FY 2017 RESULTS

YEAR ENDED 30 JUNE 2017

PRIMARY
HEALTH CARE LIMITED

GROUP RESULTS

PRIMARY HEALTH CARE LIMITED

FINANCIAL HIGHLIGHTS

Group	Underlying[1]		Reported	
$m	FY 2017	FY 2016	FY 2017	FY 2016
Revenue	**1,658.6**	1,618.5	1,658.6	1,641.9
EBIT	**174.6**	196.3	(469.7)	114.4
NPAT (continuing operations)[2]	**92.1**	96.8	(516.9)	38.2
NPAT (including MedicalDirector)	**92.1**	104.0	(516.9)	74.7
NPAT BaU[3]	**96.9**	97.9	-	-
As at			**30 June 2017**	**30 June 2016**
Free cash flow[4]			83.6	32.7
Dividend cps 100% franked (60% UNPAT)			10.6	12.0

» Decline in UNPAT driven by the repositioning in Medical Centres - Bulk Billing and partially offset by strong Imaging and solid Pathology performance

» Free cash flow > 2½x FY 2016 driven by lower HCP spend and capital discipline. Self-funded capex, dividend and reduced net debt.

» BaU broadly in-line with FY 2016 as Primary invests for future growth

» Reported results not comparable with FY 2017 including $587m non-cash impairment charge

» More positive regulatory environment in the near-term

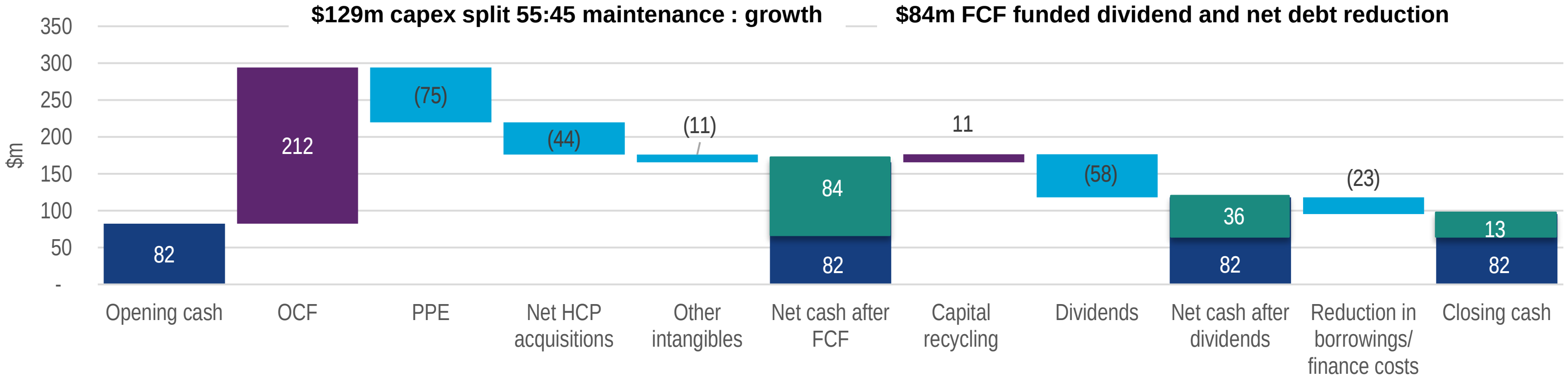
[1] Underlying performance reflects Primary's core trading performance. In FY 2017 it excludes the impact of impairments, costs associated with business restructuring and transformation, and non-recurring items

[2] NPAT (continuing operations) excludes MedicalDirector's result in FY 2016 which is separately disclosed as profit from discontinued operations.

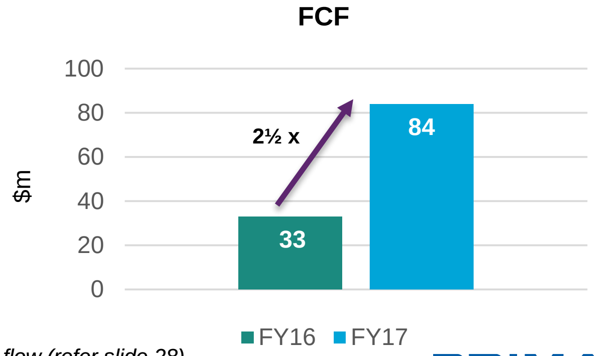
[3] BaU before ramp-up of new centres and Health & Co initiative-see slide 6

[4] FCF before capital recycling. FY 2016 also before ATO refund and MedicalDirector cash flow (refer slide 28)

SELF-FUNDED GROWTH AND DIVIDEND



- » Capex of $129m down $64m or 33%[1] of which
  - – HCP capex down $41m
  - – PP&E capex down $20m
- » Split 55:45 between maintenance and growth
- » Delivered $84m free cash flow >2½x FY 2016[2]
- » Self-funded $58m dividend and reduced net debt $36m



[1]*Capex is before capital recycling initiatives. FY 2016 also before MedicalDirector (refer slide 28)*

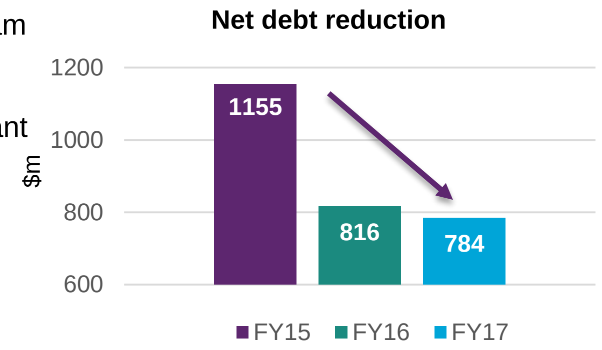
[2]*FCF before capital recycling initiatives. FY 2016 also before ATO refund and MedicalDirector cash flow (refer slide 28)*

PRIMARY HEALTH CARE LIMITED

IMPROVED NET DEBT POSITION

Reported $m	As at 30 June 2017	 30 June 2016	 30 June 2015
Total debt	879.7	898.3	1,205.5
Cash	(95.5)	(82.3)	(50.0)
Net debt	784.2	816.0	1,155.5
Bank gearing ratio (covenant <3.5x)	2.5x	2.4x	3.0x
Bank interest ratio (covenant >3.0x)	7.9x	6.6x	5.9x
Gearing (net debt: net debt + equity)	29.5%	25.2%	32.4%

- Significant improvement in leverage in FY 2016 from $327m capital recycling program
- Further improved in FY 2017 from free cash flow
- Syndicated bank facility has gearing and interest ratios covenant. We have significant cover on the limits
- Substantial liquidity available - $365m headroom on financings
- Gearing impacted by $587m non-cash impairment reducing equity



PRIMARY HEALTH CARE LIMITED

IMPACT OF GROWTH INITIATIVES

Underlying	FY 2017 $m	FY 2016 $m	Better/ (worse) %
NPAT	92.1	96.8	(4.9)
New centres / Health & Co	4.8	1.1	
NPAT BaU	96.9	97.9	(1.0)

- Underlying performance, before new centres and Health & Co, broadly in-line with FY 2016
  - FY 2017 openings: Medical Centres - Corrimal Medical Centre, Brisbane IVF
    Imaging - River City and Holmesglen Private Hospital
  - FY 2016 openings: Imaging - Varsity Lakes and National Capital Private Hospital
- FY 2018 will have margin drag from 4 new Medical Centres, Perth IVF, and Kawana Imaging Centre

PRIMARY HEALTH CARE LIMITED

BRIDGE OF REPORTED TO UNDERLYING

FY 2017 $m	Reported	Impairment	Restructuring & strategic initiatives	Non-recurring items	Underlying
EBIT	**(469.7)**	587.0	39.2	18.1	**174.6**
Finance costs	**(43.1)**				**(43.1)**
PBT	**(512.8)**		$644.3m EBIT adjustment		**131.5**
Income Tax	**(4.1)**				**(39.4)**
NPAT	**(516.9)**				**92.1**

FY 2016 $m	Reported	Balance Sheet Review	Restructuring & strategic initiatives	Gain on sales / ATO	Underlying
EBIT	**114.4**	85.9	32.9	(36.9)	**196.3**
Finance cost	**(58.0)**				**(58.0)**
PBT	**56.4**		$81.9m EBIT adjustment		**138.3**
Income Tax	**(18.2)**				**(41.5)**
NPAT	**38.2**				**96.8**

» Reported results are not comparable due to the changing nature of business - refer slides 25-26 for more detailed analysis

PRIMARY HEALTH CARE LIMITED

DIVISIONAL RESULTS & STRATEGY

PRIMARY HEALTH CARE LIMITED

MCBB: FY 2017 – CHANGE IN METRICS

Underlying	FY 2017 $m	FY 2016 [1] $m	Better/ (worse) $	Better/ (worse) %
HCP capital expenditure	30.3	60.6	30.3	50.0
EBITDA less HCP capital expenditure	95.5	92.2	3.3	3.6
Revenue	317.8	328.7	(10.9)	(3.3)
EBIT	49.6	71.9	(22.3)	(31.0)

Under new contracts, we have significantly reduced upfront costs, improved cash flow and widened appeal

HCP capex down $30.3m
EBITDA-HCP capex up $3.3m

To balance the value proposition, HCP revenue share up (see slide 11).

Revenue down $(10.9)m

Additional investments made to:

- ***recruit and support HCPs***
- ***expand service offerings – dental, specialists, occupational health, chronic care***
- ***Employee engagement***
- ***Corrimal / Brisbane IVF opened***

EBIT down $(22.3)m =
Revenue down $(10.9)m
D&A savings $4.7m
Costs up $(16.1)m

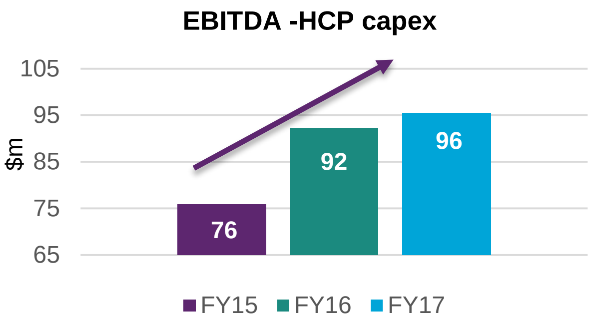
[1] FY 2016 restated to ensure the allocation of expenses from corporate is consistent with FY 2017

PRIMARY HEALTH CARE LIMITED

MCBB: GP KEY DRIVERS

GPs	FY 2017	FY 2016	FY 2015	Better/ (worse) % FY16-17	Better/ (worse) % FY15-16
Headcount	1,040	960	923	8.3	4.0
FTEs[1]	959	920	908	4.2	1.3
Gross billings ($'m)	416.0	417.5	415.8	n/m	n/m
Share of revenue (%)	42.9%	46.0%	47.6%	(310) pp	(160) pp
GP capital expenditure[2] ($'m)	27.4	53.2	63.7	48.5	16.5
EBITDA-HCP capex[3] ($'m)	95.5	92.2	75.8	3.6	21.6

- FTEs more appropriate measure with increasing part-timers/ lower contracted hours
- Gross billings broadly stable year-on-year
- Primary receiving lower share of billings under new contracts hence greater number of GPs is critical to revenue growth
- GP capex reducing significantly year-on-year releasing capital to fund expansion
- EBITDA-HCP capex is a better measure as it reflects immediate cash impact of new contracts with accounting performance delayed due to 5 year amortisation

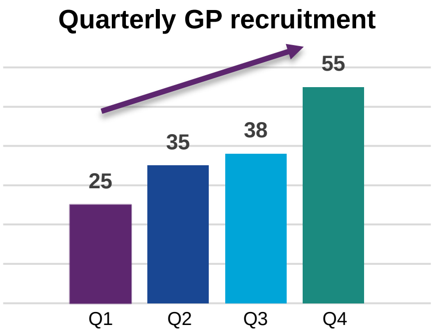


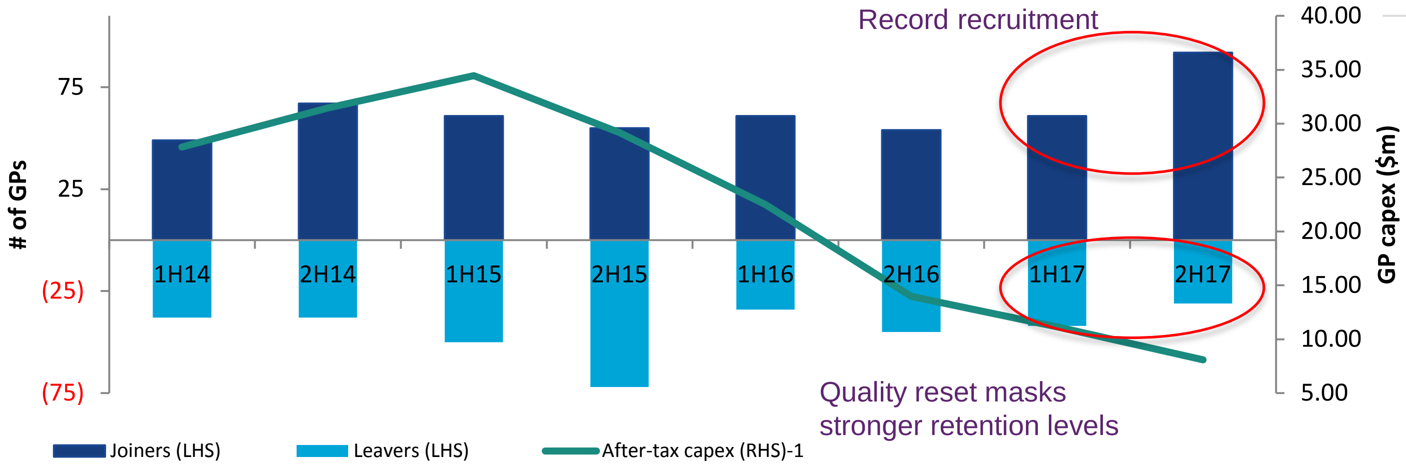
[1] *FTEs based on 40-hour week* [2] *Gross GP capex. Gross HCP capex FY 17 $30.3m, FY 16 $60.6m, FY 15 $79.9m*
[3] *Prior years restated to ensure the allocation of expenses from corporate is consistent with FY 2017*

PRIMARY HEALTH CARE LIMITED

MCBB: GP RECRUITMENT

- Recruitment and retention are critical success factors
- Record 153 GPs recruited, with momentum increasing
- Retention improved to 92% across cohort with 1/3 of leavers' contracts not renewed
- Strong pipeline of GPs. Plus record 92 registrars over 12-month training cycle
- $19m after-tax GP capex, 73% of new GPs electing for 'no-upfront' contracts





MCBB: STRATEGY

- HCP and employee engagement
  - Improve offering to HCPs: recruitment packages, increased support services, nurses, relationship team
- Staff engagement activities
- Diversification of service offerings
  - Dental, specialists, IVF, occupational health, integrated care
- Expansion
  - Opening of Corrimal centre and Brisbane IVF
  - Reconfiguration of vacant space
  - Roll out of 4 new medical centres and Perth IVF in FY 2018
- Portfolio optimisation
  - Refurbishment of existing sites
  - Closure of underperforming Parramatta centre
- Customer experience
  - Improvement in patient experience e.g. improved patient journey, queue management

EXPANSION	INVESTMENT	ENGAGEMENT	DIVERSIFICATION
Recruitment	Helix (Black Swan)	HCP Recruitment & Retention	Dental
Reconfigurations	Refurbishments	Staff Development & Retention	Specialists
Corrimal NSW	Customer Experience	Leadership Conference	IVF
IVF BNE		Industry & Government	Occupational Health
4 New Centres & IVF Perth -FY18			Integrated Care

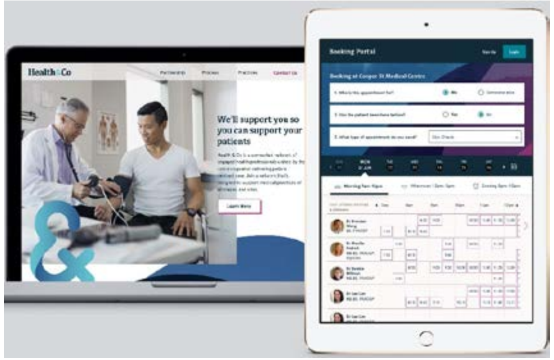
BACK TO BASICS

PRIMARY HEALTH CARE LIMITED

MCPB: HEALTH & CO

Underlying	FY 2017 $m
Revenue	1.8
EBITDA	(2.3)
EBIT	(2.3)
Capital expenditure	8.4

- Launch of brand and partnership with Professor Kerryn Phelps
- 5 clinics in Health & Co network to-date
- Strong pipeline of interest



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PATHOLOGY: FY 2017 ANALYSIS

Underlying	FY 2017 $m	FY 2016[1] $m	Better/ (worse) %
Revenue	**1,038.4**	994.4	4.4
EBITDA	**146.0**	144.9	0.8
Depreciation	**(18.8)**	(19.1)	1.6
Amortisation	**(7.7)**	(7.5)	(2.7)
EBIT	**119.5**	118.3	1.0
Capital expenditure	**26.9**	40.5	33.6

- Above market revenue growth of $44.0m or 4.4%
  - Increases in both volume and price
- EBIT margin compression
  - Property costs with 124 additional Approved Collection Centres and rental rate increases
  - Consumables and cost of new genetic tests
- Maintained disciplined approach with capex down 33.6% on pcp

[1] FY 2016 restated to ensure the allocation of expenses from corporate is consistent with FY 2017

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PATHOLOGY: STRATEGY

- ACC costs
  - Net 124 ACCs in response to Government policy uncertainty
  - Strategy reset with greater policy clarity
  - FY 2018 initiatives to reduce rental cost growth:
    - Rent negotiation discipline
    - Portfolio assessment v target margins
    - Exit or renegotiate underperforming sites
- Diversification
  - Niche specialties: Kossard Dermatopatholgy
  - Partnerships with operators aligned to specialties
  - Expansion in private hospitals
  - Medical Centres revenue optimisation eg skin clinics
  - Organic opportunities in Southeast Asia via capital light joint ventures
- Driving efficiencies
  - Optimisation of laboratory infrastructure and procurement processes

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IMAGING: FY 2017 ANALYSIS

Underlying	FY 2017 $m	FY 2016[1] $m	Better/ (worse) %
Revenue	**333.5**	326.9	2.0
EBITDA	**57.8**	61.9	(6.6)
Depreciation	**(16.8)**	(25.6)	34.4
Amortisation	**(12.0)**	(13.9)	13.7
EBIT	**29.0**	22.4	29.5
HCP capital expenditure	**4.3**	10.3	58.3
Capital expenditure	**28.2**	54.5	48.3

- Strong EBIT expansion reflecting benefits of business portfolio management
  - Closure of uneconomic community sites
  - Focus on higher margin modalities e.g. MRI and CT
  - Growth from Medical Centres through focus on service offerings (revenue up 8%)
  - Containment of labour growth
  - $12.2m costs in EBITDA from sale and leaseback and property trust. Offset by savings in depreciation and notional interest
  - Saving in amortisation from more radiologists on ‘no-upfront’ and roll-off of Symbion hospital contract amortisation
- Self-funding for 2nd year. 48.3% reduction in total capex on pcp with HCP capex reducing 58.3%

[1] FY 2016 restated to ensure the allocation of expenses from corporate is consistent with FY 2017

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IMAGING: STRATEGY

» HCP contracts

– Radiologists stable at 115

– 70% starters on ‘no upfront’ contracts

» Portfolio alignment and investing for growth

– Hospital contracts (Holmesglen)

– Northern Beaches PPP critical for enhancing reputation in FY18-19

– Fit for purpose high-end imaging centres (River City, Kawana)

– Primary’s large-scale medical centres network (Corrimal)

– “Whole of Primary” view improving service levels to optimise referrals

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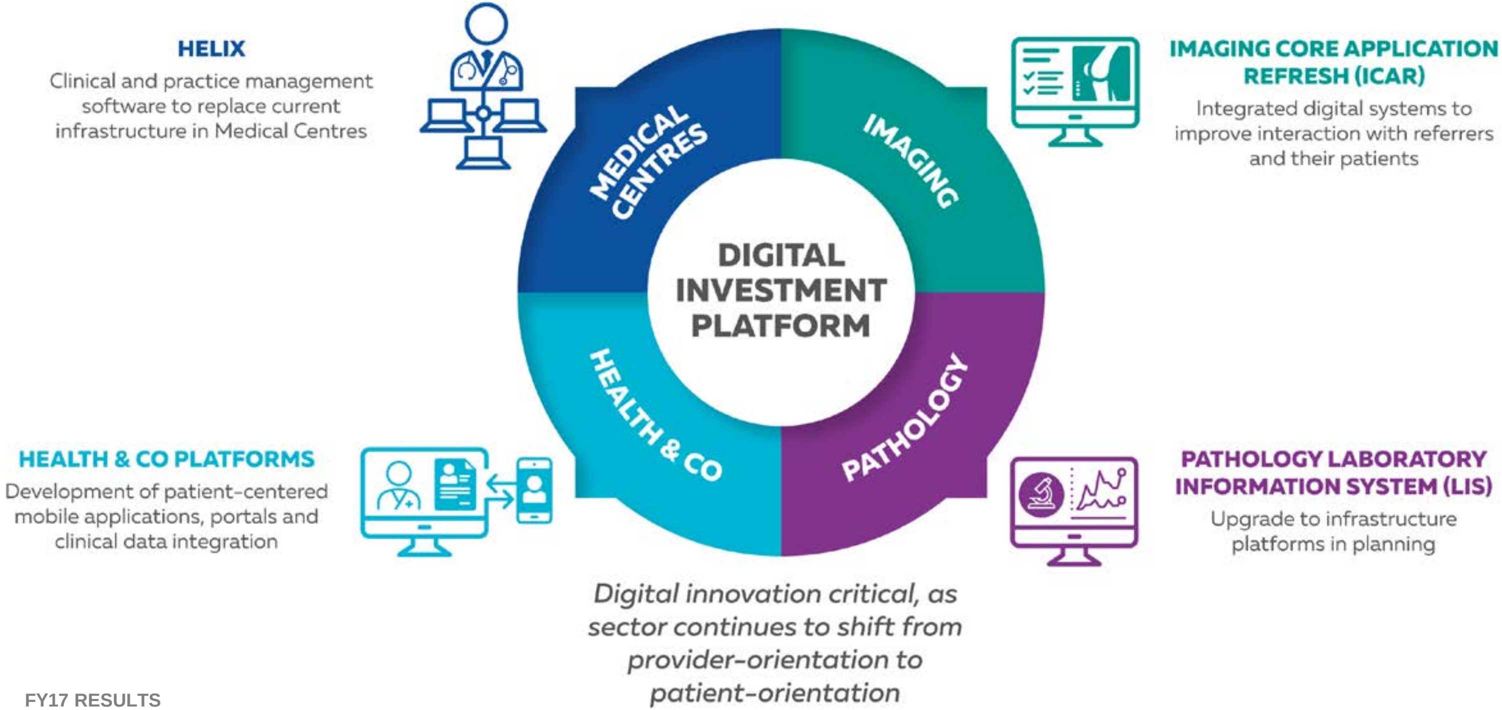
DIGITAL INVESTMENT

» Deliver a secure and scalable platform. Investments underway or in planning:



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GOVERNMENT & SUMMARY

GOVERNMENT POLICY

» Federal Budget gave clarity on:
  – Progressive restoration of Medicare indexation for GPs, specialists, some imaging modalities. Delivers ~$3.5m annual revenue growth in FY 2019
  – Bulk bill incentives to remain in pathology and imaging
  – Rent regulation for pathology ACCs removed from agenda
» MBS review continues but limited findings released to-date
» Primary likely to participate in 12 Health Care Homes trials
» On-going discussion regarding RANZCAR/ADIA[1] potential Quality Framework
» More positive short-term policy settings
» Irrespective of policy, diversification of revenue: Health & Co, non-MBS GP services and pathology specialities
» On-going dialogue to influence future policy debate

[1] *RANZCAR: Royal Australian and New Zealand College of Radiologists. ADIA: Australian Diagnostic Imaging Association*

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WRAP UP

- Aims
  - Cement position as leading supporter of quality healthcare services
  - Deliver long-term sustainable growth to shareholders
  - Become preferred place for HCPs to practise, staff to work, and patients to visit
  - Drive patient-centricity throughout Primary modalities with Medical Centres at the centre
- Transformation agenda FY 2017
  - Increasing HCP numbers
  - Diversifying and expanding service offerings
  - Growing the Medical Centres and Imaging footprints
  - Investing in technology and people capabilities
  - Optimising Group synergies and better integration of offerings
  - Improving employee engagement
- Expected to deliver the pathway for sustainability and growth
- Dr Parmenter commences in September

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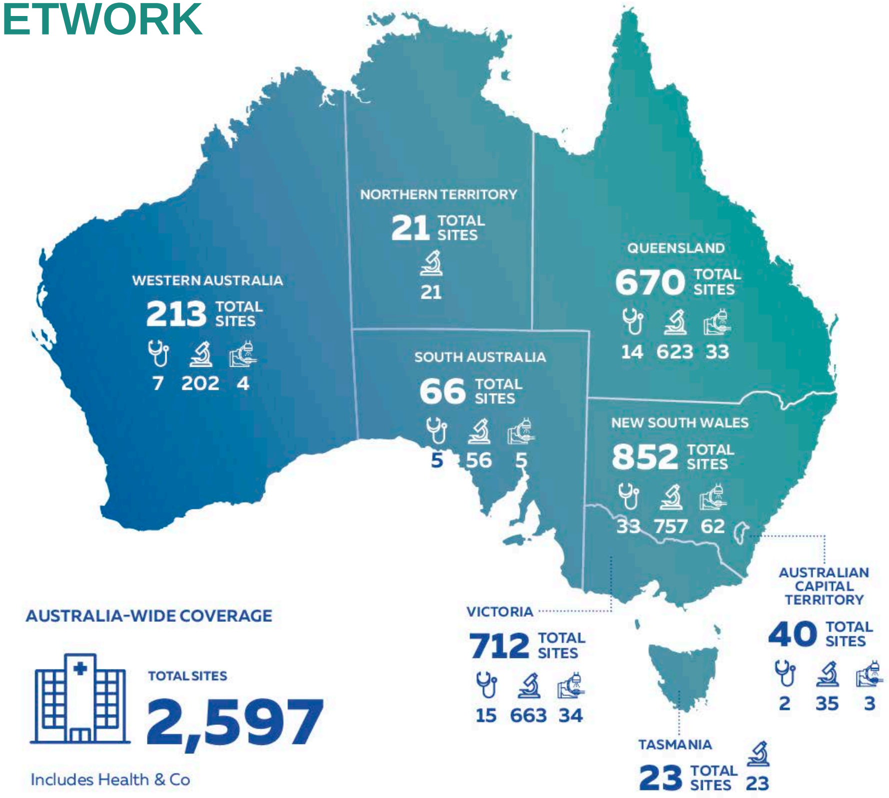
APPENDICES

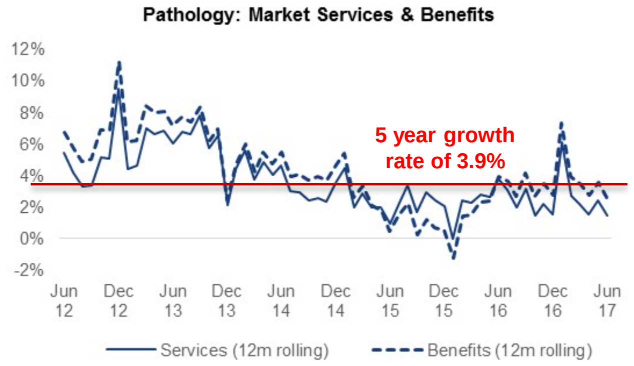
A MARKET LEADING NETWORK

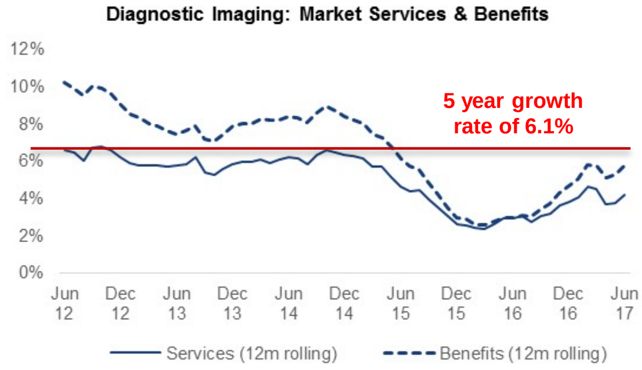


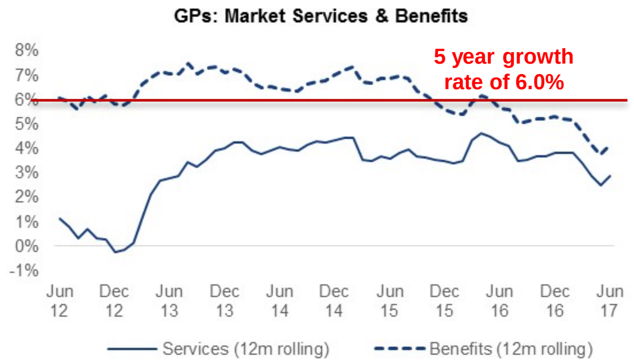
As at August 2017

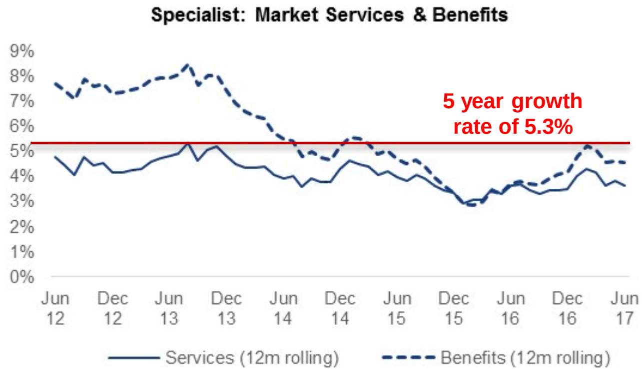
PRIMARY HEALTH CARE LIMITED

INDUSTRY TRENDS









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UNDERLYING RESULTS BY DIVISION

FY 2017 $M	Medical Centres BB	Health & Co	Pathology	Imaging	Corporate	Group
Revenue[1]	317.8	1.8	1,038.4	333.5	0.1	1,658.6
EBITDA	125.8	(2.3)	146.0	57.8	(16.1)	311.2
Depreciation	(20.8)	(0.0)	(18.8)	(16.8)	(2.8)	(59.2)
Amortisation	(55.4)	(0.0)	(7.7)	(12.0)	(2.3)	(77.4)
EBIT	49.6	(2.3)	119.5	29.0	(21.2)	174.6

FY 2016[2] $M	Medical Centres BB	Health & Co	Pathology	Imaging	Corporate	Group
Revenue[1]	328.7	-	994.4	326.9	1.6	1,618.5
EBITDA	152.8	-	144.9	61.9	(10.3)	349.3
Depreciation	(20.0)	-	(19.1)	(25.6)	(1.6)	(66.3)
Amortisation	(60.9)	-	(7.5)	(13.9)	(4.4)	(86.7)
EBIT	71.9	-	118.3	22.4	(16.3)	196.3

[1] $33.0m of inter-company revenue/expenses have been eliminated at the Group level (FY 2016 $33.1m)
[2] FY 2016 restated to ensure the allocation of expenses from corporate is consistent with FY 2017

PRIMARY HEALTH CARE LIMITED

RECONCILIATION OF REPORTED TO UNDERLYING FY 2017

FY 2017 $M	Reported	Impairment	Restructuring & strategic initiatives	Non-recurring items	Underlying
Revenue	1,658.6	0.0	0.0	0.0	1,658.6
EBITDA	(333.1)	587.0	39.2	18.1	311.2
Depreciation	(59.2)	0.0	0.0	0.0	(59.2)
Amortisation	(77.4)	0.0	0.0	0.0	(77.4)
EBIT	(469.7)	587.0	39.2	18.1	174.6
Finance costs	(43.1)	0.0	0.0	0.0	(43.1)
PBT	(512.8)	587.0	39.2	18.1	131.5
Income Tax	(4.1)	-	-	-	39.4
NPAT	(516.9)	-	-	-	92.1

- Impairment charge: goodwill in Medical Centres ($468.5m) and asset carrying values and associated provisions including ex Symbion sites ($118.5m)
- Restructuring and strategic initiatives: transformation costs ($21.9m), redundancies ($11.2m) and set-up of private/mixed billing medical centre vehicles and pathology in SE Asia ($6.1m)

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RECONCILIATION OF REPORTED TO UNDERLYING FY 2016

FY 2016 $M	Reported	Balance Sheet Review	Restructuring & strategic initiatives	Gain on Sale / Dissolution	ATO settlement	Underlying
Revenue	1,641.9	0.0	0.0	(23.4)	0.0	1,618.5
EBITDA	271.1	83.2	31.9	(23.4)	(13.5)	349.3
Depreciation	(70.1)	2.8	1.0	0.0	0.0	(66.3)
Amortisation	(86.6)	(0.1)	0.0	0.0	0.0	(86.7)
EBIT	114.4	85.9	32.9	(23.4)	(13.5)	196.3
Finance costs	(58.0)	0.0	0.0	0.0	0.0	(58.0)
PBT	56.4	85.9	32.9	(23.4)	(13.5)	138.3
Income Tax	(18.2)	-	-	-	-	(41.5)
NPAT continuing operations	38.2	-	-	-	-	96.8

- Balance Sheet review including write-offs of property, legacy IT costs and sundry assets
- Restructuring and strategic initiatives
- Gains on sales of THI and VEI shareholding, and dissolution of a Joint Venture
- Adjustment to the ATO settlement relating to potential HCP tax liabilities

PRIMARY HEALTH CARE LIMITED

MCBB: FY 2017 ANALYSIS

Underlying	FY 2017 $m	FY 2016 [1] $m	Better/ (worse) %
Revenue	317.8	328.7	(3.3)
EBITDA	125.8	152.8	(17.7)
Depreciation	(20.8)	(20.0)	(4.0)
Amortisation	(55.4)	(60.9)	9.0
EBIT	49.6	71.9	(31.0)
HCP capital expenditure	30.3	60.6	50.0
EBITDA less HCP capital expenditure	95.5	92.2	3.6
Total capital expenditure (before capital recycling)	56.4	83.1	32.1

[1] *FY 2016 restated to ensure the allocation of expenses from corporate is consistent with FY 2017*

PRIMARY HEALTH CARE LIMITED

CASH FLOW RECONCILIATION

Underlying	FY 2017 $m	FY 2016 $m	Movement $'m
Operating cash flows	**212.2**	225.8	(13.6)
Payments for PP&E, HCPs, intangibles	**(128.6)**	(193.1)	64.5
Free cash flow	**83.6**	32.7	50.9
Capital recycling	**10.9**	327.3	(316.4)
ATO refund	**-**	49.0	-
MedicalDirector operating cash flow	**-**	10.3	-
MedicalDirector investing cash flow	-	(11.8)	-
Dividends	**(58.4)**	(64.4)	6.0
Debt reduction / finance costs	**(22.8)**	(310.9)	288.1
Net increase in cash held	**13.3**	32.2	(18.9)
Opening cash	**82.3**	50.0	32.3
F/X	**(0.1)**	0.1	(0.2)
Closing cash	**95.5**	82.3	13.2

PRIMARY HEALTH CARE LIMITED

TAX IMPLICATIONS OF HCP ACQUISITIONS

» Healthcare Practitioners contracted on or after 1 July 2015:
  – Deferred tax liability (DTL) to be recognised at the time of the acquisition of healthcare practices and capitalisation of contractual relationship intangible assets.
  – Equal movement in DTL will ensure an effective tax rate of 30%

» Healthcare Practitioners contracted prior to 30 June 2015:
  – No DTL has been recognised regarding the acquisition of healthcare practices and capitalisation of contractual relationship intangible assets to-date
  – Therefore there is a non-deductible (permanent) difference which will increase the notional effective tax rate above 30%. This will progressively decrease as the associated amortisation expense is recognised and runs off.
  – The additional accounting tax expense is as follows:

$m	2018	2019	2020
Additional Accounting Tax Expense	7.8	5.2	2.3

PRIMARY HEALTH CARE LIMITED

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