SONIC HEALTHCARE

Financial and Operational Review

Half-year ended 31 December 2019

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 19 February 2020 and may include earnings figures restated on a "constant currency" basis.

Headlines

- Guidance
  - On track to achieve full-year FY 2020 guidance after 7 months of trading
- H1 FY 2020 results (excluding lease accounting standard AASB 16)
  - Revenue growth 15% actual currency, 12% constant currency
  - Organic revenue growth ~5% constant currency
  - Underlying EBITDA growth: 14% actual currency, 11% constant currency
  - Net profit growth 15% actual currency, 12% constant currency
- Margin accretion in both laboratory and imaging operations
- Aurora Diagnostics acquisition performing to expectation
- FY 2020 interim dividend A$0.34 per share

H1 FY 2020 Summary

A$M Actual Currency	H1 FY 2020	H1 FY 2019	Growth	H1 FY 2020 AASB 16
Revenue	3,344	2,901	15%	3,341
EBITDA (underlying)	548	480	14%	703
EBITDA	535	471	14%	690
Net profit	256	223	15%	254
Cash generated from operations	379	369	3%	534
EPS (cents)	53.7	51.9	3.5%	53.3

- Lease accounting standard change (AASB 16) – effective 1 July 2019
- Revenue and earnings (excluding AASB 16)
  - Growth augmented by Aurora acquisition
  - Organic revenue growth ~5% (constant currency)
  - Margin accretion - laboratory division ~10 basis points, imaging division ~40 basis points
  - EPS growth impacted by equity raisings associated with Aurora acquisition, creating balance sheet flexibility for further growth
  - Comparative period included revenue and earnings from GLP Systems (sold 26 June 2019)
- Cash generation (excluding AASB 16)
  - 89% conversion of EBITDA to gross operating cashflow, impacted by timing of creditor payments, favourable reversal expected in H2 FY 2020

FY 2020 Guidance Maintained

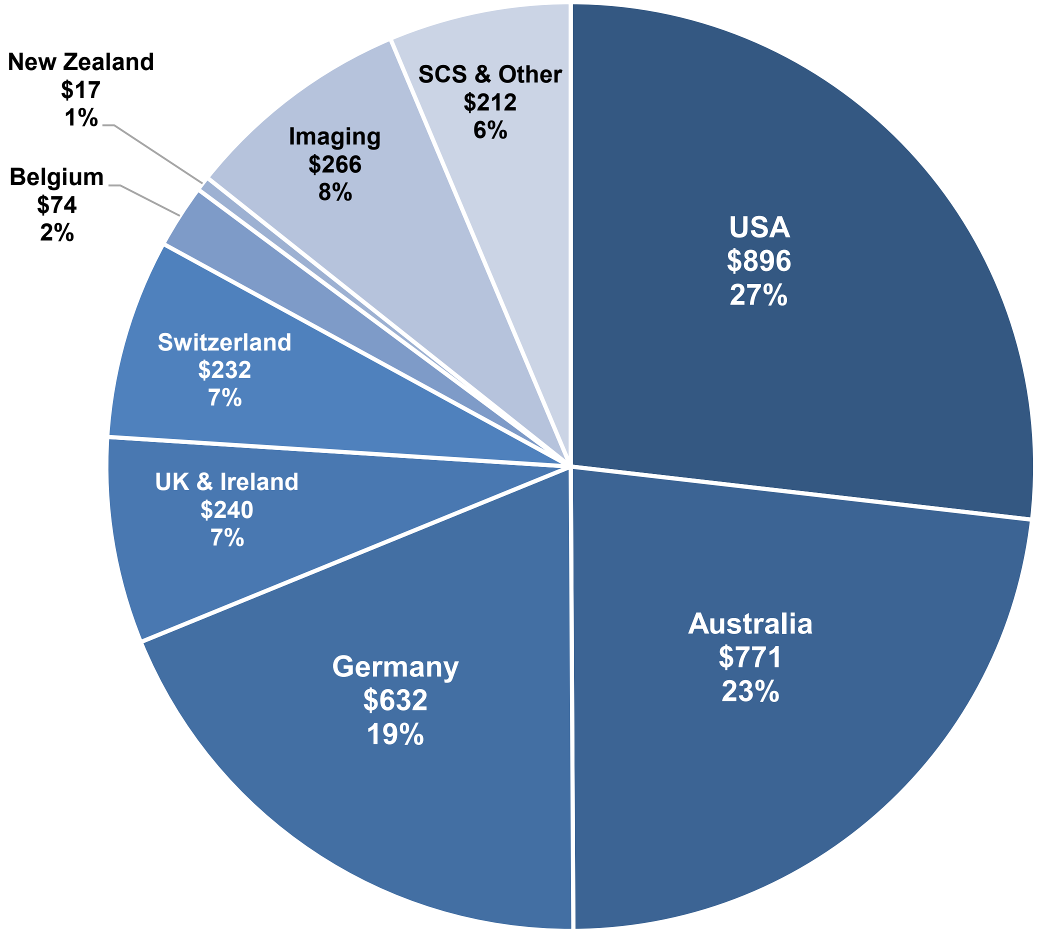
- Guidance
  - EBITDA growth 6-8% on underlying FY 2019 EBITDA of A$1,052 million (constant currency)
  - Tax rate ~25%, interest to decrease by ~5% (constant currency), capital expenditure lower in FY 2020
  - Excludes future acquisitions and impact of new lease accounting standard AASB 16
  - Incorporates PAMA fee reductions (USA) equivalent to ~2% of total group EBITDA
- On track to achieve guidance after 7 months of trading
  - 11.3% underlying EBITDA growth (constant currency) for H1 FY 2020
  - Aurora acquisition cycled 30 January 2020

Dividends

A$	FY 2020	FY 2019	Growth
Interim Dividend	0.34	0.33	3.0%

- Interim dividend franked to 30%
- Record Date: 11 March 2020
- Payment Date: 25 March 2020
- Dividend Reinvestment Plan remains suspended

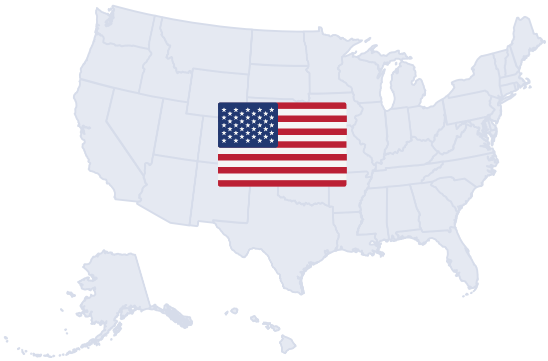
H1 FY 2020 Revenue Split

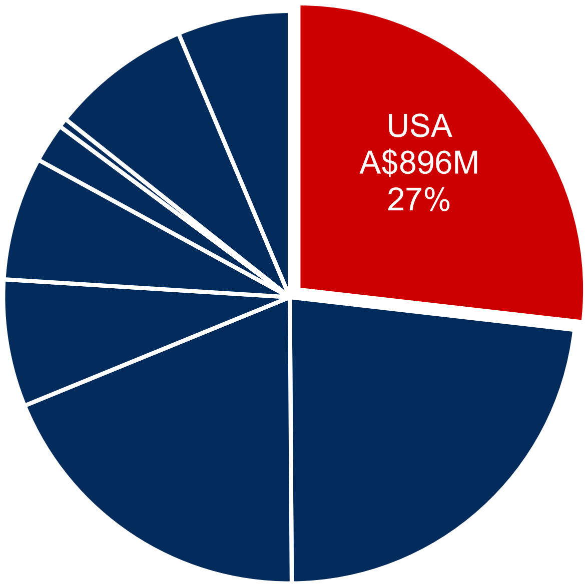


SCS & Other = Sonic Clinical Services (IPN Medical Centres, Sonic HealthPlus, other clinical service entities) and other minor operations

Revenue in A$M excluding impact of AASB 16 and interest income

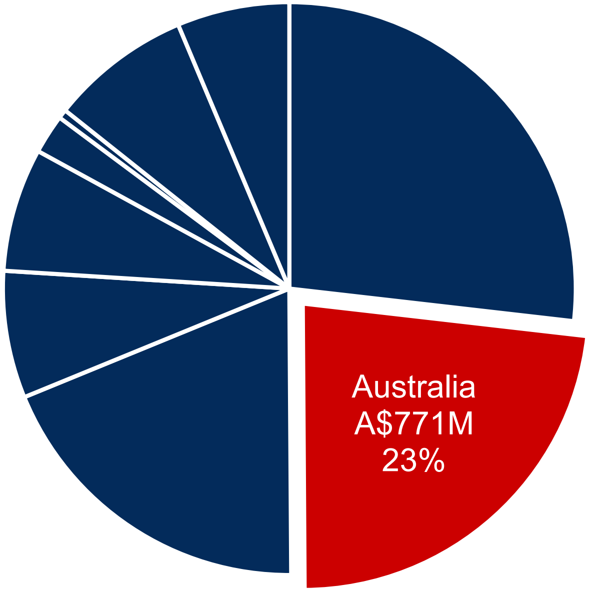
USA





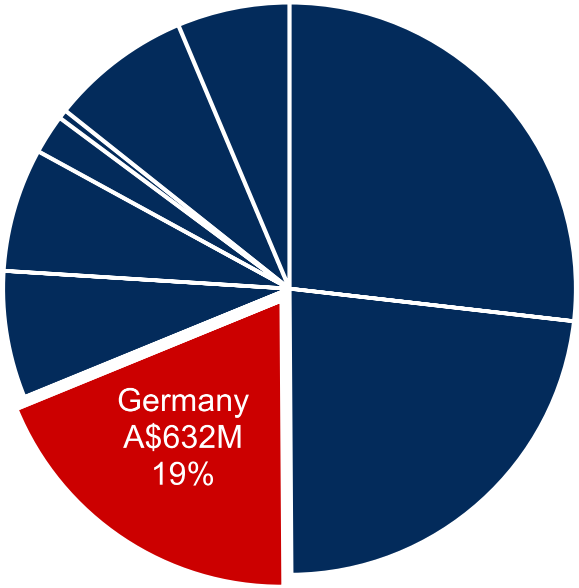
- Revenue
  - 45% revenue growth, 37% constant currency – includes Aurora acquisition
  - Organic revenue growth 2% (constant currency)
  - Growth impacted by PAMA Medicare fee cuts (1.3% of revenue)
- Aurora acquisition
  - Business has performed to expectation since acquisition
  - Cost and revenue synergies underway
- Operations
  - Growth strategies gaining momentum
  - Further market consolidation expected following PAMA fee cuts
  - Ongoing cost initiatives and restructuring to enhance efficiencies
- ThyroSeq
  - Market leading thyroid cancer genomic test
  - Exclusive 15-year licensing agreement signed
  - Builds on thyroid cancer diagnostic centre of excellence at CBLPath in New York
  - National sales strategy underway
- Active pipeline of further acquisitions

Australian Pathology



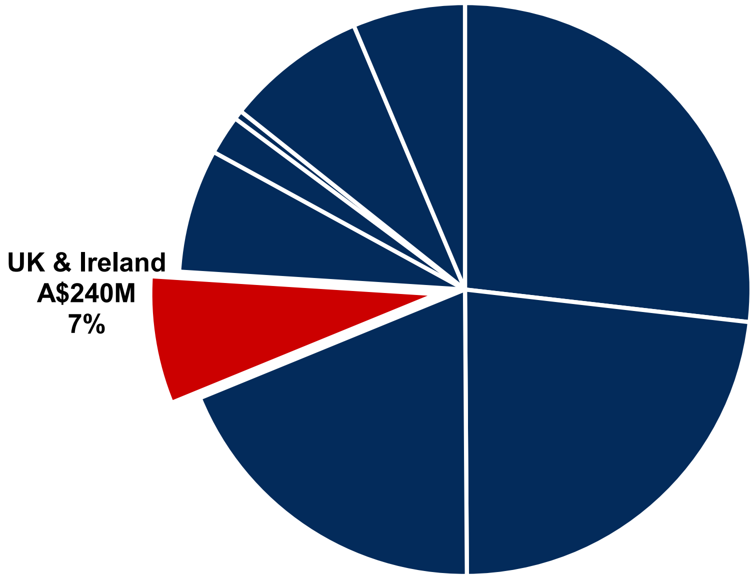
- Revenue
  - Strong organic growth of 7%
- Earnings
  - Earnings growth and margin accretion
  - Collection centre costs stabilised
- Operations
  - Market leader with efficient and innovative practices
  - Dedicated management team established for Sonic Pathology Australia
  - National roll-out of total lab automation system almost complete
  - Strong growth in genetics

Germany



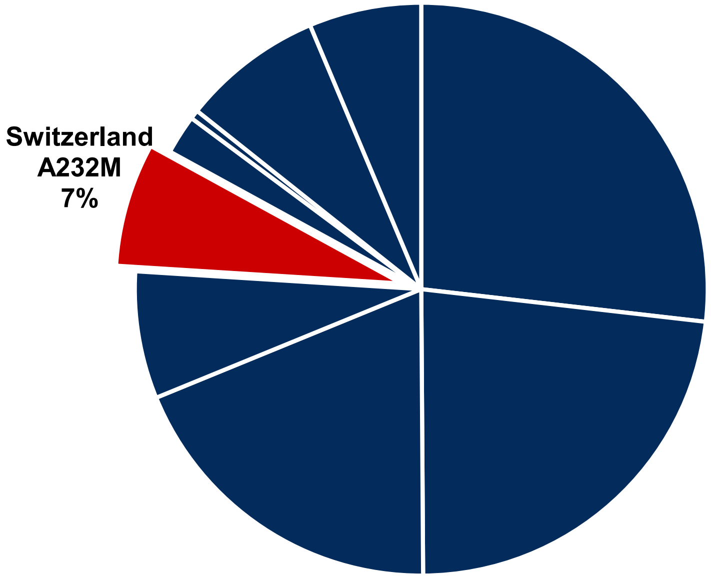
- Revenue
  - 5% revenue growth, 3% organic (constant currency)
  - Growth impacted by statutory insurance (EBM) fee quota changes
  - Organic volume growth strengthening
- Operations
  - Wide range of synergy activities underway, including laboratory mergers
  - Trier anatomical pathology acquisition (completed July 2018) performing strongly
  - Synergy capture between anatomical and clinical pathology operations
  - Focus on leading e-Health and service programs
  - Active pipeline of potential further acquisitions
- Regulatory environment stable
  - Fluctuations in quarterly EBM quota levels

UK and Ireland



- Revenue
  - 16% revenue growth, 13% organic (constant currency)
  - Strong growth in both private and NHS (National Health Service) market segments
- Operations
  - Successful commencement (December 2019) of NHS contract for HPV testing for Greater London - £15 million revenue per annum, 7-year contract
  - 10-year renewal of London North West NHS Trust contract
  - Unsuccessful in bid for South East London NHS contract – bidding on further NHS contract opportunities with significant revenue potential
  - Sonic's TDL business selected to provide laboratory services to Cleveland Clinic London – a flagship new private hospital in central London, opening 2021
  - Strong pipeline of private market opportunities
  - New laboratories established to facilitate centralisation of services, including the creation of the UK's largest anatomical pathology laboratory

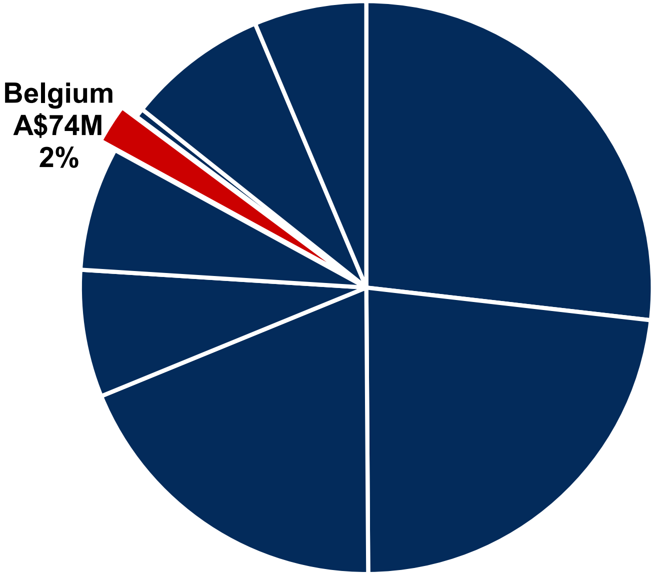
Switzerland



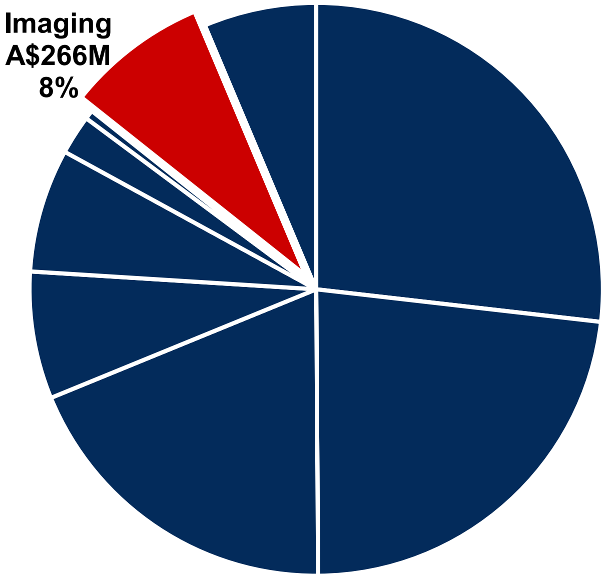
- Revenue
  - 13% revenue growth, 6% organic (constant currency)
- Operations
  - Additional hospital contract wins following Zug Cantonal Hospital
  - Zurich laboratory upgrade, with efficiency programs initiated
- Regulatory environment stable

Belgium

- Revenue
  - 4% revenue growth, 2% organic (constant currency)
- Operations
  - National laboratory information system (LIS) standardisation largely completed
  - Expansion of complex testing, including genetics
  - Operational integration ongoing, with two mergers completed
- Regulatory environment stable

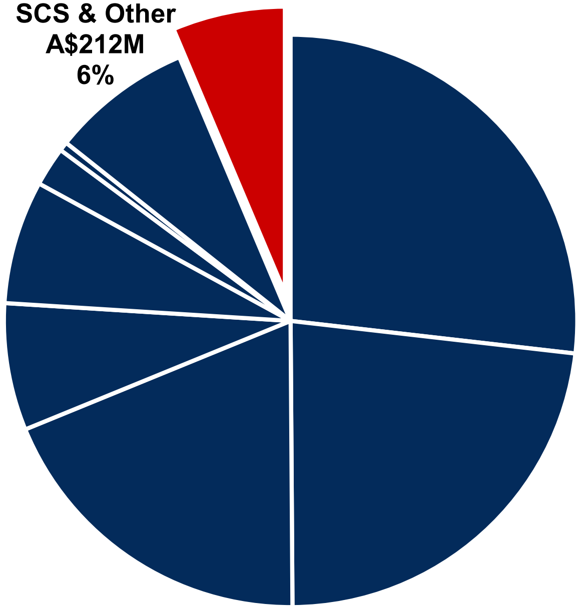


Sonic Imaging



- Revenue and earnings
  - 8% revenue growth
  - 10% earnings growth with margin accretion
- Operations
  - Commenced servicing public patients at Mater Hospital Brisbane from November 2019 under long-term agreement
  - Continuing improvement from investments in greenfield sites and new equipment
- Regulatory environment stable
  - Government to implement partial fee indexation from July 2020
  - Introduction of new MRI and PET CT fees for breast cancer (from November 2019)

Sonic Clinical Services (SCS)



- SCS includes medical centres (IPN) and occupational health (Sonic HealthPlus)
  - Australia’s largest primary care and occupational health provider
  - 229 centres and ~2,450 GPs
- Revenue
  - Revenue growth 3%
  - Market conditions improving
- Operations
  - Strong doctor recruitment and retention
  - Streamlining of operations and rationalisation of low-performing centres to enhance efficiencies
- Regulatory environment stable

Capital Management

		31 December 2019	30 June 2019
Net interest-bearing debt	A$M	2,350	2,299
Equity	A$M	5,506	5,492
Gearing ratio	%	29.9	29.5
Interest cover	X	11.2	10.5
Debt cover	X	2.1	2.1

- Investment grade balance sheet metrics
- Current available headroom of ~A$1 billion, providing flexibility for further expansion

- 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, excluding AASB 16

Outlook

- Company in strong, stable position, with embedded culture of Medical Leadership, respected brands and quality services
- Favourable industry dynamics, with stable, ongoing, non-cyclical organic growth
- Organic growth expected to be augmented by acquisitions, JVs and contracts
- Growth opportunities and risk mitigation enhanced by geographical diversification
- Investment grade credit metrics provide flexibility for future growth
- Continuous improvement in services and efficiencies a key element of corporate culture
- Stable, experienced and passionate global leadership teams

Thank you