

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

– ENDS –

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

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Company Secretary

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### 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.



## FY25 Results Presentation

Melinda McGrath, CEO and  
Executive Director

Matthew Cordingley, CFO

26 August 2025



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# Financial & Operational Highlights

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Melinda McGrath  
CEO & Executive Director



# FY25 Result – Financial Highlights

*Strong earnings and Cash Flow growth as operating leverage realised*



**Revenue**  
**\$741.3m**  
+6.4% yoy

**Strong revenue growth** despite challenging market conditions, with ACL MBS outlays rising 7.8%<sup>3</sup>, **slightly ahead of the broader market**<sup>4</sup>

**EBIT<sup>1</sup>**  
**\$68.0m**  
9.2% margin

**Stronger EBIT growth +8.7% yoy** as margins expanded 20bps yoy in FY25, with 2H25 margins returning to low double-digits as expected

**FCF**  
**\$70.8m**  
+30.2% yoy

**Free Cash Flow** before interest, tax, and financing rose 30.2% on operating leverage and positive working capital management

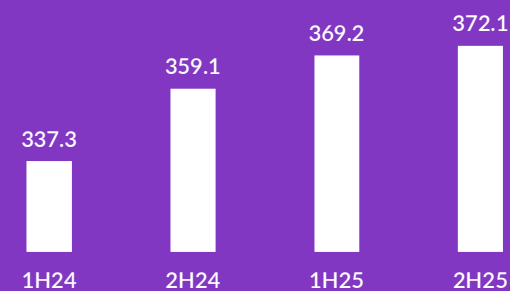
**ND/EBITDA<sup>2</sup>**  
**0.3x**  
vs 0.5x end-Dec

**Continued Balance Sheet strengthening** following an additional \$13.0m of debt repayment

**Capital Returns**  
**\$44.0m**  
in FY25

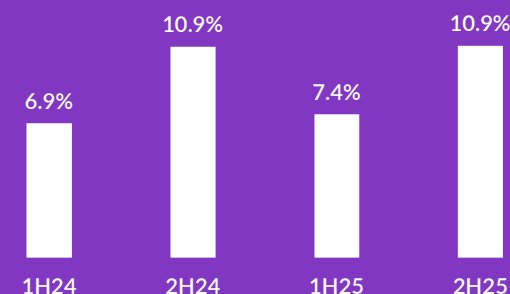
**Capital returns to shareholders** in FY25 equivalent to ~9% of current market capitalisation, with **Final Dividend of 9.0cps** declared for **Total FY25 Dividend of 12.5cps (72% payout ratio)**

Revenue (\$m)



Successfully delivered against Revenue and EBIT guidance despite challenging market conditions

EBIT Margin



1). Underlying EBIT, which excludes certain non-recurring revenue and expenses (for more information see slide 18)

2). Net Debt / Underlying Cash EBITDA (pre-AASB 16)

3). ACL growth excluding SunDoctors, Queensland and non-Medicare commercial work adjusted for working days.

4). Market data based on working-day adjusted Medicare statistics for National PEI volumes



# FY25 Result – Operational Highlights

*Constant focus on efficiency and profitable revenue growth*



## ACL's Competitive Advantage

ACL is the only national pathology provider with a **single national Laboratory Information System (LIS)** (operating system) which reduces duplication, drives cost efficiencies, and enhances customer services

## Improved Operating Efficiencies

**Labour as a percentage of revenue** improved 60bps to 43%

**Lab operational efficiency** (panels per FTE) rose 12.3% leveraging ACL's single national LIS

**Logistics efficiency** increased 8%, with route optimisation resulting in 1.1m fewer kilometres travelled

**Leveraging Shared Services operations** provides flexibility in resourcing and other variable costs

**Patient NPS** score of +79

**Commencing the rollout of AI** to support and enhance back-office functions, including manual data entry processes that will produce savings in 2026 and beyond

## Revenue Growth Highlights

**Genetics** – Carrier Screening growth of 102%

**Oncology & Pharmacogenetic testing** has seen significant revenue and volume increases, with revenue rising over 50% yoy

**Positive specialist private in-patient growth** of 0.2% against a market decline of -2.3%

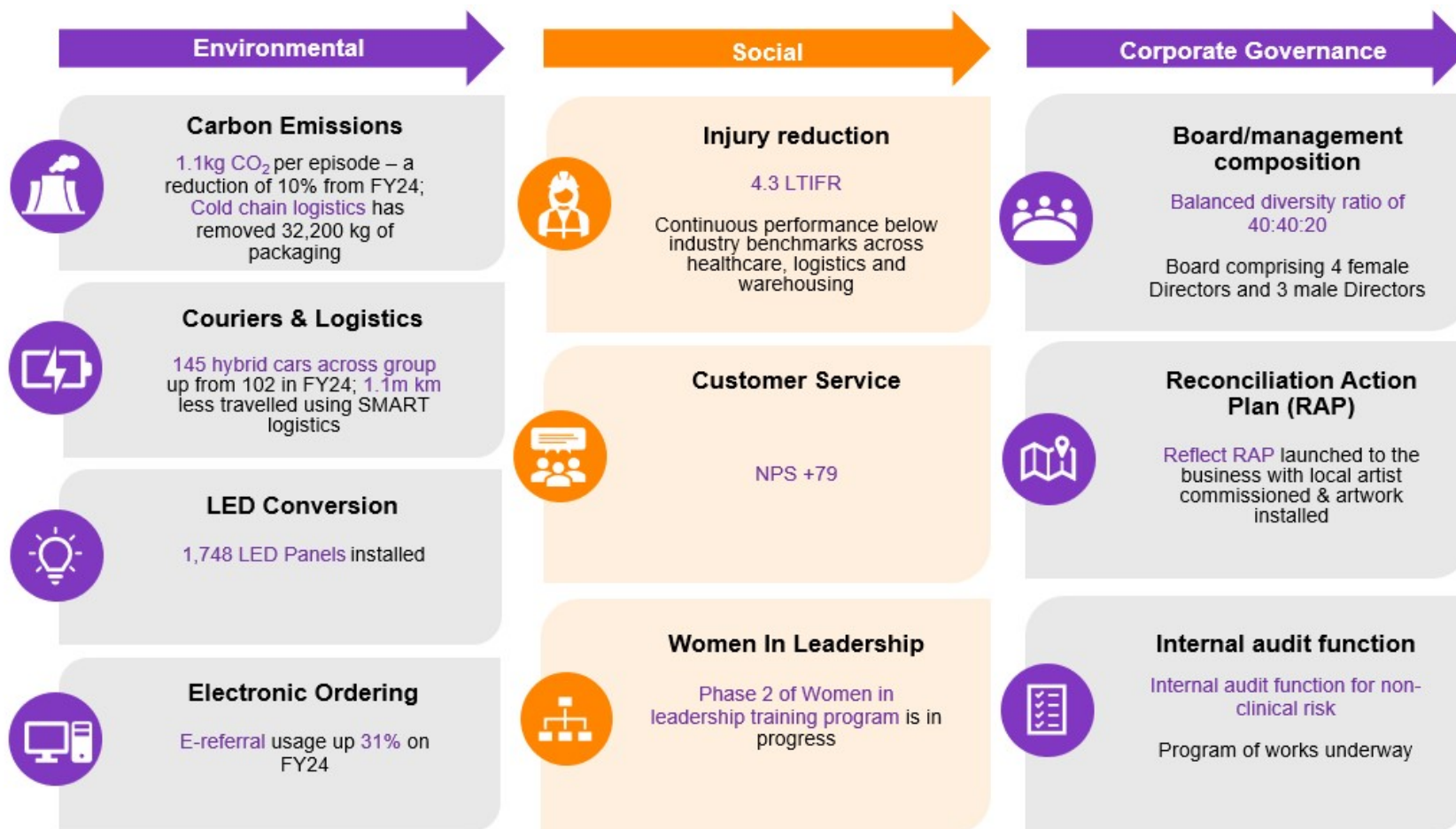
**Strong GP growth**, with Volume +6.4% and Average Fee +2.1%

**5-year non-Medicare funded (i.e. Private Fee)** Revenue CAGR of 12%

**Investment in e-Commerce & digitalisation** to collect upfront payments, reducing bad debts expense

# ESG Highlights

*Delivering strong performance across all areas of our ESG Mission*



# Financials

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Matthew Cordingley  
CFO





# FY25 Profit and Loss

*Sustained growth across all key metrics in FY25 (YoY) and 2H25 (HoH)*

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 <sup>1</sup>	204.0	191.0	6.8%	108.9	95.1
Underlying EBIT <sup>1</sup>	68.0	62.6	8.7%	40.7	27.3
Underlying EBIT Margin <sup>1</sup>	9.2%	9.0%	20bps	10.9%	7.4%
Underlying NPAT <sup>1</sup>	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) <sup>1</sup>	17.8	15.7	13.4%		

## Highlights

**Underlying EBIT Margin of 9.2%** up from 9.0% in FY24, with improvement in operating efficiencies, notably in labour

**Underlying EBIT growth of 8.7%** underpinned by revenue growth in both MBS outlays and specialist and non-MBS tests

**Revenue growth of 6.4%** as MBS outlays rose 7.8%<sup>2</sup>, slightly ahead of the broader market

**Underlying EPS of 17.8cps up 13.4%**, driven by improved profitability and return of capital to shareholders via buyback

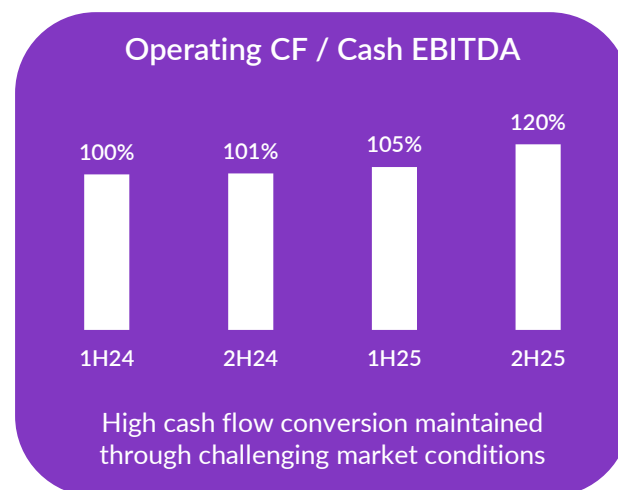
1). Underlying results excludes certain non-recurring revenue and expenses (for more information see slide 18)  
2). ACL growth excluding SunDoctors, Queensland and non-Medicare commercial work adjusted for working days.

# FY25 Cash Flow

*Strong Cash Flows underpin debt reduction, dividends, and buyback*



AUD in millions	Actual FY25	Actual FY24	Actual 2H FY25	Actual 1H FY25
<b>EBITDA</b>	202.2	181.3	107.5	94.7
Non-cash items	3.6	4.1	1.7	1.9
Property related payments AASB 16	(136.1)	(125.0)	(68.8)	(67.3)
<b>Cash EBITDA</b>	<b>69.7</b>	<b>60.4</b>	<b>40.4</b>	<b>29.3</b>
Change in net working capital	9.5	0.5	8.0	1.5
<b>Operating cash flow pre capex</b>	<b>79.2</b>	<b>60.9</b>	<b>48.4</b>	<b>30.8</b>
Capital expenditure	(8.4)	(6.5)	(4.4)	(4.0)
<b>Free cash flow before interest, tax and financing</b>	<b>70.8</b>	<b>54.4</b>	<b>44.0</b>	<b>26.8</b>
Dividends paid	(24.9)	(20.3)	(6.9)	(18.0)
Borrowings	(13.0)	(11.0)	(13.0)	0.0
Share buy-back	(19.1)	-	(14.7)	(4.4)
Other financing and investing activities	(0.5)	(2.5)	(0.5)	(0.0)
Interest paid (excluding AASB 16 related interest)	(3.7)	(4.2)	(1.6)	(2.1)
Income tax paid	(14.4)	(10.2)	(6.6)	(7.8)
<b>Net cash flow</b>	<b>(4.8)</b>	<b>6.2</b>	<b>0.7</b>	<b>(5.5)</b>
<b>Net cash flow excluding financing and investing</b>	<b>52.7</b>	<b>40.0</b>	<b>35.8</b>	<b>16.9</b>
<i>Operating cash flow to Cash EBITDA</i>	<i>113.6%</i>	<i>100.8%</i>	<i>119.8%</i>	<i>105.3%</i>



## Highlights

**Free cash flow before interest, tax and financing of \$70.8m, up 30.2%** driven by operating leverage and positive working capital

Operating CF to Cash EBITDA of 113.6% for FY25 continues ACL's **strong track record of cash conversion**

ACL **returned \$44.0m to shareholders** from earnings in FY25, equivalent to ~9% of current market capitalisation, **alongside the repayment of \$13.0m of debt**

ACL's historical and ongoing capital expenditure requirements are approximately **\$8m to \$10m per annum**

# FY25 Balance Sheet

*Balance Sheet deleveraging alongside significant capital returns*



AUD in millions	Actual FY25	Actual FY24
Cash and cash equivalents	21.4	26.1
Trade and other receivables	72.8	81.4
Inventories and other assets	25.8	26.0
<b>Total current assets</b>	<b>120.1</b>	<b>133.6</b>
Plant and equipment	36.9	41.9
Right-of-use assets	233.3	239.8
Intangible assets	165.2	164.9
Other assets and deferred tax assets	19.5	12.8
<b>Total non-current assets</b>	<b>454.8</b>	<b>459.5</b>
<b>Total assets</b>	<b>574.8</b>	<b>593.1</b>
Trade and other payables	(51.6)	(53.0)
Lease liabilities	(108.6)	(104.7)
Provisions	(47.2)	(46.2)
Deferred consideration, tax and other liabilities	(9.0)	(3.8)
<b>Total current liabilities</b>	<b>(216.4)</b>	<b>(207.7)</b>
Trade and other payables, provisions and deferred consideration	(4.7)	(3.4)
Lease liabilities	(139.8)	(149.1)
Borrowings	(42.0)	(55.1)
<b>Total non-current liabilities</b>	<b>(186.5)</b>	<b>(207.6)</b>
<b>Total liabilities</b>	<b>(402.9)</b>	<b>(415.3)</b>
<b>Net Assets</b>	<b>172.0</b>	<b>177.8</b>

## Highlights

**Stable cash position, \$21.4m**

**Net working capital improvement**, predominantly via accounts receivable reduction

**Net Debt** (excluding lease liabilities) of \$20.5m reflects \$8.4m yoy improvement

**Leverage** (ND/LTM Cash EBITDA)<sup>1</sup> reduced from 0.5x at end-Dec 2024 to 0.3x at end-June 2025

**Balance sheet strength despite capital returns totalling \$44.0m**, including dividend payments of \$24.9m and share buyback of \$19.1m

**Banking facilities refinanced**, with maturity extended to 31 July 2027 and favourable change in covenant from Fixed Charge Coverage Ratio to Interest Cover Ratio. ACL remains well within its covenants

**Final Dividend of 9.0cps** for FY25 Total Dividend of 12.5cps (72% payout ratio), with a Record Date of 2 September 2025 and Payment Date of 23 September 2025

1). Net Debt / Underlying Cash EBITDA (pre-AASB16)

# Growth Strategy & Industry Outlook

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Melinda McGrath  
CEO & Executive Director





# Growth Strategy

*Clear opportunity pipeline to drive increased shareholder returns*

## Disciplined network expansion

Sustainable and profitable network expansion and hospital services growth

Complementary non-Medicare additions to network including Clinical Trials and Skin Cancer Clinics

High value specialist inpatient and outpatient services

## Strategic New Business

Research program partnerships

New high volume test development

JVs to develop new markets

Specialist genetics testing

Exclusive commercialisation of recently accredited tests for Melanoma

## Strategic Acquisitions

AU pathology acquisitions

SunDoctors GP practice growth

International and adjacent opportunities

Other strategic investments aligned to competitive advantage

## Revenue Initiatives

Digitalisation of billing process to recover tests unfunded by the MBS, currently performed for free

Non-Medicare billing and pricing enhancement

Other Funding enhancements

Indexation for part of the schedule (FY26+)

Application of AI to manual billing practices

## Operational Improvement & Restructuring

Lab of the Future feasibility, design & implementation

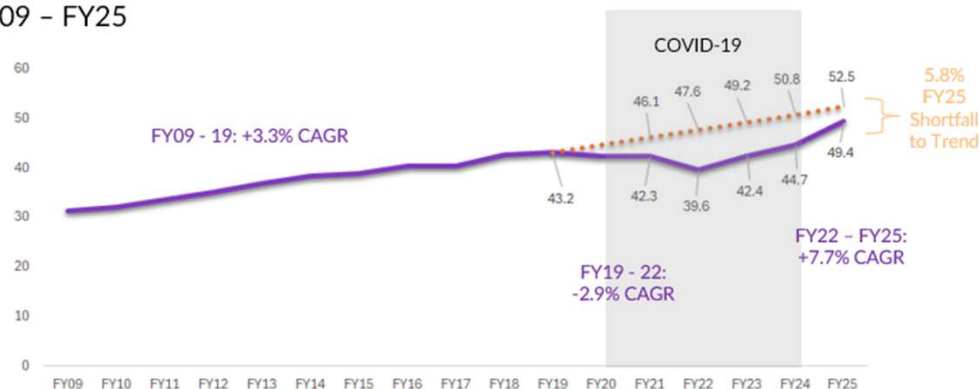
AI / Automation of operations

AI / Automation of diagnostics / clinical practice

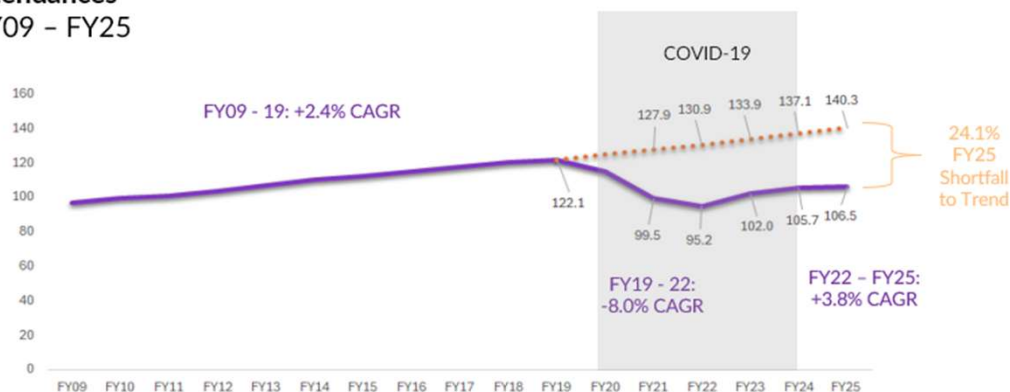
# Industry Outlook

*Pathology market growth is closing the gap*

**Pathology Episodes (ex COVID-19 for FY20 – FY24<sup>1</sup>)**  
#m, FY09 – FY25



**GP Attendances<sup>2</sup>**  
#m, FY09 – FY25



## Highlights

- The pathology market is closing the gap towards historical trends, notwithstanding H2 pull-back
- ~5.8% below historical trend remains an opportunity for revenue growth
- Implies a >\$35m Revenue opportunity for ACL if the market shortfall is caught up
- FY25 market volume growth rate is tracking above long-term growth trend of 3.3% p.a.
- The shortfall is driven by continued softness in GP attendances
- GP attendances excluding Telehealth consults still lagging at ~24.1% below historical trend
- Targeted expansion of the tripling of the GP bulk bill incentive to commence November 25 - tailwind

1). Pathology Episodes sourced from Medicare statistics (Services Australia Statistics) with FY20 – FY24 data adjusted to exclude COVID-19 related pathology services.  
2). GP Attendances sourced from Medicare data (Service Australia Statistics). Data excludes Telehealth consults.

# Guidance & Outlook

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Melinda McGrath  
CEO & Executive Director



# FY26 Guidance and Outlook

## FY26 Guidance<sup>1,2</sup>

Revenue of **\$760m to \$780m**; Underlying EBIT of **\$67m to \$73m**

Guidance range for FY26 informed by the following factors and 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

## 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

1). The guidance range does not include any potential impacts related to the Fair Work Commission's review of gender-based undervaluation in modern awards

2). H1/H2 seasonality in earnings is expected to be like that achieved in FY25



# Appendix

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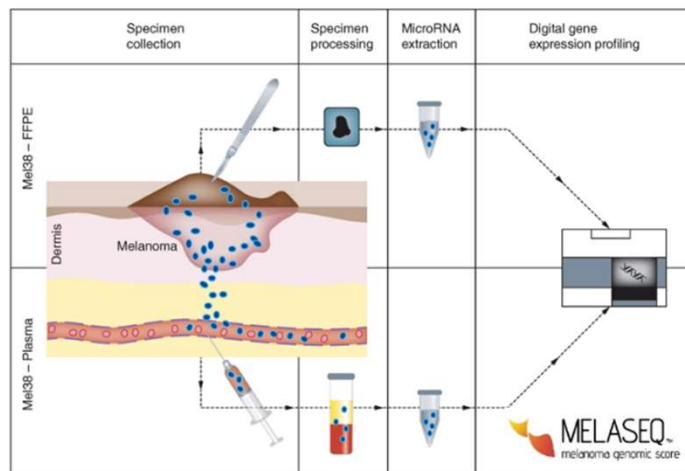
# Partnership with Geneseq

*ACL strategic investment developing genomic test for melanoma*

## ACL/Geneseq partnership

Melaseq is a liquid (plasma) and solid tissue microRNA (genetic) test for melanoma that was developed by Geneseq. Since investing, ACL has provided both strategic, clinical and financial support to Geneseq. The relationship leverages dermatological samples from ACL and SunDoctors to support efficacy analysis.

ACL has convertible notes that that will, upon meeting of certain milestones, provide it with 20% equity ownership of Geneseq and a 10 year exclusive Australian licence for the distribution of the Melaseq test. International patent pending.



## Major Milestone Achieved

Test has achieved very high validation scores. In July 23, Geneseq published its ground-breaking research in the British Journal of Dermatology, showing 93% sensitivity and 98% specificity for invasive melanoma detection from blood samples

Test opens up the potential for earlier, less invasive and more accurate screening and diagnosis of individuals at risk of melanoma, detecting the cancer at all stages. Melanoma is a leading cause of cancer deaths in Australia (18,000 new cases p.a. in Australia)

Final approval for the skin biopsy application and blood/plasma testing has been achieved in FY25

## Opportunity Size

Total addressable market in Australia for the test in Australia is >\$100m p.a. Global applications are multiple times this scale

Test approach is applicable to other common cancers and is currently working on the development of a non-invasive ovarian cancer test

# Reconciliations

*Reported & Underlying EBITDA, EBIT and NPAT*

AUD in millions	Statutory FY25	Insurance	Other	Underlying FY25
Pathology Revenue	717.8	-	-	717.8
Clinic/Other Revenue	23.5	-	-	23.5
<b>Total Revenue</b>	<b>741.3</b>	<b>-</b>	<b>-</b>	<b>741.3</b>
Unusual / Non-Core items				
<b>EBITDA</b>	<b>202.2</b>	<b>(0.9)</b>	<b>2.8</b>	<b>204.0</b>
<b>EBIT</b>	<b>66.1</b>	<b>(0.9)</b>	<b>2.8</b>	<b>68.0</b>
<i>EBIT margin</i>	8.9%			9.2%
<b>NPAT</b>	<b>32.8</b>	<b>(0.7)</b>	<b>1.9</b>	<b>34.0</b>
<b>EBITDA (pre-AASB 16)</b>	<b>66.9</b>	<b>(0.9)</b>	<b>2.8</b>	<b>68.8</b>
<i>EBITDA (pre-AASB 16) margin</i>	9.0%			9.3%

**Chiefly  
insurance  
proceeds &  
legal fees**

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 \$0.9m.
- '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.

# Reconciliations

*AASB 16 to pre-AASB 16*

AUD in millions	Actual FY25	Actual FY24	Actual 2H FY25	Actual 1H FY25
<b>Statutory EBITDA (AASB 16)</b>	<b>202.2</b>	<b>181.3</b>	<b>107.5</b>	<b>94.7</b>
Less: Operating lease rentals (pre-AASB 16)	(135.2)	(124.8)	(68.3)	(66.9)
<b>EBITDA (pre-AASB 16)</b>	<b>67.0</b>	<b>56.5</b>	<b>39.2</b>	<b>27.8</b>
<b>Statutory EBIT (AASB 16)</b>	<b>66.1</b>	<b>52.9</b>	<b>39.2</b>	<b>26.9</b>
Add: Depreciation of Right-of-Use asset (AASB 16)	122.7	114.7	61.7	61.0
Less: Operating lease rentals (pre-AASB 16)	(135.2)	(124.8)	(68.3)	(66.9)
<b>EBIT (pre-AASB 16)</b>	<b>53.6</b>	<b>42.8</b>	<b>32.6</b>	<b>21.0</b>
<b>Statutory NPAT (AASB 16)</b>	<b>32.8</b>	<b>24.2</b>	<b>21.0</b>	<b>11.8</b>
Add: Depreciation of Right-of-Use asset (AASB 16)	122.7	114.7	61.7	61.0
Add: Interest expense on lease liabilities	14.3	12.0	7.1	7.2
Less: Operating lease rentals (pre-AASB 16)	(135.2)	(124.8)	(68.3)	(66.9)
<b>Pre tax Impact NPAT (pre-AASB 16)</b>	<b>34.6</b>	<b>26.1</b>	<b>21.5</b>	<b>13.1</b>
Income tax impact	(0.5)	(0.5)	(0.1)	(0.4)
<b>NPAT (pre-AASB 16)</b>	<b>34.1</b>	<b>25.5</b>	<b>21.4</b>	<b>12.7</b>
<i>Statutory EBITDA margin AASB 16</i>	27.3%	26.0%	28.9%	25.6%
<i>EBITDA margin (pre-AASB 16)</i>	9.0%	8.1%	10.5%	7.5%
<i>Statutory EBIT margin AASB 16</i>	8.9%	7.6%	10.5%	7.3%
<i>EBIT margin (pre-AASB 16)</i>	7.2%	6.1%	8.8%	5.7%



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Thank You

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AUSTRALIAN  
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