

Tuesday, 26 August 2025

ACL FY25 FINANCIAL RESULTS

The following announcements to the market are attached:

Appendix 4E

FY25 financial statements and statutory reports

✓ FY25 financial results announcement

FY25 investor presentation

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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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Revenue growth and operating leverage underpin strong earnings result

Australian Clinical Labs Limited (ASX: ACL) (**ACL** or the **Company**) is pleased to announce its results for the 12 months to 30 June 2025 (**FY25**).

AUD in millions	Actual FY25	Actual FY24	% Growth	2H FY25	1H FY25
Total Revenue	741.3	696.4	6.4%	372.1	369.2
Underlying EBITDA ¹	204.0	191.0	6.8%	108.9	95.1
Underlying EBIT ¹	68.0	62.6	8.7%	40.7	27.3
Underlying EBIT Margin ¹	9.2%	9.0%	20bps	10.9%	7.4%
Underlying NPAT ¹	34.0	31.6	7.7%	21.9	12.1
Statutory EBIT	66.1	52.9	25.0%	39.2	26.9
Statutory NPAT	32.8	24.2	35.4%	21.0	11.8
Free cash flow before interest, tax and financing	70.8	54.4	30.2%	44.0	26.8
AUD in Cents per Share	FY25	FY24	% Growth		
Underlying Earnings Per Share (EPS) ¹	17.8	15.7	13.4%		

Highlights

- Strong revenue growth despite challenging market conditions. ACL's MBS outlays rose 7.8%², slightly ahead of the broader market³
- Underlying EBIT growth of 8.7% underpinned by revenue growth in both MBS outlays and specialist and non-MBS tests
- Expanded EBIT margin 20bps to 9.2%, with 2H25 margins returning to low double-digits as expected, driven by improved operating efficiencies, notably in labour
- Underlying EPS of 17.8 cents per share (cps) up 13.4%, the result of improved profits and return of capital to shareholders via buyback
- Free Cash Flow before interest, tax and financing rose 30.2% through operating leverage and positive working capital management
- Final fully franked dividend of 9.0 cps declared, which when combined with the interim dividend of 3.5 cps, takes the full year dividend to 12.5 cps fully franked. Capital returns to shareholders in FY25 via dividends and share buyback of \$44.0m equivalent to ~9% of current market capitalisation
- Continued balance sheet strengthening with an additional \$13.0m of debt repayment, on top of capital returns to shareholders

1. Underlying results excludes certain non-recurring revenue and expenses
 2. ACL growth excluding SunDoctors, Queensland and non-Medicare commercial work adjusted for working days
 3. Market data based on working-day adjusted Medicare statistics for National PEI volumes

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

“ACL is now entering its 5th year post-listing on the ASX, and in that time we have delivered improved performance in the underlying business year on year. The increase in earnings and cashflows that have been presented today are the result of a whole of team focus, including our pathologists, scientists and those providing patient service. The hard work of our leadership and technology teams, over several years, to integrate disparate systems and combine them into one operating platform sets ACL apart from our competitors and ensures we are uniquely positioned to both capitalise on opportunities as well as manage any external challenges in the current environment.

Despite a challenging external environment, which saw slower market growth in the second half of FY 2025, the second half performance delivered our earnings guidance.

In FY 2025 we saw revenue growth of 6.4%, with our MBS outlays growing by almost 8%, just ahead of the market. Our underlying EBIT is up 6.8%, with an increased full year EBIT margin of 9.2%.

We have returned \$44.0m to shareholders in FY25 through a combination of dividends and share buyback. On top of that we have invested in our business and reduced our net debt, excluding lease liabilities, by \$8.4m. We are a well-capitalised business, generating strong cashflows.

Our core strategy remains focused on driving margin accretive top-line growth through disciplined network expansion, investment in strategic new business and implementation of revenue and billing enhancements. Overlaying this, we will continue to invest in and apply innovation to our operations.

I thank all the dedicated Australian Clinical Labs staff as they continue to focus on providing the best possible service and care to our patients and referrers.”

Final dividend for FY25

The ACL Board has declared a final fully franked dividend of 9.0 cps, which combined with the interim dividend of 3.5 cps, takes the full year dividend to 12.5 cps. The full year dividend represents 72% of underlying NPAT.

The Record Date will be 2 September 2025 with a Payment Date of 23 September 2025.

FY26 Guidance

ACL expects Underlying EBIT of \$67m to \$73m and Total Revenue of \$760m to \$780m which factors in the following assumptions:

- ACL’s continued investment in revenue initiatives and operating efficiencies to partially offset the impact of government fee cuts
- The negative impact of the B12 and urine fee cuts in the MBS, which materially outweigh the modest and limited indexation on parts of the MBS Schedule (which is also included)
- Judicious pursuit of revenue growth, in both ACCs and commercial contracts. ACL will not pursue low margin revenue growth
- Lower end of guidance reflects potential for slower pathology market growth compared to FY25, noting the slowdown in H2 FY25
- No potential impacts related to the Fair Work Commission’s review of gender-based undervaluation in modern awards have been included in the guidance range
- H1/H2 seasonality in earnings is expected to be like that achieved in FY25

FY27 EBIT Initiatives

ACL has several initiatives in development that contribute to a positive outlook beyond FY26, which are expected to generate at least \$8m of EBIT in FY27. Initiatives include:

- Upfront episode billing that will generate higher revenues and lower bad debts
- Price increases on non-MBS funded tests
- Digitalisation and application of AI to manual billing practices
- Lab of the Future, state of the art automation and laboratory footprint consolidation
- AI initiatives that will create back-office savings and operating efficiencies
- Workforce alignment to activity that should continue to improve the labour ratio

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 10am (Melbourne time).

Participants can register for the webcast by accessing this link:

https://clinicallabs-au.zoom.us/webinar/register/WN_FU1UCD4qTfSO8_ZyF4aYQA

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

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Matthew Cordingley
Chief Financial Officer
Email: Matthew.Cordingley@clinicallabs.com.au

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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 FY26 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.