after 7 months trading
  - Guidance now upgraded to include Aurora acquisition
- H1 FY 2019 results
  - Revenue growth 9%
  - Organic revenue growth 4.5% constant currency
  - Underlying EBITDA growth: 7% actual currency, 3.4% constant currency
  - Net profit growth 7% (adjusted for one-off tax gain in previous year)
  - Cash generated from operations up 5%, with 101% conversion of EBITDA to cash flow
- Strong performance in US, Australian and Swiss laboratory operations
- Aurora Diagnostics acquisition (completed January 2019)
  - Major strategic acquisition to augment future growth
  - Funded by well-supported A$928 million equity raising
- Progressive dividend policy maintained
- Well positioned for strong, ongoing growth

H1 FY 2019 Summary

A$M Actual Currency	H1 FY 2019	H1 FY 2018	Growth
Revenue	2,901	2,669[1]	9%
EBITDA (underlying)	485	451	7%
EBITDA	471	441[1]	7%
Net profit	223	209[2]	7%
Cash generated from operations	369	352	5%
EPS (cents)	51.9	49.4[2]	5%

- Revenue and earnings
  - Underlying EBITDA growth 3.4% (constant currency)
  - Group organic revenue growth 4.5% (constant currency)
  - Revenue reduced by ~A$13 million due to merger of US Midwest business into ProMedica JV
- Accounting standard change (AASB 15)
  - New revenue standard, effective 1 July 2018
  - Reclassification of doctor contract intangible amortisation as an offset to revenue
  - H1 FY 2019 revenue and EBITDA negatively impacted by A$4.5 million

[1] Comparative period number reduced by A$4 million for new revenue accounting standard

[2] Comparative period number reduced by A$20 million for one-off US net tax benefit

FY 2019 Guidance

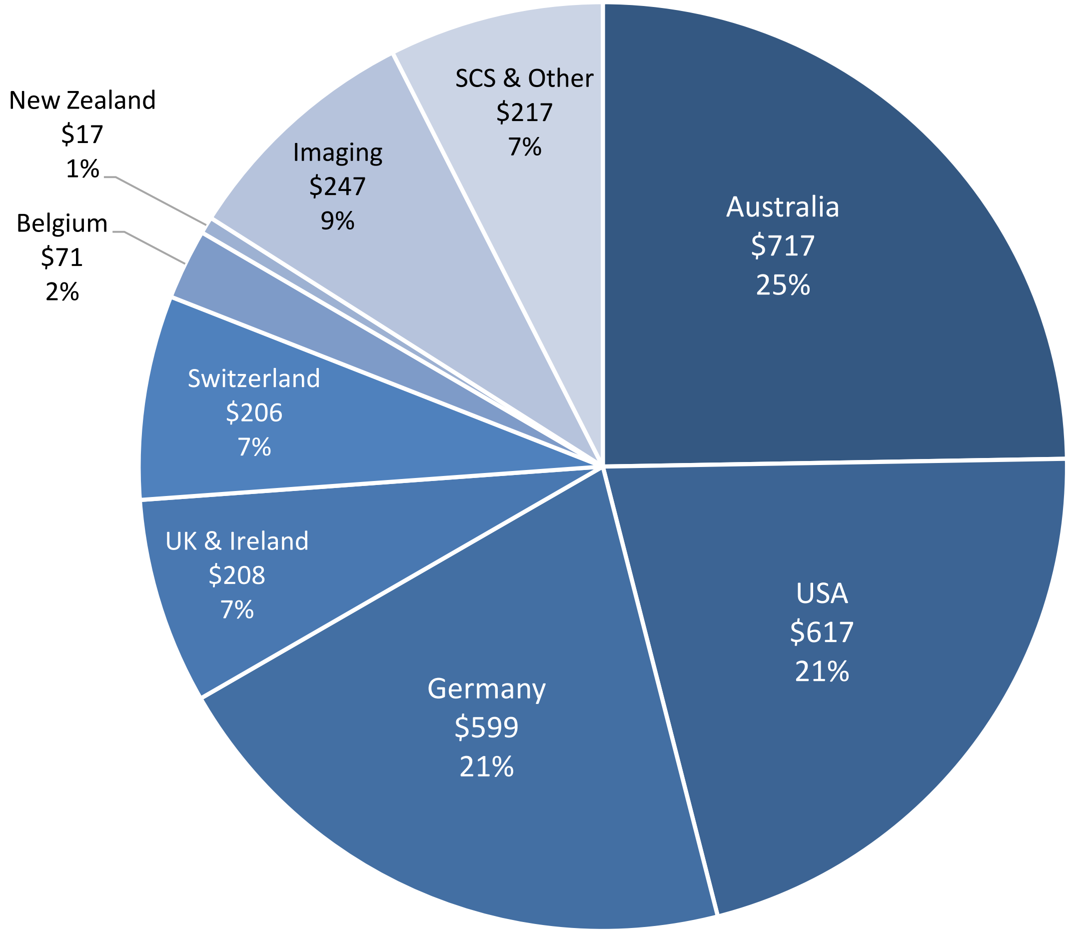
- FY 2019 guidance (pre-Aurora Diagnostics acquisition)
  - EBITDA growth 3-5% on underlying FY 2018 EBITDA of A$962 million (constant currency)
  - Interest expense to increase by ~4% (constant currency)
  - Effective tax rate ~25%
- On track to achieve original guidance after 7 months
  - 3.4% underlying EBITDA growth (constant currency) for H1 FY 2019
- Upgraded FY 2019 guidance to include Aurora
  - EBITDA growth 6-8% on underlying FY 2018 EBITDA of A$962 million (constant currency)
  - Interest expense to approximate FY 2018 level of A$75 million (constant currency)
  - Effective tax rate ~25%

Dividends

A$	H1 FY 2019	H1 FY 2018	Growth
Interim Dividend	0.33	0.32	3.1%

- Interim dividend franked to 20%
- Record Date: 11 March 2019
- Payment Date: 26 March 2019
- Dividend Reinvestment Plan suspended

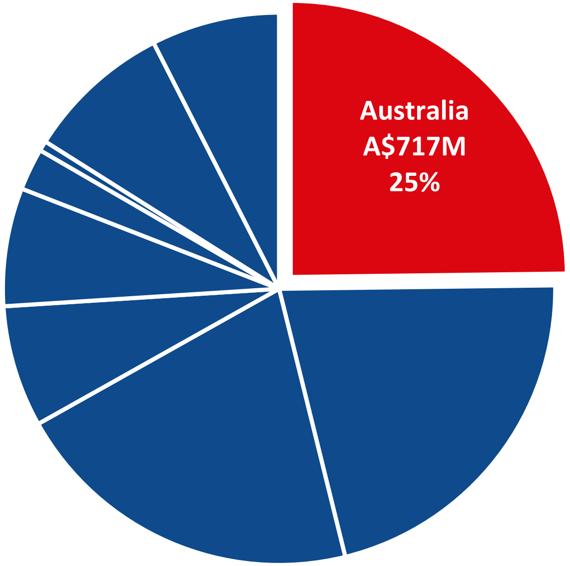
H1 FY 2019 Revenue Split



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

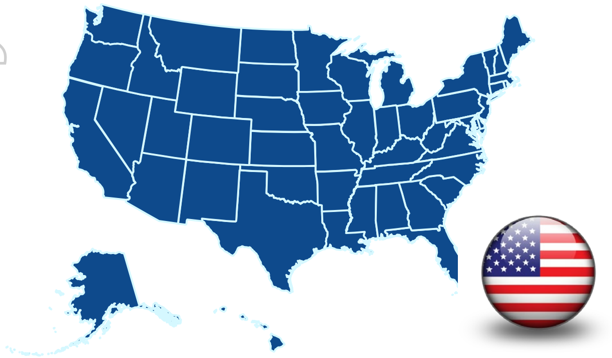
- Statutory revenue in A$M
- Chart excludes interest income ($2M)

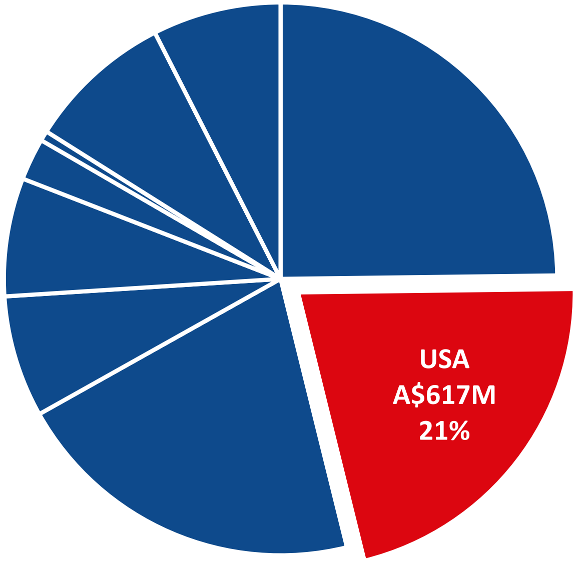
Australian Pathology



- Revenue
  - 6% organic growth
  - National Bowel Cancer Screening contract contributed to growth
- Earnings
  - Earnings growth and margin accretion ongoing
  - Collection centre costs stabilising
- Operations
  - National roll-out of Sonic’s total lab automation system underway (GLP Systems)
  - Ongoing procurement wins, including significant savings from recent major contract
  - New, expanded, state-of-the-art lab to open in Adelaide in H2
  - Additional efficiency gains from proprietary IT solutions

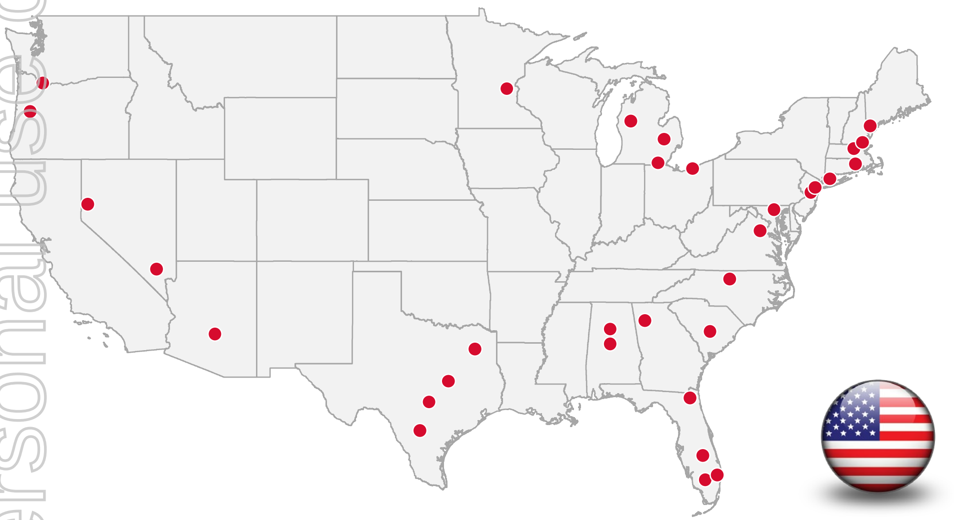
USA





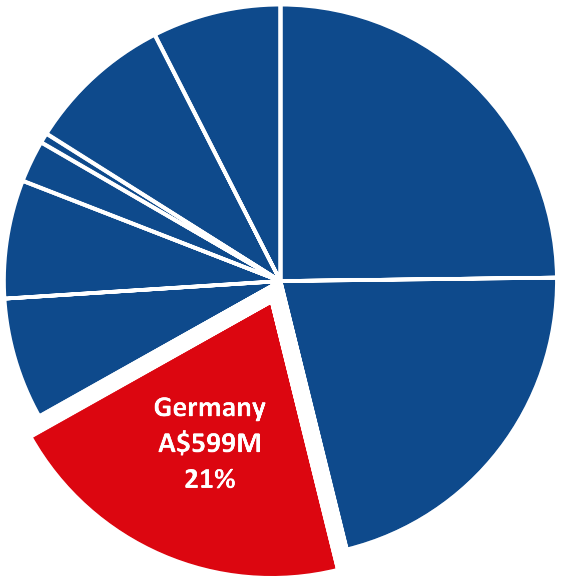
- Revenue
  - Revenue growth 6% (constant currency)
  - Organic revenue growth 8% (constant currency), boosted by hospital laboratory joint ventures
  - Revenue reduced by ~US$9 million due to contribution of Midwest business into 49% owned ProMedica joint venture (effective 1 September 2018)
  - PAMA Medicare fee cuts a relatively minor (~1.3% of total US revenue) headwind in calendar 2019
- Operations
  - Further hospital laboratory opportunities and acquisitions in pipeline
  - Billing system enhancement project beginning to deliver additional revenue
  - Successful implementation of Sonic's Apollo laboratory information system in Midsouth division (Memphis, Tennessee)

USA – Aurora Diagnostics Acquisition



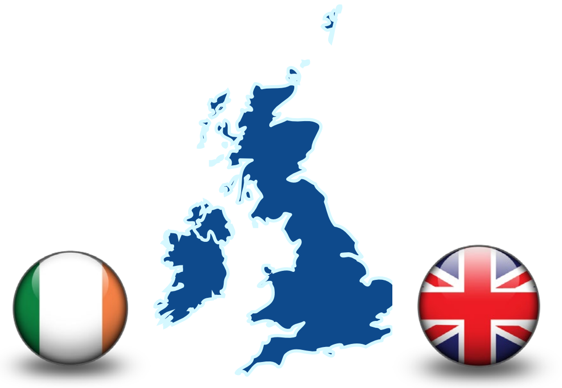
- Acquisition completed 30 January 2019
- Purchase price US$540 million, annual revenue US$310 million
  - Financially attractive, EPS accretive acquisition
- Aurora is one of the leading anatomical pathology providers in the USA
  - Operates 32 pathology practices with ~1,200 staff, including ~220 pathologists
  - Serves ~23,000 physicians and over 100 hospital contracts, with practices in 19 states
  - Strong, experienced anatomical pathology management and pathologist team
- Strategic rationale
  - Aurora closely aligned with Sonic's global patient-centric culture
  - Transforms Sonic's US business, providing opportunity to further differentiate Sonic's culture and Medical Leadership model
  - Complements and diversifies Sonic's US market presence and physician exposure
  - Adds significant scale in the attractive and fragmented US anatomical pathology market
  - Provides platform for further growth in both anatomical and clinical pathology markets
  - Leverages Sonic's deep anatomical pathology and hospital experience in other markets

Germany

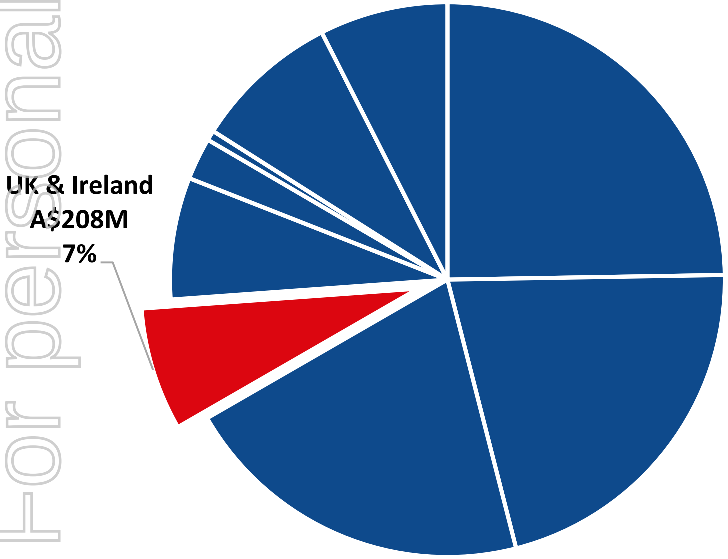


- Revenue
  - Revenue growth 3% (constant currency)
  - Flat organic revenue growth (constant currency), impacted by European heat wave and regulatory changes
- Operations
  - Wide range of synergy activities under way, including laboratory mergers
  - Pathology Trier acquired July 2018, revenue ~€20 million p.a., integration complete
  - Active pipeline of further acquisitions
- Regulatory changes
  - Revenue impacted by changes to EBM (statutory insurance) referrer bonus system, now stabilized – partially offset by selective fee quota increases
  - EBM billing represents ~40% of total revenue

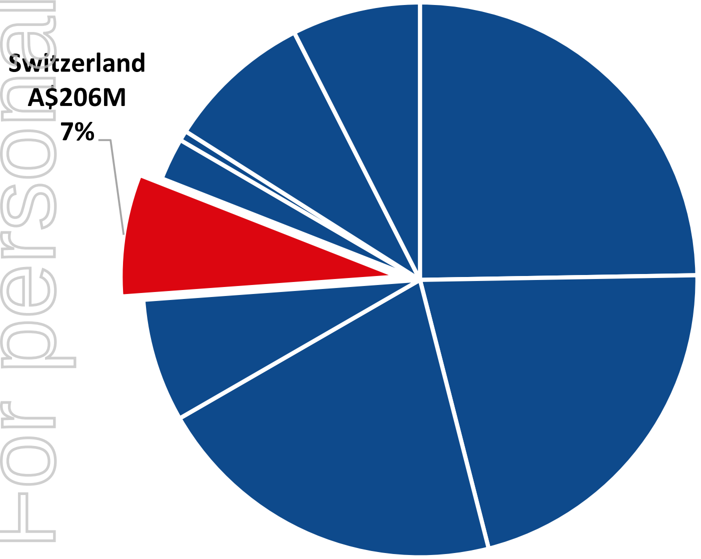
UK and Ireland



- Revenue
  - Organic revenue growth 9% (constant currency)
  - Revenue enhanced by Barnet / Chase Farm hospital laboratory contract (commenced October 2017)
  - Strong growth in private market (non-National Health Service)
- Operations
  - Barnet / Chase Farm integration under way, margin dilutive in H1 FY 2019
  - Currently bidding for a number of long-term NHS contracts with potential revenues in excess of £100 million per annum
  - Strong pipeline of private market opportunities

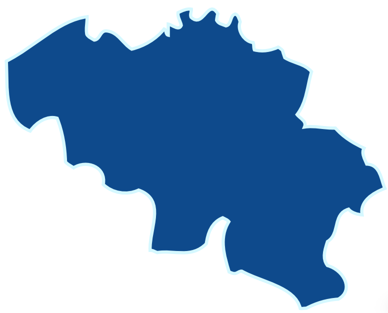


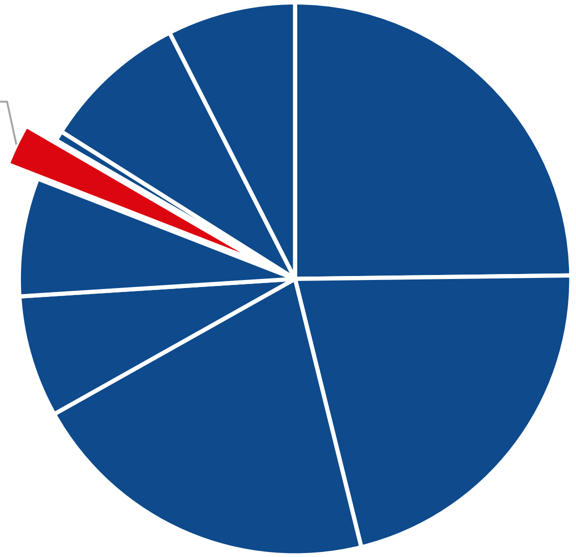
Switzerland



- Revenue
  - Organic revenue growth 5% (constant currency)
- Operations
  - Ongoing strong performance
  - Zug Cantonal Hospital contract successfully transitioned and operations commenced
- Regulatory environment stable

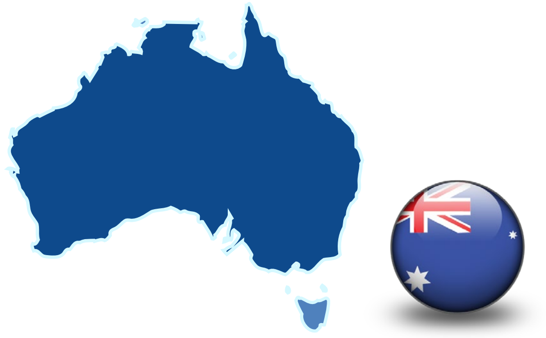
Belgium

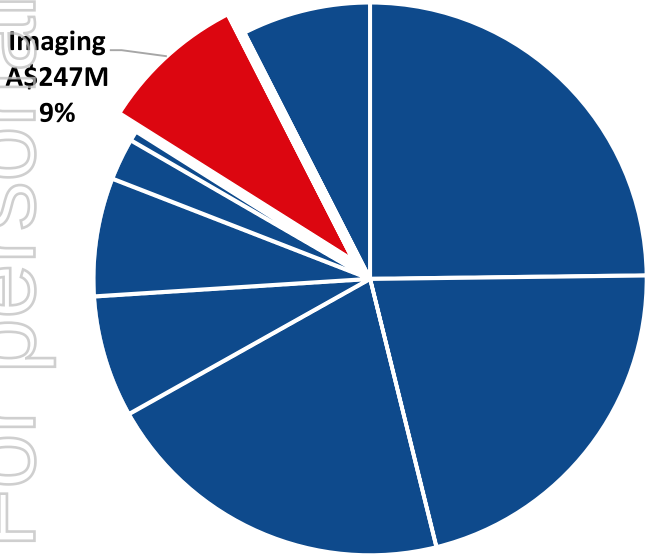




- Revenue
  - Organic revenue growth flat (constant currency)
  - Growth impacted by European heat wave
- Operations
  - Stable, consistent performance
- Regulatory update
  - Indexation fee increase in January 2018 and January 2019 equivalent to ~1% increase in total revenue per year

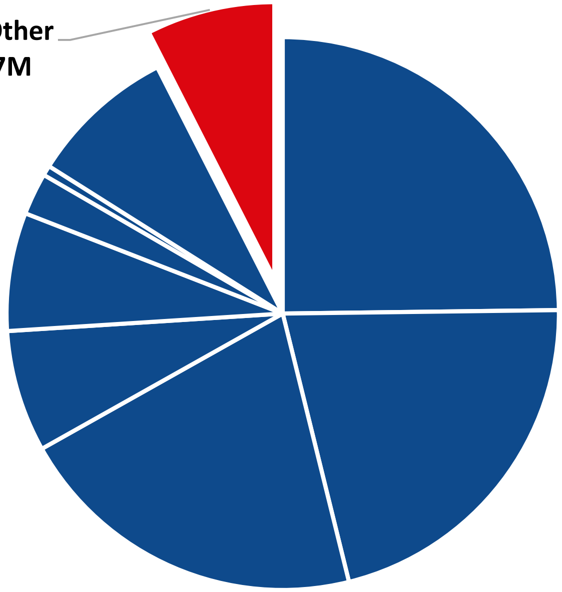
Sonic Imaging





- Financials
  - 6% organic revenue growth
  - Moderate earnings growth
- Operations
  - Continued benefits from investments in equipment and greenfield sites
  - Ongoing drive to leverage national infrastructure to achieve synergies
  - Strong culture of Medical Leadership and stable team of radiologists, managers and staff
- Regulatory environment
  - Government to implement partial fee indexation for radiology from 2020
  - Ongoing industry initiatives aiming to broaden scope of indexation

Sonic Clinical Services (SCS)



- SCS includes medical centres (IPN) and occupational health (Sonic HealthPlus)
  - Australia's largest primary care and occupational health provider
  - 240 centres and ~2,350 GPs
- Financials
  - Flat revenue growth resulting in minor earnings decline
  - Growth impacted by weaker market conditions, including lower flu incidence this season
- Operations
  - New revenue growth initiatives in train
  - Ongoing successful doctor recruitment and retention
  - Continued consolidation of selected centres and infrastructure to enhance efficiencies
  - National roll-out of IT infrastructure completed, to provide operational and financial benefits

Capital Management

		31 December 2018	30 June 2018
Net interest-bearing debt	A$M	2,076	2,483
Equity	A$M	5,001	4,283
Gearing ratio	%	29.3	36.7
Interest cover	X	10.0	10.1
Debt cover	X	2.0	2.5

- A$600 million institutional equity placement completed December 2018 to part-fund Aurora acquisition (closed in January 2019)
- Excluding equity raised, net debt increased mainly due to currency rate movements (~A$90 million) and acquisitions (A$108 million)
- Share Purchase Plan for retail shareholders completed February 2019, raising A$328 million
- Strong balance sheet and substantial headroom available for further acquisitions

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

Outlook

- Company well set for ongoing strong growth
- Rich pipeline of acquisitions, joint ventures and contracts ahead
- Strong balance sheet with headroom for expansion
- Geographical diversification provides growth opportunities and risk mitigation
- Stable and dynamic global management teams
- Technology and innovation driving efficiencies
- Procurement and other synergy initiatives delivering ongoing benefits
- Respected brands, quality services, Medical Leadership culture

Thank you