



**SONIC
HEALTHCARE
LIMITED**

20 February 2025

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Via electronic lodgement

Dear Sir / Madam

CEO PRESENTATION – HALF YEAR RESULTS TO 31 DECEMBER 2024

At 10:00am AEST today, Dr Colin Goldschmidt, Chief Executive Officer, will host a presentation of Sonic Healthcare's results for the half year ended 31 December 2024. The slides for the presentation are enclosed.

The release of this announcement was authorised by the Board of Sonic Healthcare Limited.

Yours faithfully
Sonic Healthcare Limited

Paul Alexander
Company Secretary



SONIC
HEALTHCARE

Financial and Operational Review

Half-year ended 31 December 2024

Dr Colin Goldschmidt
CEO, Sonic Healthcare
20 February 2025

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 2025 and may include earnings figures restated on a "constant currency" basis.



Headlines

A\$M (Statutory)	H1 FY 2025	H1 FY 2024	Change
Revenue	4,669	4,306	8%
EBITDA	827	737	12%
Net profit	237	202	17%
Cash generated from operations	620	452	37%
Earnings per share (A\$ cents)	49.2	42.6	15%

- On track to achieve full-year earnings guidance
- Strong organic revenue growth 6.1%
- EBITDA margin up 60 bps
- EBITDA margin expansion of 90 bps excluding recent Dr Risch Group and PathologyWatch acquisitions (initially zero-margin)
- Organic revenue growth and cost control programs, particularly labour, driving margin expansion
- Labour cost as percentage of revenue reduced by 50 bps
- Synergy initiatives from acquisitions on track, majority of benefits in future periods
- 103% conversion of EBITDA to gross operating cashflow reflecting strong debtor collections
- LADR Laboratory Group (Germany) acquisition to complete 1 July 2025



FY 2025 Guidance Maintained

- Guidance (issued August 2024)
 - EBITDA A\$1.70 – 1.75 billion (constant currency)
 - Guidance reflects up to ~10% EBITDA growth on FY 2024 (excluding gain from sale of West Division, USA)
 - Depreciation expense (including on leased assets) as a percentage of revenue expected to be similar to FY 2024
 - Interest expense to increase by ~25% (constant currency), reflecting acquisitions completed in FY 2024
 - Effective tax rate 26-27%
- Key guidance considerations
 - Includes completed acquisitions only
 - Assumes no new regulatory changes
 - Incorporates initial ~A\$10 million loss in H2 FY 2025 from Hertfordshire and West Essex contract in UK, profitable from FY 2026 onwards
 - Assumes current interest rates prevail

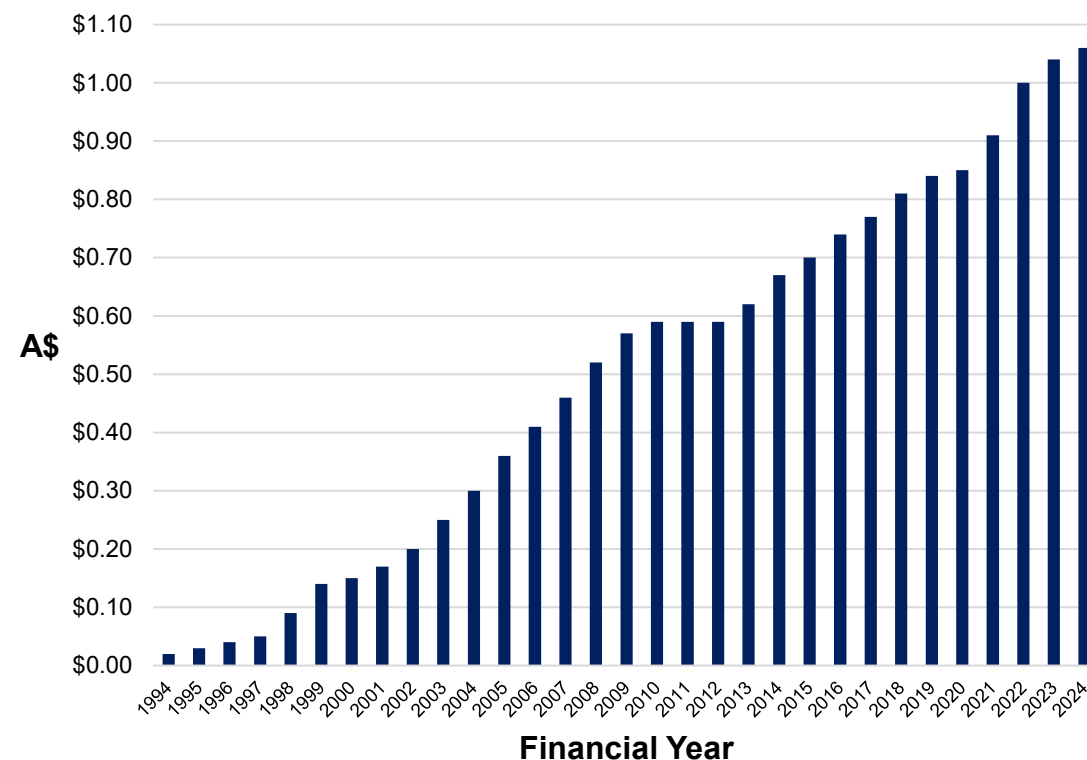


Interim Dividend

A\$	FY 2025	FY 2024	Growth
Interim Dividend	\$0.44	\$0.43	2.3%

- Progressive dividend strategy maintained
- FY 2025 interim dividend unfranked
- Record Date 6 March 2025
- Payment Date 20 March 2025

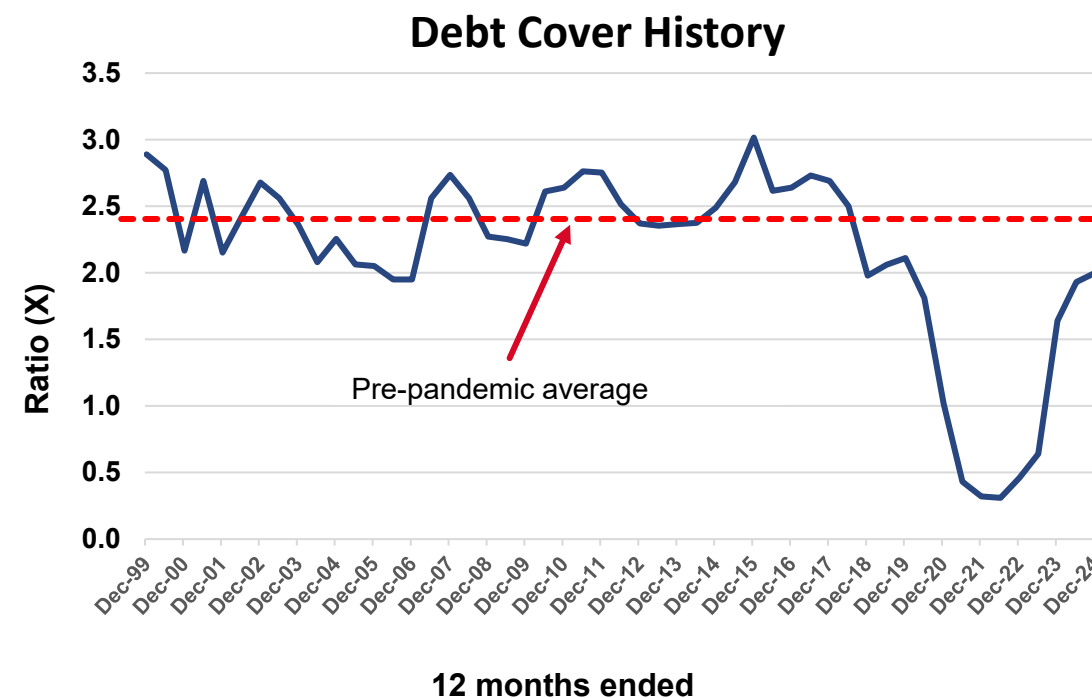
Annual Dividend History



Capital Management

		31 December 2024	30 June 2024
Net interest-bearing debt	A\$M	2,674	2,349
Equity	A\$M	8,337	8,075
Debt cover	X	2.0	1.9
Gearing ratio	%	24.0	22.3
Interest cover	X	10.5	12.0

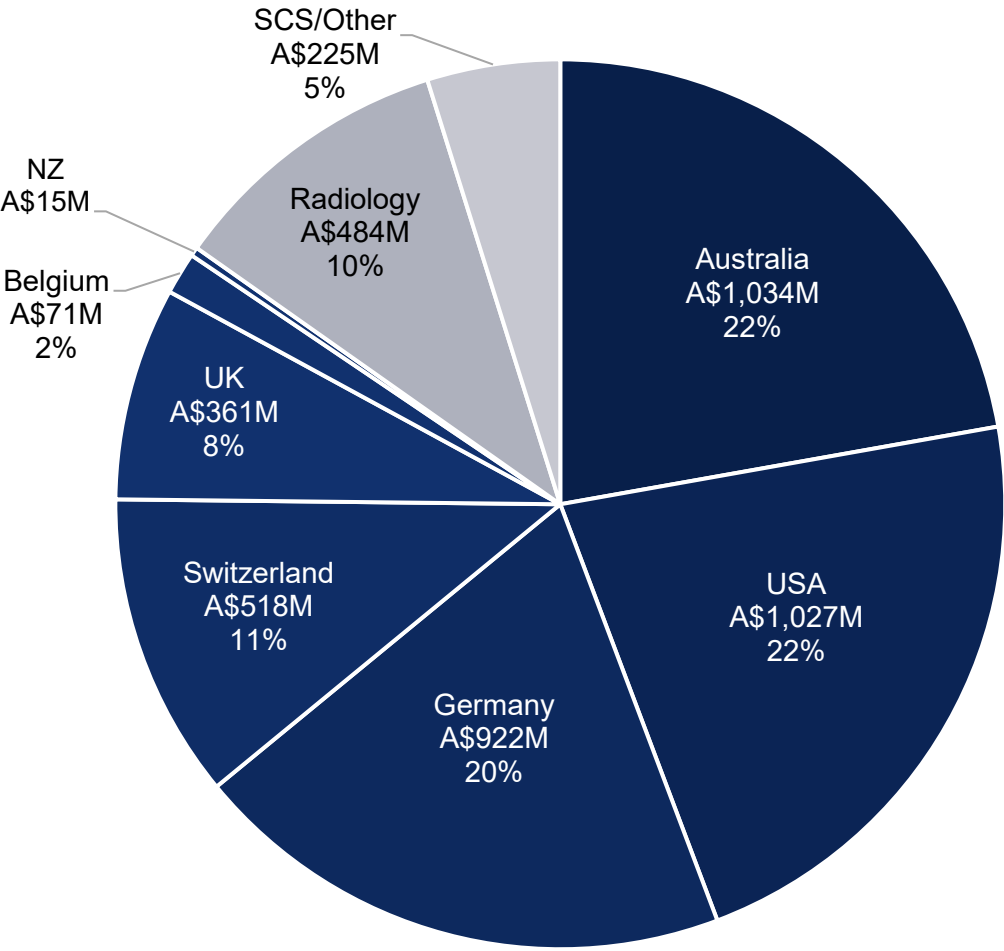
- Debt and equity movements impacted by currency rate changes
- Current available headroom ~A\$1.7 billion (before interim dividend and LADR acquisition)
- Debt cover ratio expected to remain below long-term pre-pandemic average post-LADR acquisition



- Debt cover = Net debt / EBITDA (covenant limit <3.5)
- Gearing ratio = Net debt / Net debt + equity (covenant limit <55%)
- Interest cover = EBITA / Net interest expense (covenant limit >3.25)
- Formulas as per facility definitions, which exclude impacts of AASB 16



H1 FY 2025 Revenue Split

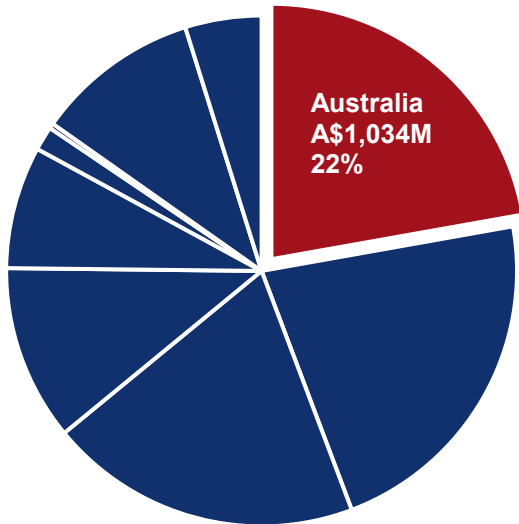


Total Revenue A\$4,669 million (including A\$12 million interest)

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



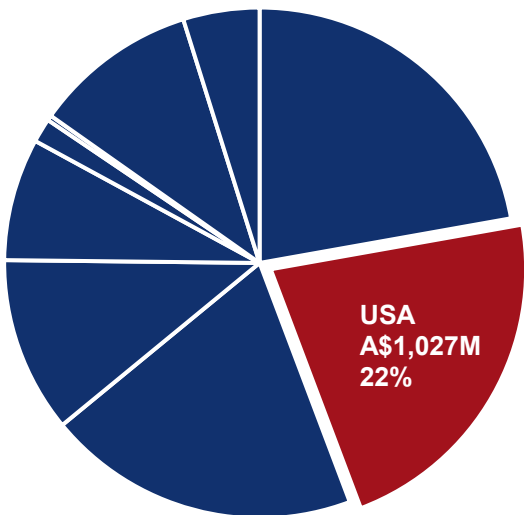
Australian Pathology



- Organic revenue growth 9%
- Operations
 - Revenue growth and ongoing cost control driving earnings growth and margin expansion
 - Labour cost tightly controlled despite strong test volume and revenue growth
 - Growth of genetic testing particularly robust, driven by new tests and strong demand
 - Targeted private billing initiatives gaining momentum, contributing to margin expansion
 - Rationalisation of collection centres continuing with ~60 net closures in past year
 - Annual indexation to ~30% of Medicare fees to be implemented from 1 July 2025
 - Discussions ongoing with Government regarding proposed restrictions to ordering rules for two specific routine tests



USA



- **Revenue**

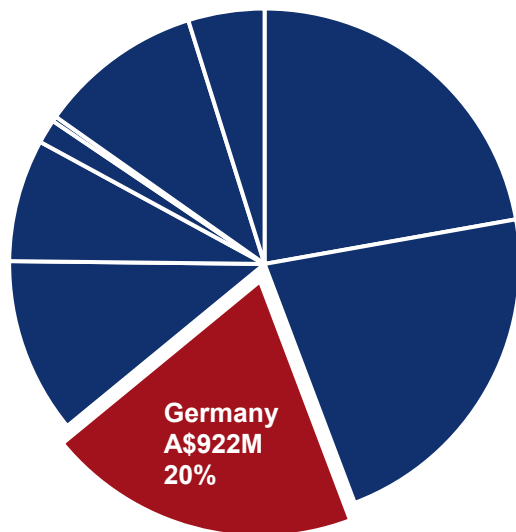
- Growth (2)% (statutory) – due to sale of West Division in H2 FY 2024
- Organic growth 2% (constant currency)

- **Operations**

- Dermatopathology growing strongly, supported by rollout of PathologyWatch digital pathology platform
- Lower than expected organic growth in other anatomical pathology operations
- Divisional restructure combining anatomical and clinical pathology completed to facilitate future revenue synergies via cross-sell and reduction of overhead costs
- Rollout of enhanced revenue collection system ongoing, largest division in transition with majority of benefits to follow in FY 2026



Germany



- Revenue

- Growth 12% (statutory)
- Organic growth 7% (constant currency)

- Operations

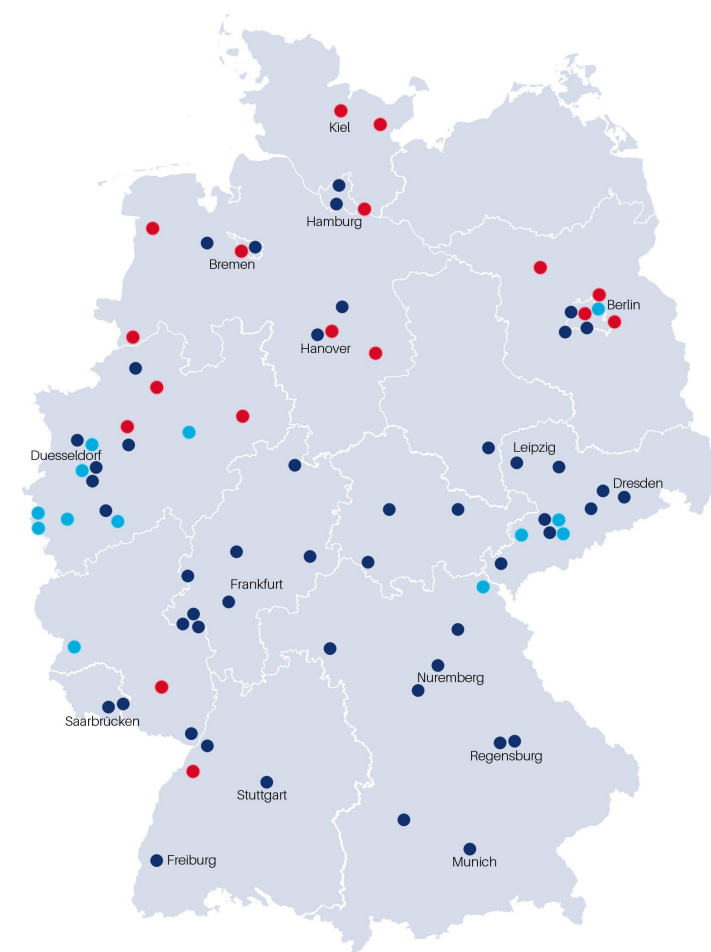
- Strong organic growth and margin expansion supported by leading position in specialty testing, genetics, microbiome sequencing and molecular pathology
- Ongoing focus on synergy capture from recent acquisitions
- Laboratory mergers into new building facilities successfully completed in Hamburg (3 into 1) and Munich (2 into 1), providing efficiencies and capacity for growth
- Growing anatomical pathology division achieving hospital contract wins, workflow and IT innovation including digital pathology, and various synergy workstreams
- Reform of statutory insurance fee schedule (EBM) effective 1 January 2025, impact net neutral
- Change to minimum regional EBM fee “quotas” effective 1 January 2025, minor impact to EBM revenue
- Two small synergistic acquisitions completed (October 2024 and January 2025), total annual revenue ~A\$15 million



Germany

Acquisition of LADR Laboratory Group

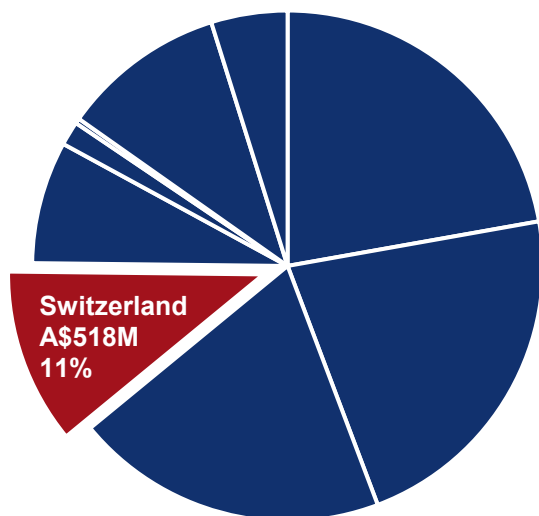
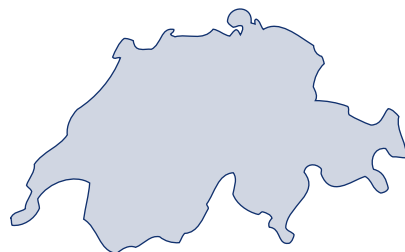
- Transaction announced 9 December 2024, to complete 1 July 2025
- Major growth milestone for Sonic's 20-year presence in Germany, integrating one of the other "Top 5" national groups into Sonic Healthcare Germany
- CY 2024 annual revenue ~€370 million (~A\$610 million), EBITDA ~€50 million (~A\$82 million)
- Enterprise value €423 million (A\$700 million) funded in part by Sonic shares with a maximum value of ~€222 million (A\$367 million)
- Immediately EPS accretive with strong post-synergy return on investment (>11%)
- Highly reputable, third-generation Dr Kramer family-owned group of 17 specialist laboratory practices and 19 hospital laboratories with ~3,800 staff and more than 170 pathologists
- Includes majority ownership of €30 million annual revenue laboratory in South-Western Poland
- Range of substantial synergy areas including procurement, regional overlaps, specialty testing, logistics and equipment servicing



- Sonic Healthcare Germany – Clinical Laboratories
- Sonic Healthcare Germany – Anatomical Pathology
- LADR – Laboratory Group Dr. Kramer & Colleagues



Switzerland



■ Revenue

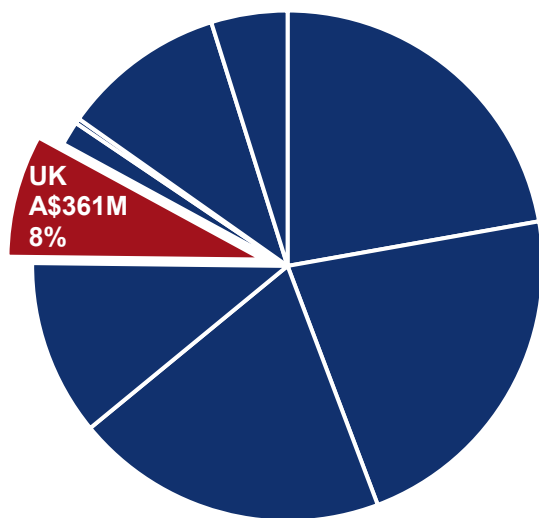
- Growth 28% (statutory) – including recent acquisitions
- Organic growth 6% (constant currency)

■ Operations

- Sonic Suisse national management and operating structure completed following acquisitions of Synlab Suisse, Dr Risch Group and Pathologie Enge
- Synlab Suisse and Dr Risch Group achieving revenue growth and margin improvement from baselines of zero earnings margin
- Major synergy workstreams in train including procurement, courier logistics, corporate services and outsourced testing
- Initial laboratory integrations completed in Geneva (clinical pathology), Lausanne and Zurich (anatomical pathology)
- IT integration projects well advanced to achieve a range of operational efficiencies



UK



■ Revenue

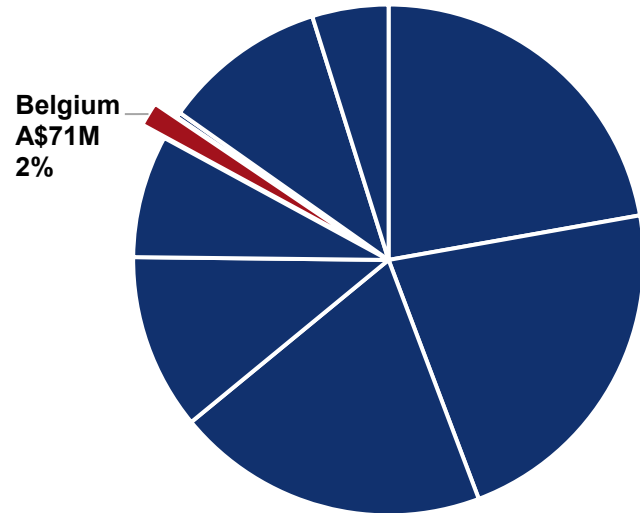
- Growth 10% (statutory)
- Organic growth 8% (constant currency)

■ Operations

- Hertfordshire and West Essex (HWE) NHS 15-year outsource contract to commence 1 March 2025
- Fitout of new hub lab in Watford commenced to service HWE and create capacity for growth
- Expansion of anatomical pathology services into private market to provide additional growth
- Awarded new 11-year NHS contract to service the Royal National Orthopaedic Hospital in London, commencing November 2025
- Currently bidding for additional NHS contracts and private work



Belgium



■ Revenue

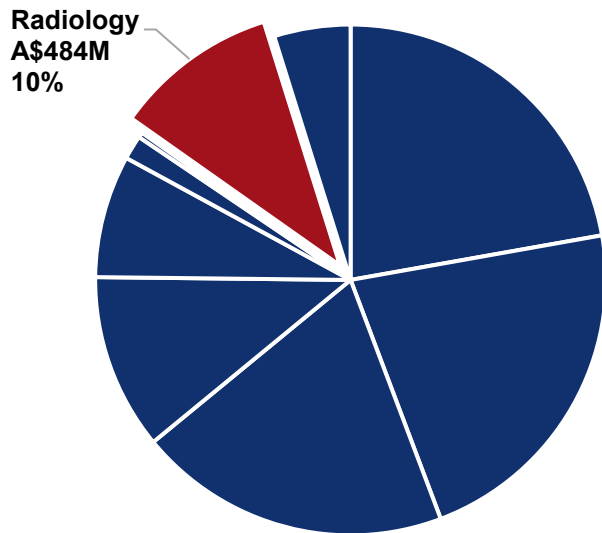
- Growth (3)% (statutory)
- Organic growth (1)% (constant currency), impacted by net negative effect of fee cut and indexation increase (both 1 January 2024)

■ Operations

- Underlying ongoing organic growth augmented by +3% indexation of national fee schedule, effective 1 January 2025
- Transition of national cervical cancer screening program to primary HPV test completed
- AML laboratory (Antwerp) implementation of digital cytology workflow fully operational
- Growth in specialty diagnostics, microbiome sequencing, forensic toxicology and genetics



Radiology



■ Revenue and earnings

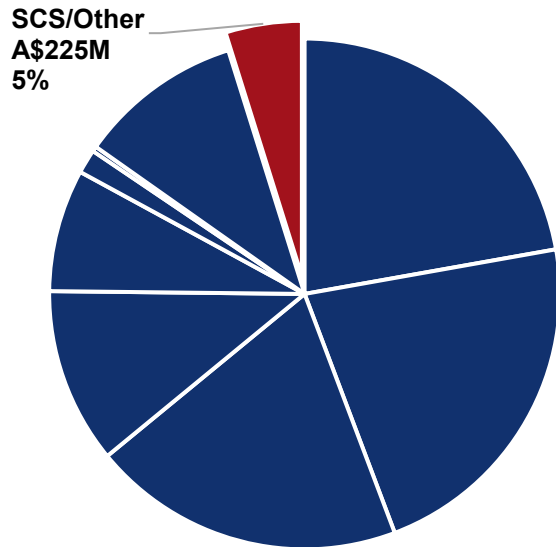
- Organic revenue growth 12% (including Medicare fee indexation of 3.5% from 1 July 2024)
- EBITDA growth 13%
- Margin expansion 20 basis points

■ Operations

- Benefiting from ongoing trend towards higher value modalities
- 2 greenfield sites opened H1 FY 2025
- 6 greenfield sites expected in H2 FY 2025
- Ongoing investments in AI and other systems to optimise workflows



Sonic Clinical Services (SCS)



- Revenue and earnings
 - Organic revenue growth 2%
 - Earnings growth flat
- Operations
 - Challenging primary care market conditions relating to ongoing shortage of general practitioners
 - Australian Defence Force pre-recruitment medical assessment contract ramped up during H1



Earnings Growth Beyond FY 2025

- Expect ongoing strong organic revenue growth driven by market leading brands and Medical Leadership culture
- Operational leverage to continue achieving margin expansion in setting of tight cost control
- Realisation of majority of synergies from acquisitions made in FY 2024 and FY 2025 (Germany, Switzerland, USA)
- Expected uplift of US\$20 – 25 million in FY 2026 from enhanced revenue collection system in USA, further benefits in FY 2027
- Hertfordshire and West Essex contract (UK), expected ~A\$10 million loss in FY 2025, profitable from FY 2026
- LADR Laboratory Group to add more than €50 million of acquired EBITDA plus growth and synergies to follow
- Benefit of annual fee indexation in various markets and contracts, including Radiology, UK, Belgium, SCS and Australian Pathology
- Further acquisition and contract opportunities





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Thank you