ASX Announcement

AUSTRALIAN Clinicallabs

Australian Clinical Labs Limited
ABN 94 645 711 128
Registered Office:
1868-1892 Dandenong Road
Clayton VIC 3168
Australia

clinicallabs.com.au

Wednesday, 26 February 2025

ACL 1H25 FINANCIAL RESULTS

The following announcements to the market are attached:

Appendix 4D

1H25 financial statements and statutory reports

✓ 1H25 financial results investor presentation

– ENDS –

This announcement was authorised for release to ASX by the Board of ACL. For further information regarding this announcement, please contact:

Company Secretary
Eleanor Padman
Company Secretary
Email: epadman@padmanadvisory.com.au
Phone: +61 (0) 422 002 918

About Australian Clinical Labs

ACL is a leading Australian private provider of pathology services. Our NATA accredited laboratories perform a diverse range of pathology tests each year for a range of clients including doctors, specialists, patients, hospitals and corporate clients. ACL is one of the largest private hospital pathology businesses nationally. ACL is focused on its mission of combining talented people, and medical and scientific leadership, with innovative thinking and technologies to empower decision making that saves and improves patients' lives.

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ACL FY25 First Half Results – 9.5% Revenue Growth, 9.7%[1] MBS Revenue Growth, delivers $27.3M in Underlying EBIT

FY25 Guidance of $65M - $73M re-affirmed

3.5cps fully franked interim dividend declared

On-market buy-back program continues

Australian Clinical Labs Limited (ASX: ACL) (**ACL** or the **Company**) is pleased to announce its results for the 6 months to 31 December 2024 (**1H FY25**).

AUD in millions	Actual 1H FY25
Pathology Revenue	357.8
Clinic/Other Revenue	11.4
Total Revenue	**369.2**
Underlying EBITDA	**95.1**
Underlying EBIT	**27.3**
Underlying EBIT margin	7.4%
Underlying NPAT	**12.1**
Underlying EBITDA AASB 117	**28.3**
Underlying EBITDA AASB 117 margin	7.7%

Highlights

- Underlying EBITDA and Underlying EBIT performance in line with company expectations on the profit phasing for the full year
- Statutory EBIT of $26.9M up $11.0M on 1H FY24 and Statutory NPAT of $11.8M up $6.8M on 1H FY24
- No material difference between ACL's underlying and statutory EBIT result (~$400k)

[1] ACL growth excluding Sun Doctors, Queensland and non-Medicare commercial work adjusted for working days

- Total Revenue of $369.2M, up $31.9M on 1H FY24
- ACL's MBS revenue growth for 1H FY25 was 9.7%[2]. This was ahead of the broader market[3], with continual focus on reviewing portfolio margin
- ACL continued to demonstrate efficient cash management with free cash flow before interest, tax and financing conversion from Underlying EBIT of 98%
- ACL retains a strong balance sheet, with net debt excluding lease liabilities of $34.2M noting in 1H FY25 ACL brought back $4.4M of shares as part of our on-market share buy-back program
- 2H FY25 has started with lower volume adjusted working day growth of 2.9% compared to average adjusted working day growth in 1H FY25 noting January can be a seasonally weak month for pathology volumes

Chief Executive Officer and Executive Director, Melinda McGrath, said:

"ACL's business has performed to expectations in the first half, improving margins despite continuing industry cost pressures. We achieved revenue growth of approximately 9.5% on the previous corresponding period and management has been vigilant in managing the cost base in order to insulate earnings from higher costs, especially in labour and rents.

The business expects to realise growth in the second half, as we typically see a skew in our performance between the first and second half of the financial year. Our FY25 guidance of revenue of $725M to $752M and Underlying EBIT of $65M to $73M remains on track.

Going forward, ACL's strategy will be to continue to drive top-line growth through sustainable and profitable collection centre network expansion and hospital services growth at margin accretive rates. At the same time, the management team will continue to focus on operational efficiencies at every level of the business.

ACL is also focused on developing a pipeline of new test and service opportunities through investments in partnerships to support growth.

Finally, we thank all Clinical Labs staff as they continue to focus on providing excellent service to our patients and referrers and continually improving the way in which we operate as a team."

Interim dividend for 1H FY25

The ACL Board has declared an interim fully franked dividend of 3.5 cps with a record date of 28 March and payment date of 16 April.

FY25 Guidance

ACL expects Underlying EBIT in FY25 to be $65M to $73M based on the following:

- 1H Underlying EBIT of $27.3M in line with company expectations and was in line with guidance based on anticipated 1H versus 2H seasonality
- 2H Underlying EBIT margin to return to low double digits based on current trading conditions and on seasonally higher 2H volumes

Investor and Analyst Results Briefing

ACL Chief Executive Officer and Executive Director, Melinda McGrath, and Chief Financial Officer, Matthew Cordingley, will host a webcast for investors and analysts today at 12pm (Melbourne time).

Participants can register for the webcast by accessing this link:

https://clinicallabs-au.zoom.us/webinar/register/WN_GjtdgsdGTM2V0wewXsasiw

An archive of the briefing will be available afterwards at: https://investors.clinicallabs.com.au/

[2] ACL growth excluding Sun Doctors, Queensland and non-Medicare commercial work adjusted for working days
[3] Market data based on working day adjusted Medicare statistics

– ENDS –

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Forward looking-statements

This announcement may contain forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "should", "could", "believes", "estimates", "expects", "intends", "plans", "anticipates", "predicts", "outlook", "forecasts", "guidance" and other similar words that involve risks and uncertainties. The FY25 forecast is an example of forward-looking statements. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the date of this announcement, are expected to take place. No person who has made any forward-looking statements in this announcement (including the Company) has any intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, other than to the extent required by law. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management of the Company. The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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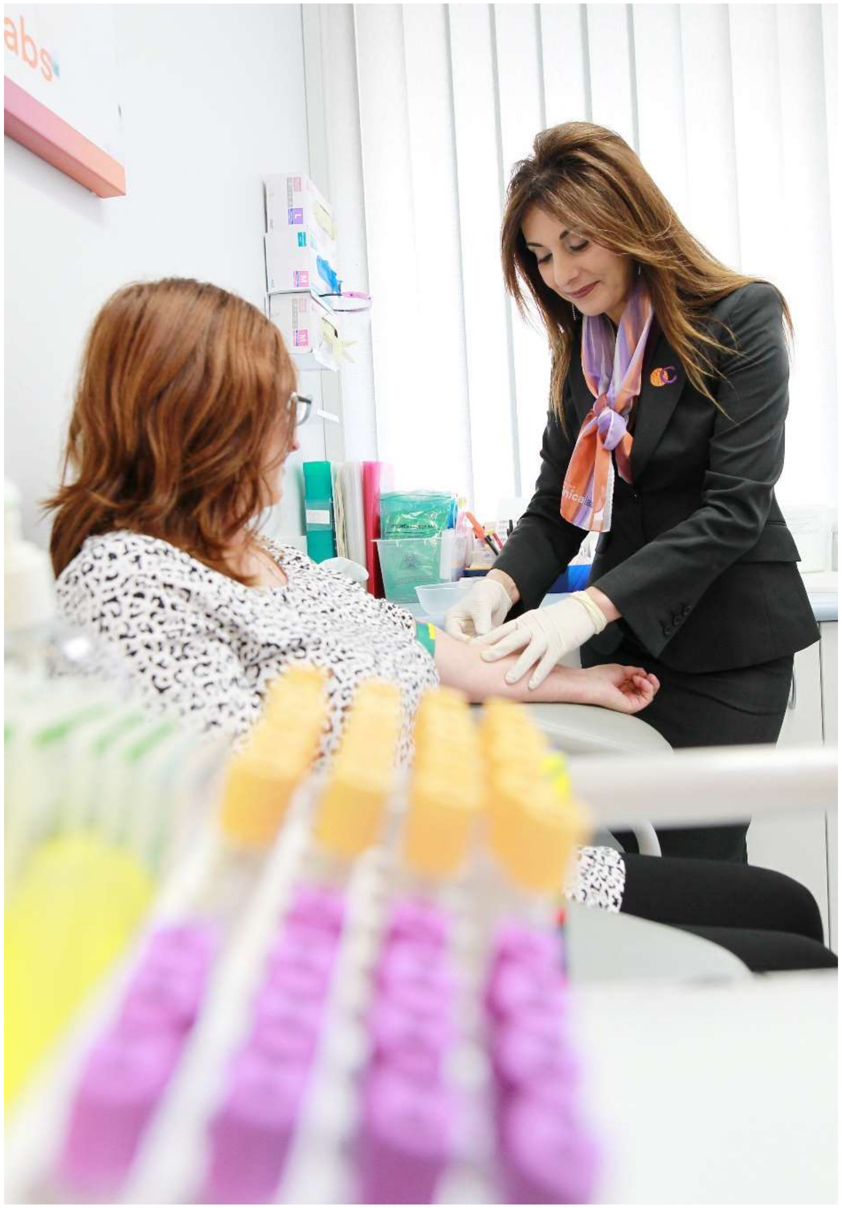
FY25 First Half Results Presentation

Melinda McGrath, CEO and Executive Director
Matthew Cordingley, CFO

26 February 2025

Contents



Overview
Melinda McGrath, CEO and Executive Director

1H FY25 Results – Highlights

In 1H FY25, ACL achieved Revenue of $369.2M and Underlying EBIT of $27.3M in line with company expectations

- In 1H FY25, ACL achieved:
  - Total Revenue of $369.2M, up $31.9M (+9.5%) on 1H FY24
  - Underlying EBITDA[1] of $95.1M, up 9% on 1H FY24
  - Underlying EBIT[1] of $27.3M up 17% on 1H FY24
  - Statutory EBIT of $26.9M up $11.0M on 1H FY24
  - Underlying NPAT[1] of $12.1M up 18% on 1H FY24
  - Statutory NPAT of $11.8M up $6.8M on 1H FY24
  - Free cash flow before interest, tax and financing of $26.8M, up 51% on 1H FY24
  - Declared an interim fully franked dividend of 3.5 cps (3 cps for 1H FY24)

- Underlying EBIT margin was 7.4% for 1H with a 50bps improvement on 1H FY24
- Underlying EBIT grew by 17%, driven by a combination of revenue growth and operational efficiency initiatives. No material difference between ACL's underlying and statutory EBIT result (~$400k)
- ACL's MBS outlays grew by 9.7%[2] ahead of the broader market[3], with continual focus on reviewing portfolio margin
- The business continues to demonstrate efficient cash management with free cash flow before interest, tax and financing conversion from Underlying EBIT of 98%
- ACL retains a strong balance sheet, with net debt ex lease liabilities of $34.2M noting in 1H ACL purchased back $4.4M of shares as part of our ongoing on-market share buy-back program
- ACL Board has declared an interim fully franked dividend of 3.5 cps which represents 59% of 1H FY25 Underlying NPAT attributable to members retaining the Board target payout ratio at 50 – 70% of full year NPAT. Record Date of 28 March 2025 and Payment Date of 16 April 2025
- ACL confirming existing FY25 guidance of Revenue $725M - $752M and Underlying EBIT $65M - $73M, based on current trading. 1H in-line with management's expectations and expected guidance noting expected seasonality between 1H and 2H

(1) Underlying figures are calculated excluding certain non-recurring revenue and expenses
(2) ACL growth ex Sun Doctors , Queensland and non-Medicare commercial work adjusted for working days.
(3) Market data based on working day adjusted Medicare statistics

1H FY25 Results – Operational & Strategic Review

ACL remains focused on sustainable operational advancements creating margin improvement, while progressing strategic growth initiatives

Operational highlights

- ACL continues its operational efficiency program with continued improvements across key areas of lab operations, logistics, consumables and labour management. The following areas have continued to deliver success:
  - Logistics and route optimisation has resulted in almost 1,000,000 km less travelled in 2 years
  - Labour efficiency in operations has improved by an additional 12%[1] year on year
  - Top consumable suppliers have implemented performance KPIs in addition to rate cuts
- Lab of the Future feasibility in second phase which will allow ACL to operate a borderless operation including automation and AI capability
- ACL Shared Services operation has expanded to include professional services allowing flexibility in resourcing and cost

Strategic & Growth highlights

- Key strategic and growth initiatives progressed over the last year or commencing this year:
  - **Innovative testing:**
    - Melaseq tissue and plasma (blood) products approved by regulator
    - Test validation automation implemented in haematology and serology
  - **AI:** Successful pilot conducted demonstrating power of AI in pre-analytical operations. AI Phase 1 roadmap in design with pilot programs in billing, customer service and process operation
  - **Lab of the Future**: In Phase 2 design and user acceptance testing
  - **Digitisation of private billing system:** Significant improvement in the process and digitisation of upfront billing has had a positive impact on the total revenue of private billing. There are a range of additional private billing initiatives to roll out over coming months, including potentially a range of Medicare Items.

See page 12 for an overview of ACL's strategic pillars to support future growth

(1) Panels per work hour

1H FY25 Results – ESG highlights

Fourth year of execution of ACL's ESG strategy continues to deliver strong performance across all areas of our ESG Mission

Environmental

Carbon Emissions

1.2kg CO_2 per episode down from 1.4kg in FY22; **Cold chain logistics** has removed 28,000 kg of packaging (over 50,000kg in last 2 years)

Couriers & Logistics

119 hybrid cars across group up from 47 in 1H FY23; **5%** reduction in km / per episode on pcp with SMART logistics

LED Conversion

1,618 LED Panels installed

Electronic Ordering

16% digital referrals from General Practitioners. Roll out to Specialist referrers underway

Social

Injury reduction

3.4 LTIFR
Continuous performance better than industry benchmarks

Customer Service

NPS +79
From over 232,000 responses

Women in leadership

Phase 2 of Women in leadership training program is in progress

Corporate Governance

Board/management composition

Balanced diversity ratio of 40:40:20
Board comprising 4 female Directors and 3 male Directors

Reconciliation Action Plan (RAP)

Indigenous artist commissioned during 1H to support launch of RAP in 2H

Internal audit function

Internal audit function for non-clinical risk
now in its third year with program of works underway

ACL Board and Executive Changes

ACL welcomes new non-executive directors and executives

Ms Sarah Butler (Non-Executive Director)
Sarah has extensive experience in health, insurance, government, consumer and technology industries with a long career in strategy consulting with Booz & Company and subsequently at PwC. Sarah has worked as a strategic advisor in more than 30 countries, including 5 years spent living and working in China and Asia. Sarah is currently a non-executive director of Lumonus (global healthtech), Insurance Manufacturers of Australia (being a joint venture of IAG and RACV) and The George Institute for Global Health, where she is also the Chair of the People Committee. Sarah is a member of Chief Executive Women and a graduate of the Australian Institute of Directors. Sarah holds a MA & BA (Hons) in Natural Sciences (Chemistry) from the University of Cambridge.

Mr Grant Jeffery (Non-Executive Director)
Grant has wide-ranging experience in healthcare, aerospace and security services, across public and private companies, having held multiple CEO roles across international businesses based in New York, Singapore, California and Sydney. Prior to his corporate career, Grant served as an Officer in the Royal Australian Air Force for 10 years holding leadership roles across various functional disciplines. Grant is currently the Chair and non-executive director of Brighter Life Group and an executive director of BGI Advisory Services as well as a Board advisor to Dokotela. Grant holds a Bachelor Electrical and Electronics Engineering from the University of NSW, Graduate Diploma in Technology Management from Deakin University, and has completed executive management training at IMD Business School, Lausanne.

Mr Matthew Cordingley (Chief Financial Officer)

Matthew commenced his career as a Chartered Accountant, following which he spent over 25 years in investment banking, mergers and acquisitions and then senior executive roles in ASX-listed healthcare companies. For the last four years, Matthew has been the Chief Financial Officer of Pacific Smiles Group Limited, an ASX-listed, growth-oriented dental healthcare business. Matthew holds a Bachelor of Business from the University of Technology, Sydney.

Mr Ian McPhan (Group Executive Operations)
Ian commenced his 40+ year pathology career as a multi-disciplinary laboratory scientist with significant experience in technology and applications relating to the Ultra LIS and has held executive leadership roles in Australia’s largest private pathology companies. Ian spent 9 years as Group IT Manager, working on Triple Gs Ultra development and global installation and leading large pathology IT transformations. Since 2009 Ian held state CEO positions with Healius Pathology in VIC/SA, NSW and WA/NT. Ian’s most recent appointments include Chief Operating Officer Pathology (from 2021), then Group Executive Clinic (from 2024) with Healius Pathology. Ian holds a Bachelor of Applied Science, MBA, and MSc (Project Management).

Financial Results Overview
Matthew Cordingley, CFO

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1H FY25 Profit and Loss

ACL recorded Underlying EBITDA of $95.1M and Underlying EBIT of $27.3M

AUD in millions	Actual 1H FY25	Actual 1H FY24	2H FY24	Actual CY24	Actual FY24
Pathology Revenue	357.8	325.8	347.2	705.0	673.0
Clinic/Other Revenue	11.4	11.4	12.0	23.3	23.4
Total Revenue	**369.2**	**337.3**	**359.1**	**728.3**	**696.4**
Underlying EBITDA	**95.1**	**87.1**	**103.8**	**198.9**	**191.0**
Underlying EBIT	**27.3**	**23.4**	**39.1**	**66.4**	**62.6**
Underlying EBIT margin	7.4%	6.9%	10.9%	9.1%	9.0%
Underlying NPAT	**12.1**	**10.3**	**21.3**	**33.4**	**31.6**
Underlying EBITDA AASB 117	**28.3**	**25.6**	**40.6**	**68.9**	**66.2**
Underlying EBITDA AASB 117 margin	7.7%	7.6%	11.3%	9.5%	9.5%

- In 1H FY25, ACL generated $369.2M of Revenue, $95.1M of Underlying EBITDA, $27.3M of Underlying EBIT and $12.1M of Underlying NPAT
- Revenue grew at 9.5% driven by volume growth compared to 1H FY24, with ACL's MBS outlays growing by 9.7%[1]
- Continued focus on margin management and operational control demonstrated with 50bps improvement in Underlying EBIT margin on 1H FY24

(1) ACL growth ex Sun Doctors, Queensland and non-Medicare commercial work adjusted for working days.

1H FY25 Cash flow

ACL has robust liquidity and generated robust operating cash flows of $30.8M

AUD in millions	Actual 1H FY25	Actual 1H FY24	Actual 2H FY24	Actual CY24	Actual FY24
EBITDA	94.7	79.7	101.6	196.3	181.3
Non-cash items	1.9	3.7	0.4	2.3	4.1
Property related payments AASB 16	(67.3)	(61.9)	(63.1)	(130.4)	(125.0)
Cash EBITDA (non-AASB 16)	**29.3**	**21.5**	**38.9**	**68.2**	**60.4**
Change in net working capital	1.5	0.0	0.5	2.0	0.5
Operating cash flow pre capex	**30.8**	**21.6**	**39.3**	**70.1**	**60.9**
Capital expenditure	(4.0)	(3.8)	(2.7)	(6.7)	(6.5)
Free cash flow before interest, tax and financing	**26.8**	**17.7**	**36.6**	**63.4**	**54.4**
Dividends paid	(18.0)	(14.3)	(6.0)	(24.0)	(20.3)
Borrowings	0.0	13.0	(24.0)	(24.0)	(11.0)
Other financing and investing activities	(4.4)	(7.2)	4.7	0.3	(2.5)
Interest paid (excluding AASB 16 related interest)	(2.1)	(2.2)	(2.0)	(4.1)	(4.2)
Income tax paid	(7.8)	(2.0)	(8.2)	(16.0)	(10.2)
Net cash flow	**(5.5)**	**5.0**	**1.2**	**(4.3)**	**6.2**
Net cash flow excluding financing and investing	**16.9**	**13.5**	**26.6**	**43.5**	**40.0**
Operating cash flow to Cash EBITDA (non-AASB 16)	105.3%	100.1%	101.2%	102.8%	100.8%

- Operating cash flow to Cash EBITDA (non-AASB 16) of 105% reflects continuation of strong cash management and working capital management
- Cash outflow for Other financing and investing activities relates to $4.4M of shares purchased as part of the on-market share buy-back program

1H FY25 Balance Sheet

ACL's strong balance sheet with Net Debt (ex-lease liabilities) of $34.2M (0.5x of LTM Underlying Cash EBITDA (Non AASB 16)) allows material head room to continue our buy-back program and for future growth initiatives

AUD in millions	Actual 1H FY25	Actual FY24
Cash and cash equivalents	20.8	26.1
Trade and other receivables	71.2	81.4
Inventories	16.5	16.8
Other assets	13.7	9.2
Total current assets	**122.3**	**133.6**
Plant and equipment	38.8	41.9
Right-of-use assets	245.3	239.8
Intangible assets	164.8	164.9
Other assets	2.2	2.1
Deferred tax assets	11.6	10.7
Total non-current assets	**462.8**	**459.5**
Total assets	**585.1**	**593.1**
Trade and other payables	(48.9)	(53.0)
Lease liabilities	(110.7)	(104.7)
Provisions	(45.4)	(46.2)
Deferred consideration	(0.1)	(0.1)
Current tax liabilities	(2.2)	(3.2)
Other liabilities	(0.6)	(0.4)
Total current liabilities	**(207.9)**	**(207.7)**
Lease liabilities	(149.6)	(149.1)
Borrowings	(55.0)	(55.1)
Provisions	(3.4)	(3.4)
Total non-current liabilities	**(208.1)**	**(207.6)**
Total liabilities	**(416.0)**	**(415.3)**
Net assets	**169.1**	**177.8**

Comments

- Cash balance of $20.8M as at 31 December 2024
- Trade and other receivables decreased to $71.2M and Trade and other payables decreased to $48.9M
- Net Debt position (excluding lease liability) of $34.2M ($55.0M of borrowings and $20.8M of cash). Borrowings held flat compared to FY24 noting 1H FY25 included dividend payment of $18.0M and $4.4M of shares purchased in the share buy-back program
- During 1H FY25 ACL refinanced its banking facilities extending the facility to 31 July 2027 and changing the Fixed Cover Charge ratio covenant to an Interest Cover ratio. ACL is well within its covenants (refer to Appendix for further details)
- Interim fully franked dividend declared of 3.5 cps, which represents 59% of 1H FY25 Underlying NPAT to members of Australian Clinical Labs
- Record Date of 28 March 2025 and Payment Date of 16 April 2025

Industry Outlook & Growth Strategy
Melinda McGrath, CEO and Executive Director

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ACL's strategic pillars

ACL's growth strategy is centred on six strategic pillars to drive expansion in its core community and hospital pathology market, entry into strategic adjacencies and improved operating efficiency

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1. Disciplined network expansion

- Sustainable and profitable collection centre network expansion and hospital services growth
- Contracts entered into at margin accretive rates

2. Indexation campaign

- Indexation for one third of the schedule from 1 July 2026 (offset by fee cuts on certain tests)
- Pathology Australia continues "Keep Pathology Bulk Billed" campaign focussed on indexation on the remaining two thirds of pathology services following a 25-year price freeze

3. Growth of strategic new business

- ACL is focused on developing a pipeline of new test and service opportunities through investments in partnership to support growth
- Growth in Carrier Screening and non invasive pre natal testing

4. Accretive acquisitions

- ACL continues to actively explore value accretive acquisition opportunities
- Key targets include domestic pathology, strategically aligned domestic adjacencies as well as international pathology
- ACL will continue to take a disciplined approach to acquisitions leveraging the business' strong acquisition experience

5. Billing enhancement initiatives

- Digitisation of upfront billing system to reduce bad debt and debt write off and enable enhanced up front private billing
- Various initiatives to support growth of non-MBS tests
- Trials of expanded private billing opportunities including in MBS items

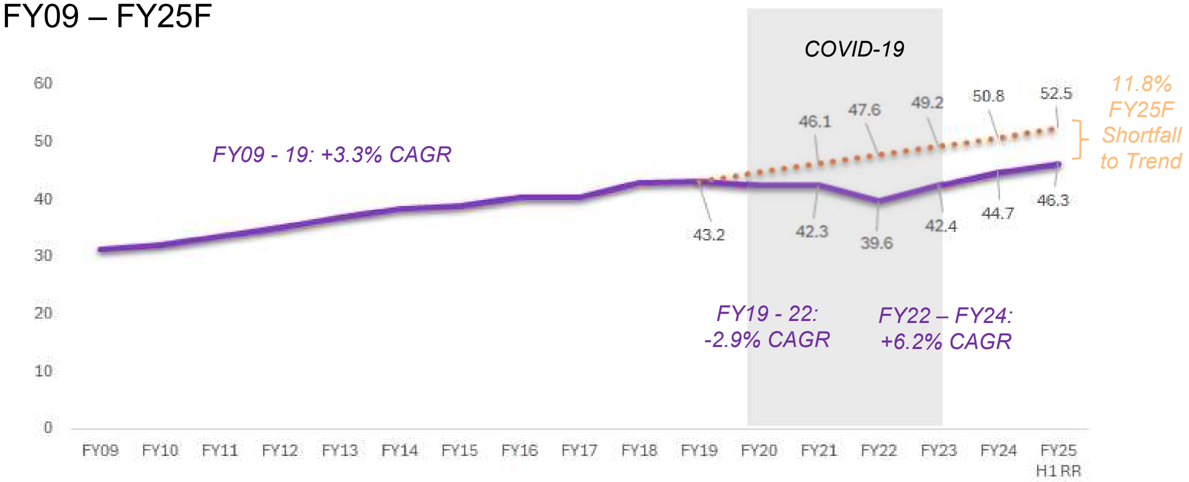
6. Operational Improvement

- ACL is developing a roadmap to step-change operational improvements, advanced automation and AI initiatives
- First phase of roadmap focussed on lab and support office operations, with a watching brief on efficacy of diagnostic opportunities
- ACL continues to scope/implement its "Lab of the Future" program leveraging the one lab information system enhancing its automated, borderless, national lab network

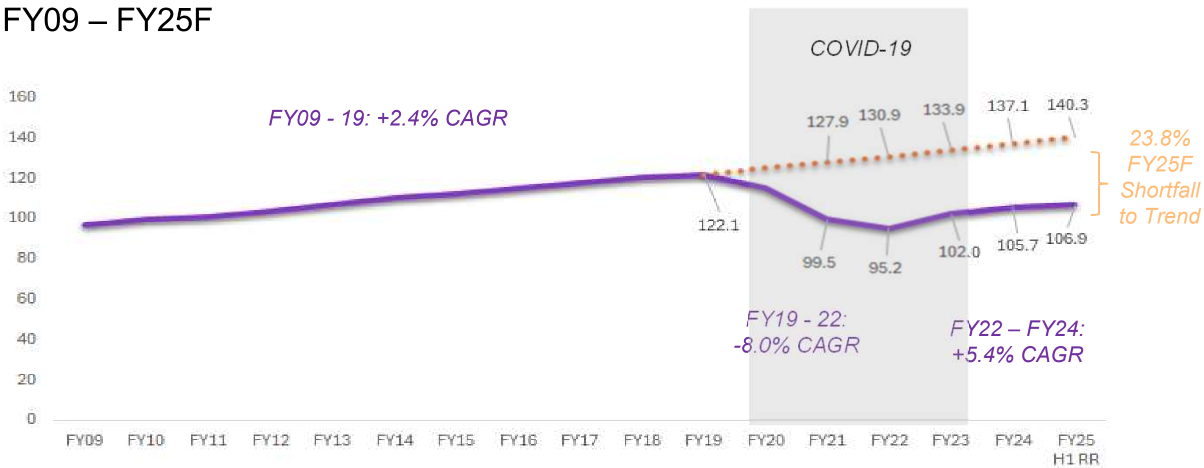
Market Growth

Volumes continuing to recover post COVID-19, with GP attendances still lagging

Pathology Episodes (ex COVID-19)
#m, FY09 – FY25F



GP Attendances
#m, FY09 – FY25F



- The pathology market continues to materially lag historical trends
- Market volumes continue to be ~12% below historical trend
- This implies a >$60M Revenue shortfall for ACL
- 1H FY25 market volume growth rate is tracking above long-term growth trend of 3.3% p.a.
- Market shortfall has reduced from ~17% in FY22 to ~12% in FY25F
- The ongoing shortfall to trend is driven by continued softness in GP volumes
- ACL continues to expect volumes to return to trend over time, particularly as GP shortages ease

(1) *Market data based on Medicare statistics adjusted for COVID-19 testing outlays and estimated associated PEI and BBI outlays*

FY25 Guidance
Melinda McGrath, CEO and Executive Director

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FY25 Guidance

ACL reconfirms previously announced guidance

- For FY25 ACL expects Revenue of $725M to $752M and Underlying EBIT of $65M to $73M based on the following:
  - 1H Underlying EBIT of $27.3M was in line with management expectations and was in line with the achievement of guidance of $65M to $73M based on anticipated 1H v 2H seasonality
  - 2H Underlying EBIT margin to return to low double-digits based on seasonally higher 2H volumes
  - 2H Underlying EBIT of $38M to $46M based on the current EBIT guidance range
- While ACL continues to expect that the business is well positioned to achieve double digit EBIT margins under normal operating conditions, there remains ongoing short-term margin pressure driven by inflationary impacts in the context of below long-term trend market volumes, inflation and government imposed additional labour costs
- 2H FY25 has started with lower volume adjusted working day growth of 2.9% compared to average adjusted working day growth in 1H FY25 noting January can be a seasonally weak month for pathology volumes

Summary
Melinda McGrath, CEO and Executive Director

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Summary

- In 1H FY25, ACL achieved Revenue of $369.2M and Underlying EBIT of $27.3M in-line with management's expectations of 1H
- The business continues to demonstrate efficient cash management with free cash flow before interest, tax and financing conversion from Underlying EBIT of 98%
- During 1H FY25 the Board of ACL commenced a 12-month on-market share buy-back program resulting in 1.3 million shares purchased for $4.4M at an average price of $3.50 as at 31 December 2024. The on-market share buy-back program will continue in 2H FY25
- ACL Board has declared an interim fully franked dividend of 3.5 cents per share with a record date of 28 March 2025 and payable on 16 April 2025
- ACL reconfirms its guidance of Underlying EBIT of $65M to $73M for FY25

Appendix

1H FY25 indebtedness

Conservative net leverage provides significant headroom and financial flexibility

AUD in millions	Actual 1H FY25	Actual FY24
Non-current borrowings		
Redrawable term facility	(55.0)	(55.1)
Total debt excluding lease liabilities	**(55.0)**	**(55.1)**
Cash and cash equivalents	20.8	26.1
Total net debt excluding lease liabilities	**(34.2)**	**(28.9)**
Lease liabilities	(260.3)	(253.8)
Net debt	**(294.5)**	**(282.8)**
Key metrics		
Statutory		
Net debt (excl lease liab.)/LTM Cash EBITDA (non-AASB 16)	0.5	0.5
Net debt/LTM EBITDA (post AASB 16)	1.5	1.6
Underlying		
Net debt (excl lease liab.)/LTM Cash EBITDA (non-AASB 16)	0.5	0.4
Net debt/LTM EBITDA (post AASB 16)	1.5	1.5

ACL well within covenant profiles with key terms of banking facilities:

- Margin of 1.55% (when < 1.5x)
- Net leverage covenant < 3.5x
- Interest coverage ratio > 3.0x

Reconciliation between Reported & Underlying EBITDA, EBIT and NPAT

AUD in millions	Statutory 1H FY25	Insurance	Other	Underlying 1H FY25
Pathology Revenue	357.8	-	-	357.8
Clinic/Other Revenue	11.4	-	-	11.4
Total Revenue	**369.2**	**-**	**-**	**369.2**
EBITDA	**94.7**	**(0.8)**	**1.2**	**95.1**
EBIT	**26.9**	**(0.8)**	**1.2**	**27.3**
EBIT margin	7.3%			7.4%
NPAT	**11.8**	**(0.5)**	**0.8**	**12.1**
EBITDA AASB 117	**27.8**	**(0.8)**	**1.2**	**28.3**
EBITDA AASB 117 margin	7.5%			7.7%

- Adjustments between reported and underlying reflect:
  - During FY24 a fire occurred at an external storage facility where the Group was temporarily storing some laboratory equipment. Net insurance claim proceeds have been recognised totalling $0.8M
  - Other includes legal fees predominately relating to fees incurred to date in defending civil proceedings with the Australian Information Commissioner in relation to alleged contraventions of the Privacy Act 1988 (Cth) during the period 26 May 2021 to 29 September 2022. It also includes some redundancy costs

Reconciliation AASB 16 to AASB 117

AUD in millions	Actual 1H FY25	Actual 1H FY24	2H FY24	Actual CY24	Actual FY24
Statutory EBITDA (AASB 16)	**94.7**	**79.7**	**101.7**	**196.4**	**181.3**
Less: Operating lease rentals (AASB 117)	(66.9)	(61.5)	(63.3)	(130.2)	(124.8)
EBITDA (AASB 117)	**27.8**	**18.1**	**38.4**	**66.2**	**56.5**
Statutory EBIT (AASB 16)	**26.9**	**16.0**	**36.9**	**63.9**	**52.9**
Add: Depreciation of Right-of-Use asset (AASB 16)	61.0	56.6	58.0	119.0	114.7
Less: Operating lease rentals (AASB 117)	(66.9)	(61.5)	(63.3)	(130.2)	(124.8)
EBIT (AASB 117)	**21.0**	**11.1**	**31.7**	**52.7**	**42.8**
Statutory NPAT (AASB 16)	**11.8**	**5.1**	**19.2**	**31.0**	**24.2**
Add: Depreciation of Right-of-Use asset (AASB 16)	61.0	56.6	58.0	119.0	114.7
Add: Interest expense on lease liabilities	7.2	5.8	6.2	13.4	12.0
Less: Operating lease rentals (AASB 117)	(66.9)	(61.5)	(63.3)	(130.2)	(124.8)
Pre tax Impact NPAT (AASB 117)	**13.1**	**5.9**	**20.1**	**33.2**	**26.1**
Income tax impact	(0.4)	(0.3)	(0.3)	(0.7)	(0.5)
NPAT (AASB 117)	**12.7**	**5.7**	**19.8**	**32.5**	**25.5**
EBITDA margin AASB 16	25.6%	23.6%	28.3%	26.9%	26.0%
EBITDA margin AASB 117	7.5%	5.4%	10.7%	9.1%	8.1%
EBIT margin AASB 16	7.3%	4.7%	10.3%	8.7%	7.6%
EBIT margin AASB 117	5.7%	3.3%	8.8%	7.2%	6.1%

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