



Annual General Meeting

21 November 2018



Forward-looking statements

This presentation includes 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 2018 Annual Report released to the ASX on 17 September 2018 and includes earnings figures restated on a "constant currency" basis.



Headlines FY 2018



- Revenue growth 8.2% to A\$5.5 billion
- EBITDA growth (underlying) 8.3% to A\$962 million
- Net profit growth 11.2% to A\$476 million
- Full-year dividend up 5.2% to A\$0.81 per share
- Strong earnings growth in both Laboratory and Imaging divisions
- Growth momentum continues at organic, acquisition and hospital laboratory JV levels



Dividends

A\$	FY 2018	FY 2017	Growth
Interim Dividend	\$0.32	\$0.31	3.2%
Final Dividend	\$0.49	\$0.46	6.5%
Total Dividends	\$0.81	\$0.77	5.2%

- Final dividend paid on 27 September 2018 (franked to 30%)
- Interim dividend paid on 10 April 2018 (franked to 20%)



FY 2019 Guidance

- FY 2019 guidance confirmed after 4 months' trading
- Guidance
 - EBITDA growth 3-5% on underlying FY 2018 EBITDA of A\$962 million (constant currency)
 - Equivalent to EBITDA growth ~6-8% assuming current exchange rates continue
 - Seasonal earnings weighting to H2
 - Interest expense to increase by ~4% (constant currency)
 - Effective tax rate ~25%
- Key guidance considerations
 - Incorporates known fee reductions
 - Lower German volumes partially offset by selective fee quota increases
 - No other regulatory changes assumed (positive or negative)
 - Current interest rates assumed to prevail
 - Excludes future acquisitions
- Accounting standard change
 - New revenue recognition standard (AASB15), effective 1 July 2018
 - Reclassification of doctor contract intangible amortisation as an offset to revenue
 - Does not impact underlying EBITDA guidance, net profit or cash flows
 - Quantum ~A\$10 million per annum

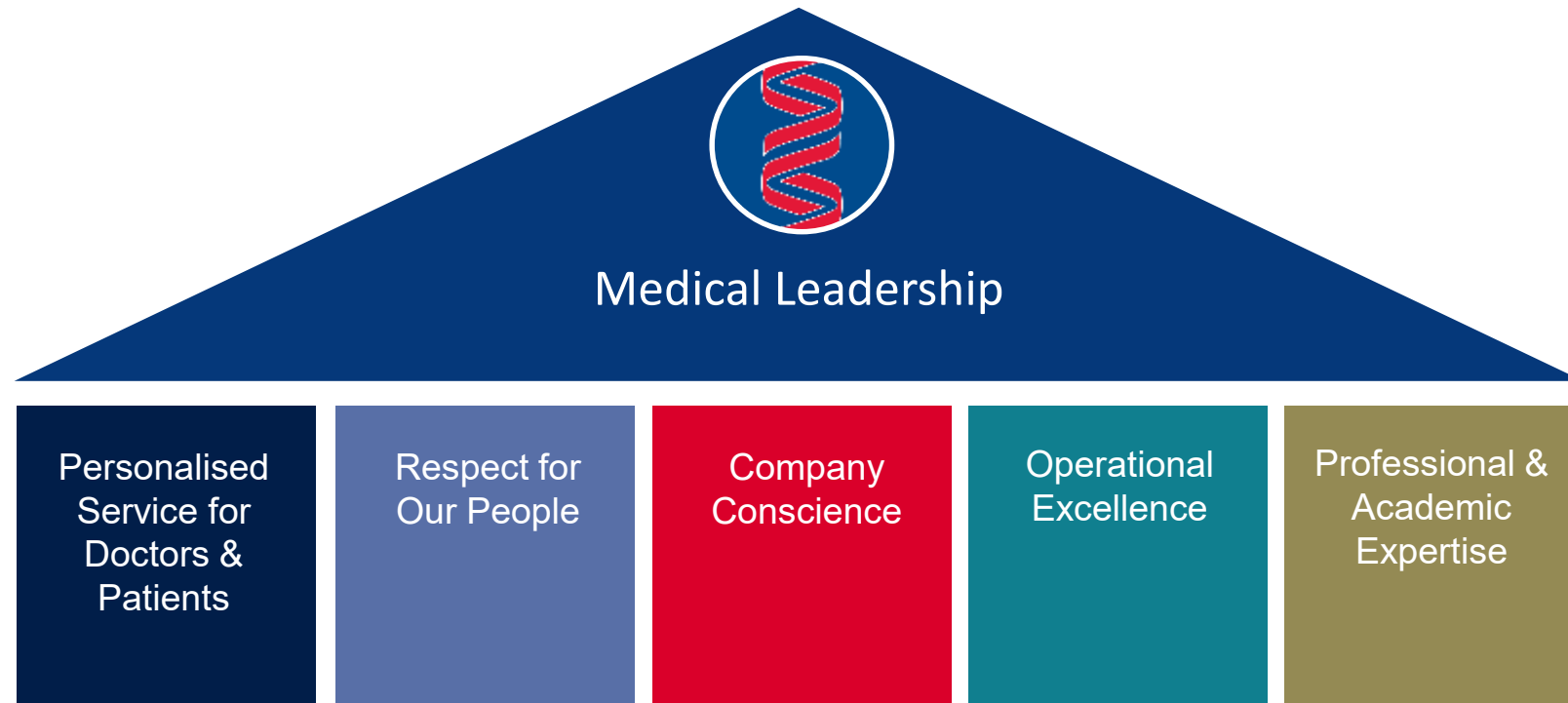


Sonic Healthcare Today

- International healthcare company providing laboratory, imaging and primary care services
- Third largest medical laboratory company in the world
- Outstanding imaging and primary care divisions in Australia
- Operating in 8 countries (Australia, USA, Germany, UK, Switzerland, Belgium, Ireland, NZ)
- 35,000 employees
- Embedded culture of Medical Leadership – highest quality medicine and best patient outcomes

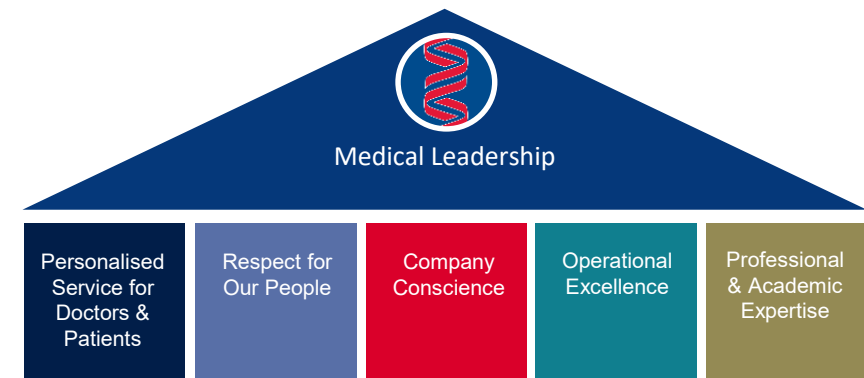


Sonic Foundation Principles – 2001

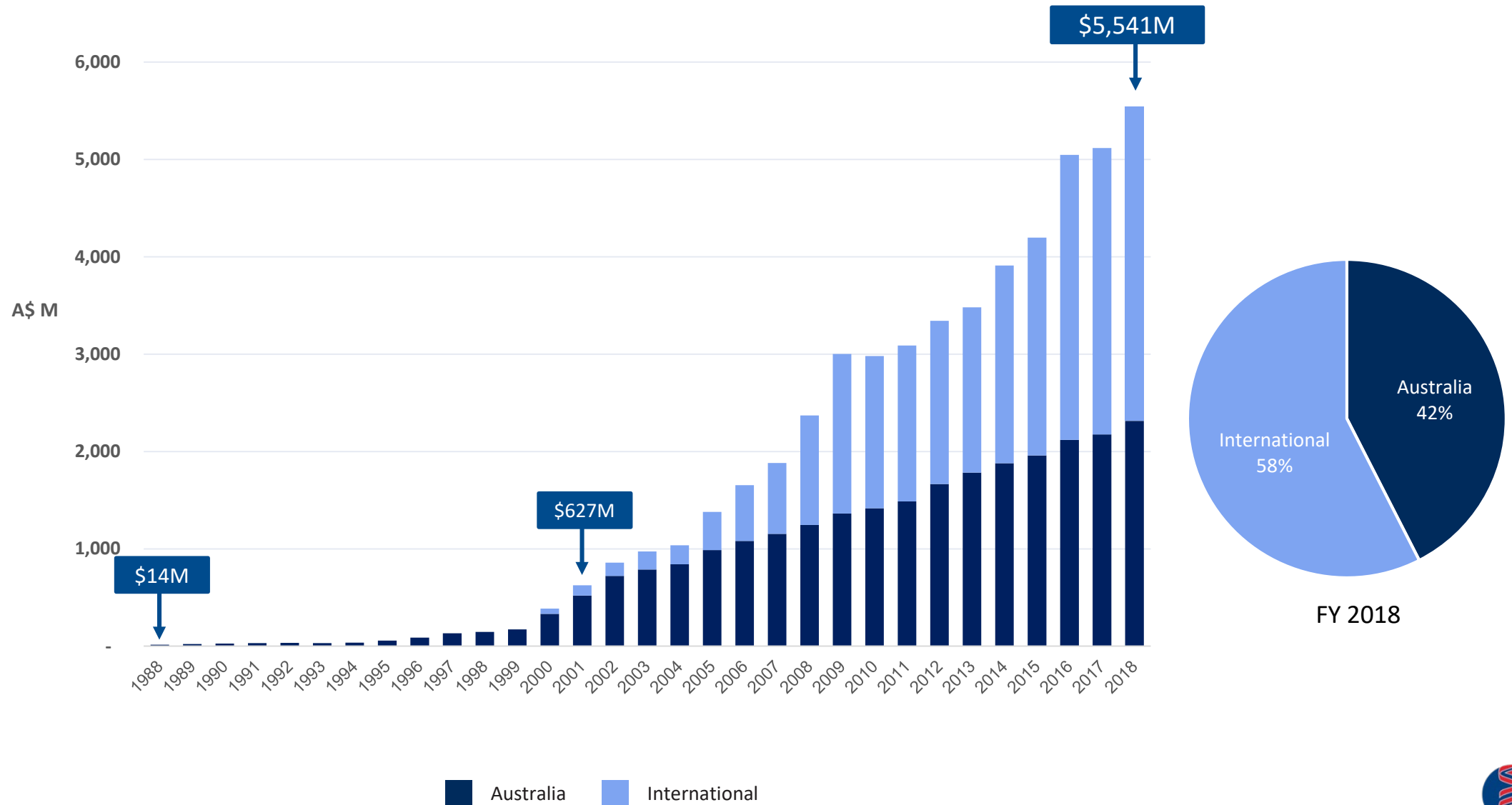


Medical Leadership

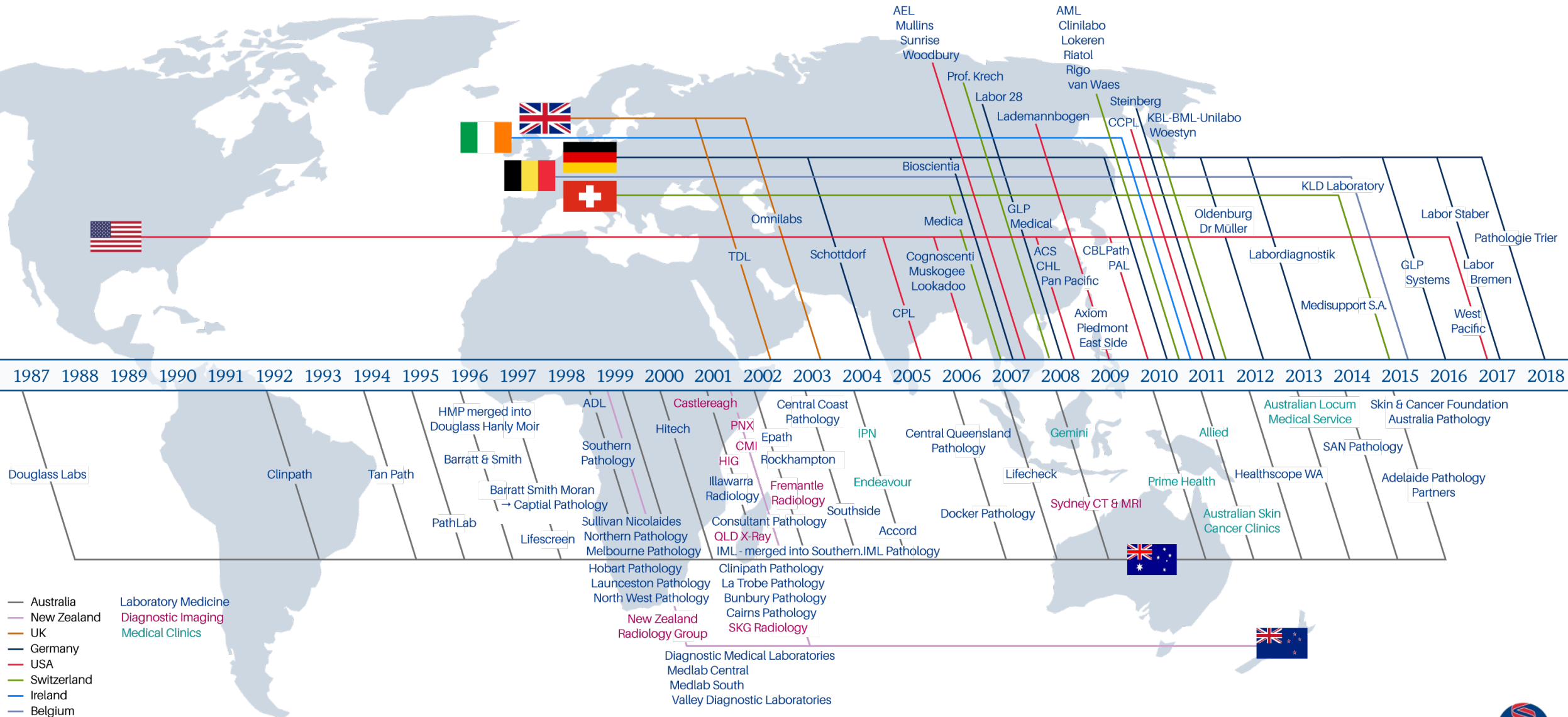
- Meaning
 - Leaders who understand doctors and the medical profession
 - Involve pathologists, radiologists, other doctors in the business
 - Make business decisions from a medical perspective – “keep the business medical”
 - Focus on highest possible quality
 - Respect for our people – empathy and compassion
- Outcomes
 - Resonance with staff, providing meaning, direction, passion, loyalty
 - Alignment of all jobs to high-quality “good medicine”, achieving best patient outcomes
 - Committed staff build company strength and resilience
 - Resonance with customers, especially clinicians
 - Driver of organic and acquisitional growth
 - Financial success, as a by-product



Annual Revenue – 31 years to 2018



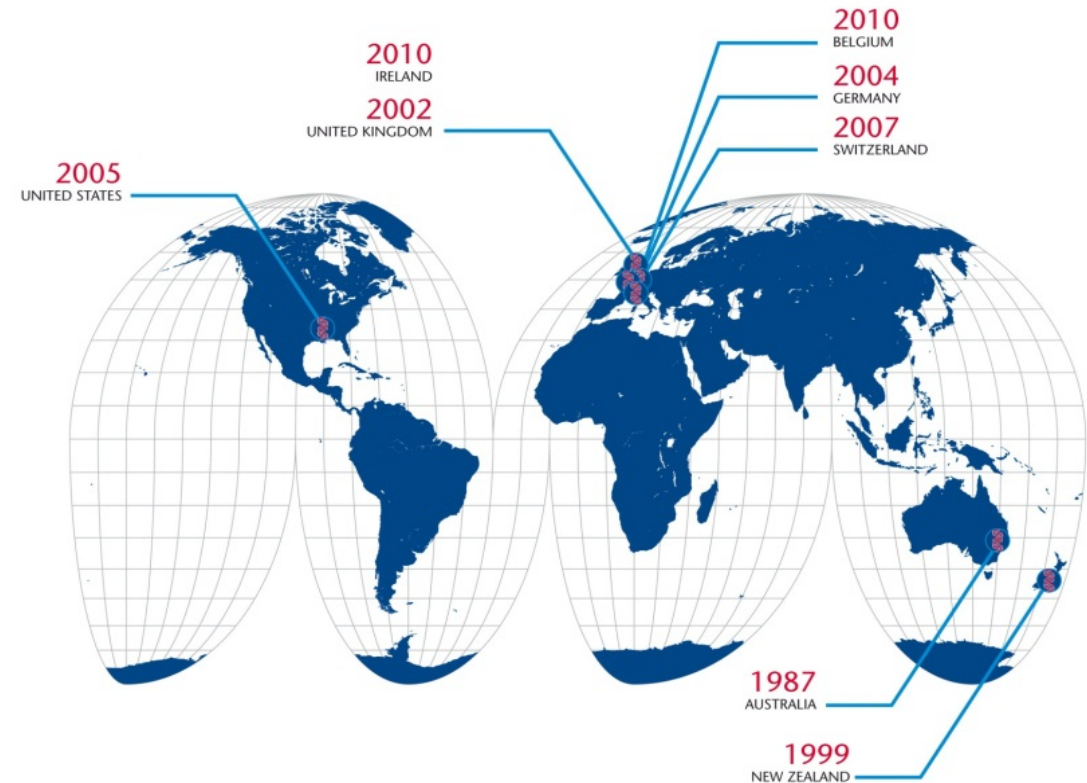
Acquisitions – 31 Years



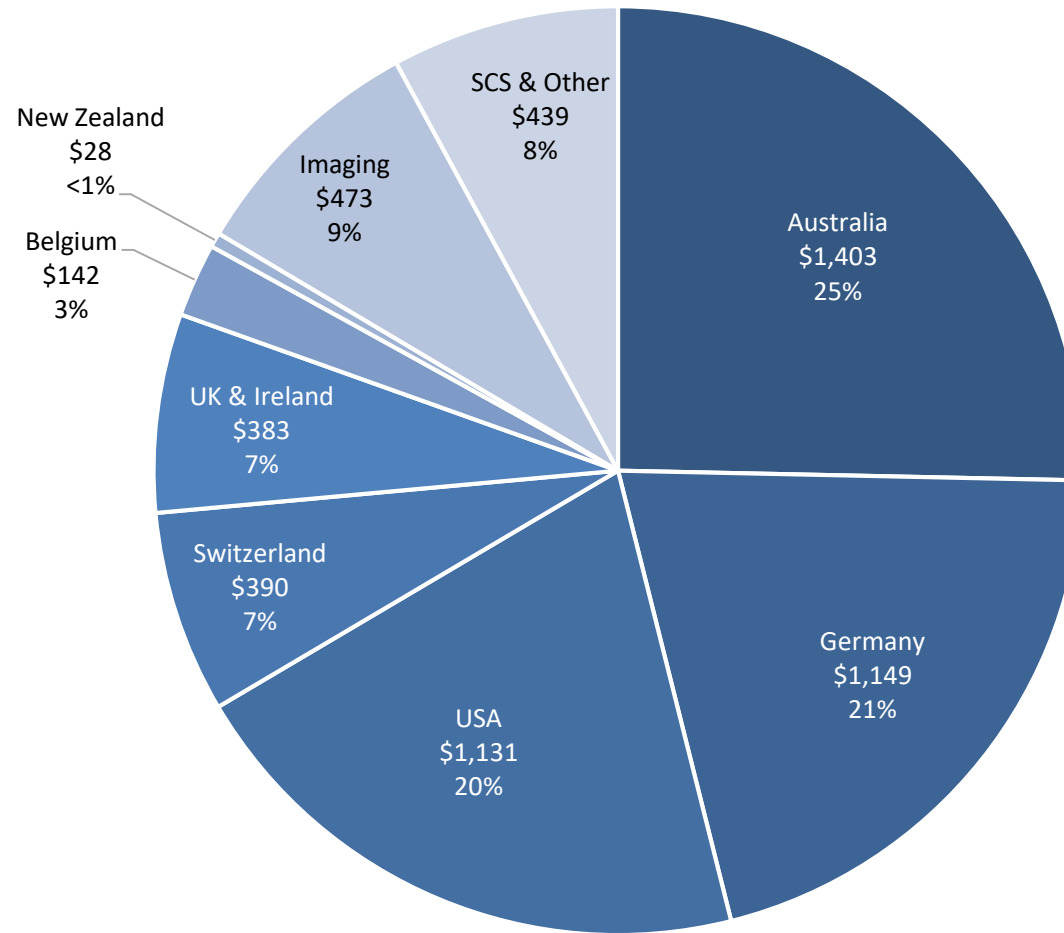
Global Expansion and Medical Leadership

Market Position

Australia	#1
UK	#1
Germany	#1
USA	#3
Switzerland	#1
Belgium	#2



FY 2018 Revenue Split



Total Revenue A\$5.5 billion

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 (\$3M)



Growth – Outlook

- Future growth underpinned by Sonic's quality, culture and strength
- Market leading positions drive organic growth
- Rich pipeline of acquisition opportunities
 - USA
 - Germany
- Partnerships, JVs, contracts
 - USA hospital laboratory market
 - UK outsourcing
- Strong industry dynamics
 - Ageing of population
 - Preventative medicine
 - New tests



Sonic's People

- More than 35,000 employees worldwide
- Sonic's culture built on the strength of its people
- Respect for our people through empathy and compassion
- Strive for workplace that is caring, secure and fulfilling
- **Respect** and **Medical Leadership** are the essence of Sonic Healthcare's strong culture and values



Staff Retention

- >10,000 staff with >10 years service
- >3,500 staff with >20 years service
- Years of service are acknowledged and celebrated across Sonic practices



Loyalty

- Sonic is considered an “employer of choice” due to its exemplary professional reputation
- Respect for staff reflected in low employee turnover rate, especially at more senior levels
- Medical Leadership and caring management style are keys to staff commitment and loyalty



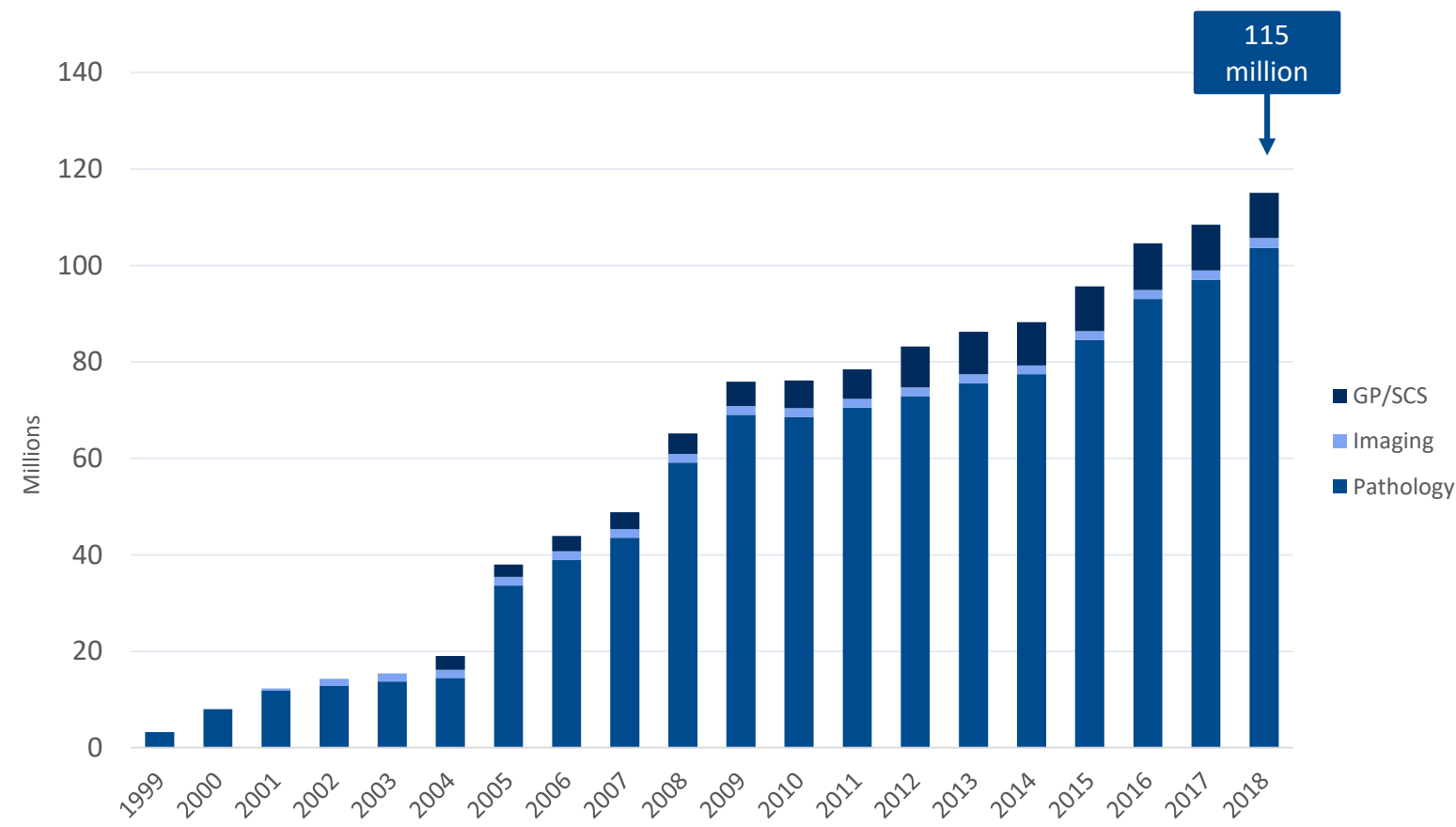
Leadership and Culture



- SonicConnect
 - A dedicated head office department
 - Established to proliferate Sonic's global culture
 - Promotes a respectful, positive, cooperative work place
- Feedback consistently shows that investment in Sonic's culture resonates strongly with staff



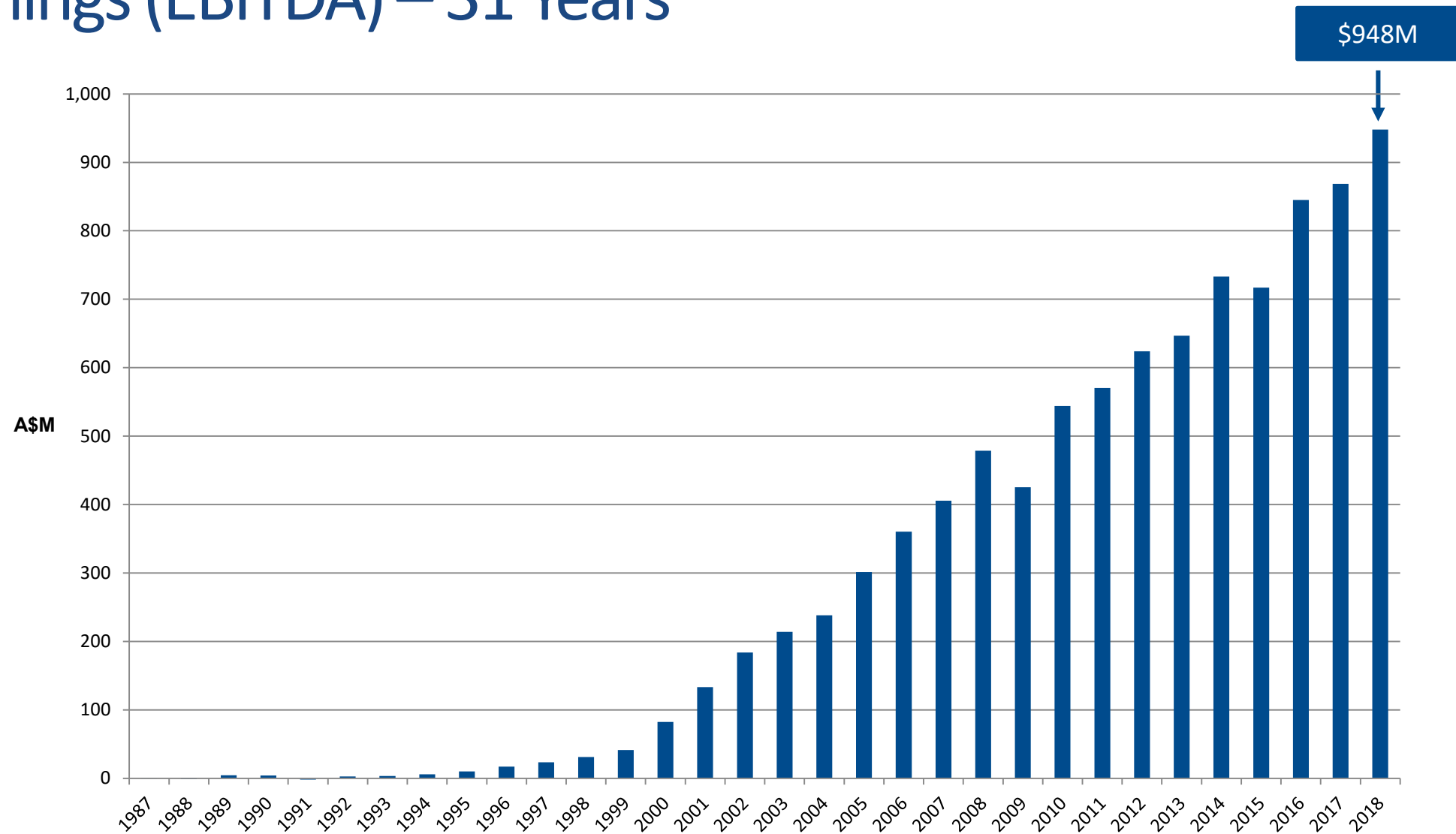
Patient consultations



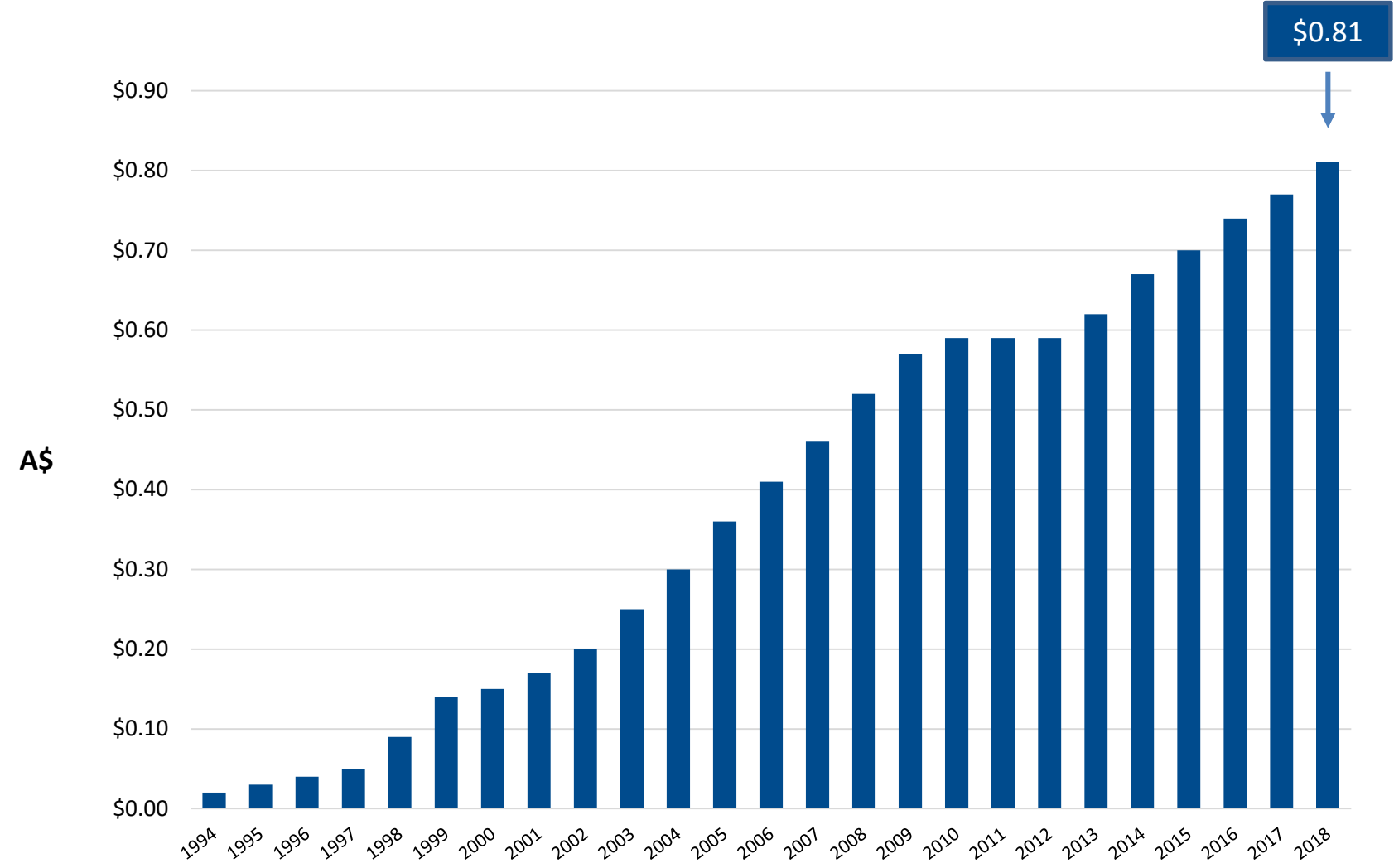
More than 1 billion patient consultations since 1999



Earnings (EBITDA) – 31 Years



Dividends – 25 Years



Sonic Healthcare – 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, Medical Leadership culture and quality services



Thank you

