



**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

RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

Attached in accordance with Listing Rule 4.2A is the Appendix 4D for Sonic Healthcare Limited for the half year ended 31 December 2024.

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 Limited
ABN 24 004 196 909

ASX APPENDIX 4D AND HALF YEAR REPORT – 31 DECEMBER 2024
Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 2024 Annual Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET
For the six months ended 31 December 2024

Financial Results \$'000	Six months ended 31.12.24 Statutory		% Change
Revenue from ordinary activities	4,668,520		8.4%
Profit after tax from ordinary activities attributable to members	236,683		17.0%
Dividends			
Cents per share	FY2025	FY2024	% Change
Interim dividend	44¢	43¢	2.3%
Interim dividend franked amount per security	0¢	0¢	

The record date for determining entitlements to the interim dividend will be 6 March 2025. The interim dividend will be paid on 20 March 2025. The interim dividend is unfranked and comprises conduit foreign income and therefore is not subject to Australian dividend withholding tax for non-resident shareholders. The Company's Dividend Reinvestment Plan remains suspended for this dividend.

Explanation of results

\$'000	Six months ended 31.12.24 Constant Currency*	Six months ended 31.12.24 Statutory	Six months ended 31.12.23	% Change 31.12.24 Constant Currency versus 31.12.23	% Change 31.12.24 Statutory versus 31.12.23
Revenue	4,685,634	4,668,520	4,305,646	8.8%	8.4%
Earnings before interest, tax, depreciation and intangibles amortisation (EBITDA)	829,449	827,245	736,662	12.6%	12.3%
Depreciation	(358,529)	(357,769)	(343,350)	4.4%	4.2%
Earnings before interest, tax and intangibles amortisation (EBITA)	470,920	469,476	393,312	19.7%	19.4%
Amortisation of intangibles	(45,795)	(45,534)	(40,314)	13.6%	12.9%
Net interest expense	(75,297)	(75,086)	(52,951)	42.2%	41.8%
Income tax attributable to operating profit	(93,890)	(93,493)	(81,913)	14.6%	14.1%
Net (profit) attributable to minority interests	(18,461)	(18,680)	(15,823)	16.7%	18.1%
Net profit attributable to Sonic shareholders	237,477	236,683	202,311	17.4%	17.0%
Cash generated from operations		620,066	451,843		37.2%
Earnings per share					
Basic earnings per share (cents per share)	49.5	49.3	42.7	15.9%	15.5%
Diluted earnings per share (cents per share)	49.3	49.2	42.6	15.7%	15.5%

* For an explanation of 'Constant Currency' refer to 2(a) in the Commentary on Results.

Commentary on the figures above is provided in the following pages of this report.

COMMENTARY ON RESULTS

For the half year ended 31 December 2024

1. Headlines

- Revenue A\$4,669 million, up 8.4%.
- EBITDA A\$827 million, up 12.3%.
- Net profit A\$237 million, up 17.0%.
- On track to achieve full-year earnings guidance provided in August 2024.
- Strong organic revenue growth of 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 reduction programs, particularly labour, driving margin expansion.
- Synergy initiatives from acquisitions on track, majority of benefits in future periods.
- Labour cost as percentage of revenue reduced by 50 bps.
- 103% conversion of EBITDA to gross operating cashflow reflecting strong debtor collections.
- LADR Laboratory Group (Germany) acquisition to complete 1 July 2025.
- Progressive dividend policy maintained, increase of 1 cent (2.3%) to 44 cents for the FY2025 Interim Dividend.

2. Explanation of results

(a) Constant currency

As a result of Sonic's expanding operations outside of Australia, Sonic is exposed to currency exchange rate translation risk i.e. the risk that Sonic's offshore earnings and assets fluctuate when reported in AUD.

The average currency exchange rates for the six months to 31 December 2024 for the Australian dollar ('A\$', 'AUD' or '\$') versus the currencies of Sonic's offshore earnings varied from those in the comparative period, impacting Sonic's AUD reported earnings ('Statutory' earnings). The underlying earnings in foreign currency are not affected.

As in prior periods, in addition to the statutory disclosures, Sonic's results for the half year have also been presented on a 'Constant Currency' basis (i.e. using the same exchange rates to convert the current period foreign earnings into AUD as applied in the comparative period, being the average rates for that period). This facilitates comparability of the Group's performance, by providing a view on the underlying business performance without distortion caused by exchange rate volatility, so that an assessment can be made of the growth in earnings in local currencies.

In preparing the Constant Currency reporting, the foreign currency elements of each line item in the Income Statement (including net interest expense and tax expense) are restated using the relevant prior period average exchange rate. There is only this one adjustment to each line item so no reconciliation is required.

The average exchange rates used were as follows:

	31.12.24 Statutory	31.12.23 and Constant Currency
AUD/USD	0.6610	0.6530
AUD/EUR	0.6105	0.6033
AUD/GBP	0.5120	0.5207
AUD/CHF	0.5762	0.5779
AUD/NZD	1.0998	1.0806

COMMENTARY ON RESULTS

For the half year ended 31 December 2024

2. Explanation of results (continued)

(a) Constant currency (continued)

To manage currency translation risk Sonic uses 'natural' hedging, under which foreign currency assets (businesses) are matched to the extent practicable with same currency debt. Therefore:

- as the AUD value of offshore assets changes with currency movements, so does the AUD value of the debt; and
- as the AUD value of foreign currency EBIT changes with currency movements, so does the AUD value of the foreign currency interest expense.

As Sonic's foreign currency earnings grow, debt is repaid, and interest rates change, the natural hedges have only a partial effect, so AUD reported earnings do fluctuate. Sonic believes it is inappropriate to hedge translation risk (a non-cash risk) with real cash hedging instruments.

(b) Revenue

Revenue breakdown A\$M

	Six months ended 31.12.24 Statutory Revenue	% of 31.12.24 Revenue	Six months ended 31.12.24 Constant Currency Revenue	Six months ended 31.12.23 Revenue	Growth 31.12.24 Constant Currency v 31.12.23
Laboratory – Australia and New Zealand	1,049	22.5%	1,049	968	8.4%
Laboratory – US	1,027	22.1%	1,039	1,047	(0.8)%
Laboratory – Europe	1,872	40.2%	1,877	1,627	15.4%
Radiology – Australia	484	10.4%	484	432	12.0%
Other	225	4.8%	225	220	2.4%
Revenue	4,657	100%	4,674	4,294	8.9%
Interest income	12			12	
Total revenue	4,669			4,306	

Organic revenue growth for the Group in the half year was 6.1%.

Particularly strong organic growth was achieved in the Australian (9%), German (7%), and UK (8%) laboratory businesses. The Swiss business achieved organic growth of 6%. The US business grew 2% organically with the reduction in reported revenue relating to the sale of the West Division in H2 FY2024. The revenue of the Belgian business declined slightly, with volume growth in the period offset by a government fee reduction from 1 January 2024.

Organic growth in the laboratory divisions was augmented by business acquisitions in Germany, Switzerland and the USA, mainly in the FY2024 year.

Radiology organic revenue growth was very strong at 12%, and included indexation of fees and targeted private billing. Sonic's Radiology business continues to benefit from the trend towards growth in higher value modalities.

Revenue for Sonic Clinical Services ('SCS'), mainly comprising Sonic's medical centre and occupational health businesses (the major component of the Other segment, which also includes other minor operations), grew 2% organically.

COMMENTARY ON RESULTS
For the half year ended 31 December 2024

2. Explanation of results (continued)

(c) Earnings

EBITDA for the Group grew 12.3% on the comparative period, reflecting revenue growth of 8.4% and ~60 basis points of margin expansion. Removing the effect of the recent zero-margin acquisitions of Risch and PathologyWatch, the margin expansion would have been ~90 basis points.

Sonic's Laboratory operations grew EBITDA by 12%, including margin expansion of ~50 basis points. Sonic's Radiology business achieved 13% EBITDA growth and margin expansion of ~20 basis points.

Labour costs as a percentage of revenue reduced by 50 basis points versus the comparative period, reflecting cost reduction initiatives.

Consumables cost increased slightly as a percentage of revenue largely due to changes in testing mix, in particular the growth in genetic testing. Sonic continues to achieve savings through procurement initiatives.

(d) Depreciation

Depreciation costs grew 4.2% versus the comparative period, and equated to the same percentage of revenue as in FY2024.

(e) Intangibles amortisation

Intangibles amortisation relates to internally developed and purchased software.

(f) Interest expense and debt facilities

Net interest expense increased 42% on the prior year (at Constant Currency rates), mainly due to debt incurred for acquisitions during FY2024.

The majority of Sonic's debt is drawn in foreign currencies as 'natural' balance sheet hedging of Sonic's offshore operations (see 2(a) Constant currency above).

Interest rate risk management arrangements are in place in accordance with Sonic's Treasury Policy.

COMMENTARY ON RESULTS
For the half year ended 31 December 2024

2. Explanation of results (continued)

(f) Interest expense and debt facilities (continued)

Sonic's net interest bearing debt (excluding lease liabilities under AASB 16 Leases) at 31 December 2024 comprised:

	Facility Limit M	Drawn M	AUD \$M Available
Notes held by USA investors – USD	US\$550	US\$550	-
Notes held by USA investors – EUR	€730	€730	-
Bank debt facilities			
- USD (Multicurrency) limits	US\$100	US\$33	108
- Euro (Multicurrency) limits	€874	€307	949
- AUD (Multicurrency) limits	A\$407	A\$180	227
- CHF (Multicurrency) limits	CHF125	CHF198*	(130)
Minor debt / leasing facilities	n/a	A\$6*	-
Cash	n/a	A\$(541)*	541
Available liquidity at 31 December 2024			1,695
Net interest bearing debt (excluding lease liabilities under AASB 16)		A\$2,674	

* Various currencies

* Part of the CHF debt was drawn in facilities denominated in other currencies

Sonic's credit metrics at 31 December 2024 were as follows:

	31.12.24	30.6.24
Debt cover (times)	2.0	1.9
Interest cover (times)	10.5	12.0
Gearing ratio	24.0%	22.3%

Definitions:

- Debt cover = Net debt / EBITDA (bank covenant limit <3.5)
- Interest cover = EBITA / Net interest expense (bank covenant limit >3.25)
- Gearing ratio = Net debt / [Net debt + equity] (USPP covenant limit <55%)
- Calculations as per Sonic's debt facility definitions, which exclude the impacts of AASB 16 Leases

Sonic's senior debt facility limits at 20 February 2025 expire as follows (**note that the figures shown below are the facility limits, not drawn debt**):

Calendar Year	AUD M	USD M	Euro M	CHF M
2025	250	-	-	-
2026	-	-	365	-
2027	157	100	184	-
2028	-	-	350	-
2029	-	-	220	125
2030	-	300	-	-
2031	-	-	100	-
2032	-	150	85	-
2034	-	-	200	-
2035	-	100	-	-
2039	-	-	100	-
	407	650	1,604	125

COMMENTARY ON RESULTS
For the half year ended 31 December 2024

2. Explanation of results (continued)

(g) Tax expense

The effective tax rate is 26.8%, below the comparative period (27.3%) and within the guidance range provided in August 2024 (26-27%).

(h) Cash flow

Cash generated from operations was 37% higher than in the comparative period, and gross operating cash flow equated to 103% of EBITDA (following 82% in H1 FY2024 and 95% for FY2024). The strong conversion of EBITDA to cash mainly related to enhanced debtors' collection, including in relation to the Change Healthcare situation. In February 2024, Change Healthcare experienced a cyber event, which prevented parts of Sonic's USA business from billing and/or collecting debtors. Sonic has received interest free advances to replace the cash that would have been received from debtors. Some repayments have been made during the half year as debtors have been collected. The balance of advances from Change Healthcare at 31 December 2024 was US\$192 million. These advances will be repaid as debtors are collected.

Tax paid in the period was 83% more than the tax expense due to timing of instalments and return lodgements.

(i) FY2025 guidance maintained

The FY2025 earnings guidance provided in August 2024 has been maintained, being:

- EBITDA in the range of A\$1.70 to A\$1.75 billion on a Constant Currency basis, representing up to ~10% growth on FY2024 EBITDA (excluding the gain relating to the West division).
- Depreciation (including of leased assets) is expected to be a similar percentage of revenue in FY2025 as in FY2024.
- Net interest expense is expected to increase by ~25% from the FY2024 level (on a Constant Currency basis), due to the business acquisitions completed during FY2024, and higher interest rates on refinanced long-term debt.
- The effective tax rate is expected to be 26-27%.

Key guidance considerations:

- Excludes any future business acquisitions.
- No regulatory changes are assumed.
- Incorporates initial A\$10 million loss in H2 FY2025 from Hertfordshire and West Essex contract in UK, profitable from FY2026 onwards.
- Current interest rates are assumed to prevail.

**STATUTORY
HALF YEAR REPORT**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report and Financial Statements for the year ended 30 June 2024 and any public announcements made by Sonic Healthcare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your Directors present their report on the Group consisting of Sonic Healthcare Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2024.

1. Names of Directors

The Directors of the Company in office during the half year and up to the date of this report (unless otherwise indicated) are:

Prof MR Compton – Chairman
Dr CS Goldschmidt – Managing Director
Mr CD Wilks – Finance Director
Prof C Bennett
Prof S Crowe
Dr K Giles
Mr N Mitchell
Mr LJ Panaccio (until 19 November 2024)
Ms KD Spargo
Ms NM Wakefield Evans (from 10 February 2025)

2. Review of operations

Revenue for the period increased 8.4% to A\$4.7 billion with organic growth augmented by revenue from acquisitions during FY2024 and the current period.

Net profit grew 17% to A\$237 million and diluted earnings per share grew 15% to A\$0.492.

Summary:

- On track to achieve full-year earnings guidance provided in August 2024.
- Strong organic revenue growth of 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 reduction programs, particularly labour, driving margin expansion.
- Synergy initiatives from acquisitions on track, majority of benefits in future periods.
- Labour cost as percentage of revenue reduced by 50 bps.
- 103% conversion of EBITDA to gross operating cashflow reflecting strong debtor collections.
- LADR Laboratory Group (Germany) acquisition to complete 1 July 2025.
- Progressive dividend policy maintained, increase of 1 cent (2.3%) to 44 cents for the FY2025 Interim Dividend.

Further information on the operations and financial results and position of the Company is included in the Commentary on Results section attached to this report, the presentation released to the ASX on the same day as this Appendix 4D, and in the 2024 Annual Report. This information includes results presented on a 'Constant Currency' basis – current period results presented using the comparative period average currency exchange rates to translate offshore earnings. The Constant Currency information is not required to be audited or reviewed in accordance with Australian Auditing Standards.

DIRECTORS' REPORT

3. Subsequent events

Since the end of the financial period, the Directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years other than receiving unconditional German antitrust and foreign investment clearances to acquire Laboratory Group Dr. Kramer & Colleagues ('LADR') in February 2025. The transaction is expected to settle on 1 July 2025. Details of the LADR business and the acquisition were provided in Sonic's announcement to the Australian Securities Exchange on 9 December 2024.

4. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached to this Half Year Report.

5. Rounding of amounts to nearest thousand dollars

The Company is a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars in accordance with that Instrument.

This report is made in accordance with a resolution of the Directors.



MR Compton
Chairman



Dr CS Goldschmidt
Director

Sydney
20 February 2025



Auditor's Independence Declaration

As lead auditor for the review of Sonic Healthcare Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sonic Healthcare Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Aishwarya Chandran', with a horizontal line underneath.

Aishwarya Chandran
Partner
PricewaterhouseCoopers

Sydney
20 February 2025

CONSOLIDATED INCOME STATEMENT
For the half year ended 31 December 2024

	Notes	Six months ended 31.12.24 \$'000	Six months ended 31.12.23 \$'000
Revenue from operations		4,668,520	4,305,646
Labour and related costs		(2,291,131)	(2,135,622)
Consumables used		(751,657)	(685,188)
Depreciation		(357,769)	(343,350)
Transportation		(131,259)	(122,520)
Utilities		(97,910)	(96,484)
Borrowing costs expense		(86,907)	(65,411)
Amortisation of intangibles		(45,534)	(40,314)
Other expenses from ordinary activities		(557,497)	(516,710)
Profit from ordinary activities before income tax expense		348,856	300,047
Income tax expense		(93,493)	(81,913)
Profit from ordinary activities after income tax expense		255,363	218,134
Net (profit) attributable to minority interests		(18,680)	(15,823)
Profit attributable to members of Sonic Healthcare Limited		236,683	202,311
Basic earnings per share (cents per share)	4	49.3	42.7
Diluted earnings per share (cents per share)	4	49.2	42.6

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2024

	Six months ended 31.12.24 \$'000	Six months ended 31.12.23 \$'000
Profit from ordinary activities after income tax expense	255,363	218,134
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	334,766	(70,945)
<i>Items that will not be reclassified to profit or loss</i>		
Fair value gain/(loss) on financial asset	2,100	(6,362)
Actuarial gains/(losses) on retirement benefit obligations	6,889	(18,933)
Other comprehensive income for the period, net of tax	343,755	(96,240)
Total comprehensive income for the period	599,118	121,894
Total comprehensive income attributable to:		
Members of Sonic Healthcare Limited	569,848	110,289
Minority interests	29,270	11,605
	599,118	121,894

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
As at 31 December 2024

	Notes	31.12.24 \$'000	30.6.24 \$'000
Current assets			
Cash assets and cash equivalents		541,324	645,001
Receivables		1,323,722	1,362,175
Current tax receivables		62,223	-
Inventories		238,667	208,834
Other		134,300	136,985
Total current assets		2,300,236	2,352,995
Non current assets			
Receivables		18,607	22,237
Other financial assets		205,845	198,348
Property, plant and equipment		1,702,379	1,656,500
Right-of-use assets		1,447,211	1,395,384
Intangible assets		9,614,390	9,126,264
Deferred tax assets		78,859	65,936
Other		9,510	8,810
Total non current assets		13,076,801	12,473,479
Total assets		15,377,037	14,826,474
Current liabilities			
Payables		1,235,353	1,240,486
Interest bearing liabilities		237,172	297,490
Lease liabilities		373,368	363,540
Current tax liabilities		-	27,494
Provisions		356,472	367,244
Other		26,989	25,940
Total current liabilities		2,229,354	2,322,194
Non current liabilities			
Interest bearing liabilities		2,974,241	2,690,400
Lease liabilities		1,213,491	1,163,938
Deferred tax liabilities		396,716	362,588
Provisions		147,111	144,213
Other		79,378	68,016
Total non current liabilities		4,810,937	4,429,155
Total liabilities		7,040,291	6,751,349
Net assets		8,336,746	8,075,125
Equity			
Parent entity interest			
Contributed equity	6	4,141,767	4,140,911
Reserves	8	561,057	224,435
Retained earnings		3,493,194	3,552,277
Total parent entity interest		8,196,018	7,917,623
Minority interests		140,728	157,502
Total equity		8,336,746	8,075,125

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2024

	Six months ended 31.12.24 \$'000	Six months ended 31.12.23 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	4,801,496	4,432,170
Payments to suppliers and employees (inclusive of goods and services tax)	(3,947,087)	(3,828,217)
Gross operating cash flow	854,409	603,953
Interest received	11,821	12,460
Borrowing costs	(74,995)	(61,689)
Income taxes paid	(171,169)	(102,881)
Net cash inflow from operating activities	620,066	451,843
Cash flows from investing activities		
Payment for purchase of controlled entities and investments, net of cash acquired	(34,557)	(884,343)
Payments for property, plant and equipment	(169,966)	(224,431)
Proceeds from sale of non current assets	2,055	3,224
Payments for investments	(3,515)	(13,314)
Payments for intangibles	(65,376)	(66,680)
Repayment of loans by other entities	11,072	8,271
Loans to other entities	(2,020)	(4,168)
Net cash (outflow) from investing activities	(262,307)	(1,181,441)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities (net of transaction costs and related costs)	(4)	156,825
Payments for buyback and treasury shares	-	(10,000)
Proceeds from borrowings	1,331,399	1,258,813
Repayment of borrowings	(1,267,647)	(338,378)
Principal elements of lease payments	(199,359)	(193,587)
Dividends paid to Company's shareholders	(302,655)	(293,923)
Transactions related to minority interests	196	-
Dividends paid to minority interests in controlled entities	(45,799)	(6,364)
Net cash (outflow)/inflow from financing activities	(483,869)	573,386
Net (decrease) in cash and cash equivalents	(126,110)	(156,212)
Cash and cash equivalents at the beginning of the financial period	645,001	797,994
Effects of exchange rate changes on cash and cash equivalents	22,433	(22,169)
Cash and cash equivalents at the end of the financial period	541,324	619,613

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2024

	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Minority interests \$'000	Total \$'000
Balance at 1 July 2024	4,140,911	224,435	3,552,277	7,917,623	157,502	8,075,125
Profit for the period	-	-	236,683	236,683	18,680	255,363
Other comprehensive income for the period	-	326,276	6,889	333,165	10,590	343,755
Total comprehensive income for the period	-	326,276	243,572	569,848	29,270	599,118
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	(302,655)	(302,655)	-	(302,655)
Transfers to share capital	470	(470)	-	-	-	-
Allocation of treasury shares	389	(389)	-	-	-	-
Share based payments	-	12,150	-	12,150	-	12,150
Costs of share transactions net of tax	(3)	-	-	(3)	-	(3)
Transactions relating to minority interests	-	(945)	-	(945)	1,145	200
Dividends paid to minority interests in controlled entities	-	-	-	-	(47,189)	(47,189)
Balance at 31 December 2024	4,141,767	561,057	3,493,194	8,196,018	140,728	8,336,746
Balance at 1 July 2023	3,842,423	339,884	3,554,197	7,736,504	185,358	7,921,862
Profit for the period	-	-	202,311	202,311	15,823	218,134
Other comprehensive income for the period	-	(73,089)	(18,933)	(92,022)	(4,218)	(96,240)
Total comprehensive income for the period	-	(73,089)	183,378	110,289	11,605	121,894
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	(293,923)	(293,923)	-	(293,923)
Shares issued	178,802	(21,977)	-	156,825	-	156,825
Transfers to share capital	16,901	(16,901)	-	-	-	-
Acquisition of shares	(10,000)	-	-	(10,000)	-	(10,000)
Allocation of treasury shares	852	(852)	-	-	-	-
Share based payments	-	12,313	-	12,313	-	12,313
Minority interests on acquisition of subsidiaries	-	-	-	-	74	74
Dividends paid to minority interests in controlled entities	-	-	-	-	(6,818)	(6,818)
Balance at 31 December 2023	4,028,978	239,378	3,443,652	7,712,008	190,219	7,902,227

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the half year ended 31 December 2024

Note 1 Summary of material accounting policies

This general purpose financial report for the interim half year reporting period ended 31 December 2024 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Sonic Healthcare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Comparatives may be restated to enhance comparability with the prior year.

Note 2 Segment information

Business segments

The Group's Chief Executive Officer and the Board of Directors (the chief operating decision makers) review the Group's performance both by the nature of services provided and geographic region. Discrete financial information about each operating segment is reported to the Chief Executive Officer and the Board of Directors on at least a monthly basis and is used to assess performance and determine the allocation of resources. The internal reports use a 'Constant Currency' basis for reporting revenue and Net Profit Before Tax ('NPBT') with foreign currency elements restated using the relevant prior period average exchange rates. The segment revenue and NPBT have therefore been presented using Constant Currency. NPBT is calculated after lease interest, but excluding interest on debt and non-lease interest income.

The Group has the following reportable segments:

- (i) **Laboratory**
Pathology/clinical laboratory services provided in Australia, New Zealand, the United Kingdom, the United States of America, Germany, Switzerland and Belgium. The geographic regions have been aggregated into one reportable segment as they provide similar services and have similar expected growth rates, cost structures, risks, and return profiles.
- (ii) **Radiology**
Diagnostic imaging services provided in Australia.
- (iii) **Other**
Includes corporate office functions, medical centre operations (IPN), occupational health services (Sonic HealthPlus), and other minor operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2024

Note 2 Segment information (continued)

Half Year ended 31 December 2024	Laboratory \$'000	Radiology \$'000	Other \$'000	Eliminations \$'000	Consolidated \$'000
Segment revenue (Constant Currency)	3,964,803	483,863	228,245	(3,098)	4,673,813
Currency exchange movement	(17,114)	-	-	-	(17,114)
Segment revenue	3,947,689	483,863	228,245	(3,098)	4,656,699
Interest income					11,821
Total revenue					4,668,520
Segment NPBT (Constant Currency)	369,470	76,401	(51,294)	-	394,577
Currency exchange movement	(1,124)	-	-	-	(1,124)
Segment NPBT	368,346	76,401	(51,294)	-	393,453
Unallocated net interest expense					(44,597)
Profit before tax					348,856
Income tax expense					(93,493)
Profit after income tax expense					255,363
Allocated interest expense	23,886	3,497	3,414	-	30,797
Depreciation and amortisation expense	300,131	45,176	57,996	-	403,303
EBITDA	692,345	125,074	9,826	-	827,245
Half Year ended 31 December 2023	Laboratory \$'000	Radiology \$'000	Other \$'000	Eliminations \$'000	Consolidated \$'000
Segment revenue	3,641,462	431,675	223,180	(3,131)	4,293,186
Interest income					12,460
Total revenue					4,305,646
Segment NPBT	315,980	64,909	(52,636)	-	328,253
Unallocated net interest expense					(28,206)
Profit before tax					300,047
Income tax expense					(81,913)
Profit after income tax expense					218,134
Allocated interest expense	19,040	2,799	3,284	-	25,123
Depreciation and amortisation expense	284,177	42,927	56,560	-	383,664
EBITDA	619,175	110,635	6,852	-	736,662

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2024

Note 2 Segment information (continued)

Disaggregated revenue (excluding interest and rental income)

	Six months ended 31.12.24 \$'000	Six months ended 31.12.23 \$'000
<i>Laboratory</i>		
Australia	1,032,779	949,772
Germany	921,410	820,965
USA	1,027,033	1,046,386
Switzerland	518,486	404,199
UK	360,138	327,594
Belgium	71,158	73,088
New Zealand	14,819	17,434
<i>Non-Laboratory</i>		
Radiology	483,363	431,197
Other (Medical centres, occupational health services, etc.)	225,348	220,284
	4,654,534	4,290,919

Note 3 Dividends

	Six months ended 31.12.24 \$'000	Six months ended 31.12.23 \$'000
Dividends paid during the half year	302,655	293,923

Dividends not recognised at the end of the half year

Since the end of the half year the Directors have declared an interim dividend of 44 cents (2024: 43 cents) franked to 0% (2024: 0%).

The dividend is payable on 20 March 2025 with a record date of 6 March 2025.

Based on the number of shares on issue at 19 February 2025 the aggregate amount of the proposed interim dividend to be paid out of retained earnings at the end of the half year, but not recognised as a liability is:

211,378	205,490
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Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan remains suspended for the FY2025 interim dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2024

	Six months ended 31.12.24 \$'000	Six months ended 31.12.23 \$'000
Note 4 Earnings per share		
Basic earnings per share	49.3	42.7
Diluted earnings per share	49.2	42.6
	Six months ended 31.12.24 Shares	Six months ended 31.12.23 Shares
Weighted average number of ordinary shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	480,211,636	473,430,238
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	481,268,086	474,712,159
Note 5 Goodwill		
	31.12.24 \$'000	30.6.24 \$'000
Cost	8,981,152	8,502,489
Accumulated impairment	(96,439)	(97,372)
Net book amount	8,884,713	8,405,117
Opening cost	8,502,489	7,335,616
Acquisition of businesses	63,114	1,243,930
Foreign exchange rate movements	415,549	(77,057)
Closing cost	8,981,152	8,502,489
Opening accumulated impairment	(97,372)	(98,187)
Foreign exchange movements	933	815
Closing accumulated impairment	(96,439)	(97,372)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2024

Note 6 Contributed equity

	31.12.24 Shares	30.6.24 Shares	31.12.24 \$'000	30.6.24 \$'000
Share capital				
Fully paid ordinary shares	480,403,973	480,403,973	4,147,964	4,147,497
Other equity securities				
Treasury shares	(188,354)	(200,176)	(6,197)	(6,586)
	480,215,619	480,203,797	4,141,767	4,140,911

Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$'000
01/07/24	Opening balance	480,403,973		4,147,497
Various	Transfers from equity remuneration reserve	-		470
Various	Costs of share transactions net of tax	-		(3)
31/12/24	Closing balance	<u>480,403,973</u>		<u>4,147,964</u>

Movements in other equity securities:

Date	Details	Number of shares	\$'000
01/07/24	Opening balance	(200,176)	(6,586)
Various	Allocation of treasury shares	11,822	389
31/12/24	Closing balance	<u>(188,354)</u>	<u>(6,197)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2024

Note 7 Unlisted share options and performance rights

Exercise Price	Expiry Date	Balance at 1.7.24	Granted	Exercised	Forfeited	Expired	Balance at 31.12.24
\$29.26	19/11/2024	588,894	-	-	-	(588,894)	-
\$34.21	18/11/2025	444,207	-	-	-	-	444,207
\$39.75	19/11/2025	4,606,633	-	-	-	-	4,606,633
\$31.59	26/10/2026	4,582,206	-	-	-	-	4,582,206
\$38.90	18/11/2026	343,367	-	-	(257,526)	-	85,841
\$35.93	22/05/2027	100,000	-	-	-	-	100,000
\$32.79	17/11/2027	377,504	-	-	-	-	377,504
\$28.91	29/11/2027	6,970,745	-	-	-	-	6,970,745
\$28.89	29/11/2028	444,508	-	-	-	-	444,508
\$24.00	31/05/2028	6,970,745	-	-	-	-	6,970,745
\$26.25	19/11/2029	-	482,909	-	-	-	482,909
Performance Rights	01/09/2024	14,093	-	(11,822)	(2,271)	-	-
Performance Rights	02/09/2025	-	17,558	-	-	-	17,558
Performance Rights	01/10/2025	-	4,076	-	-	-	4,076
Performance Rights	18/11/2026	54,427	-	-	(40,821)	-	13,606
Performance Rights	17/11/2027	66,371	-	-	-	-	66,371
Performance Rights	29/11/2028	84,747	-	-	-	-	84,747
Performance Rights	19/11/2029	-	93,270	-	-	-	93,270
		25,648,447	597,813	(11,822)	(300,618)	(588,894)	25,344,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2024

Note 8	Reserves	31.12.24 \$'000	31.12.23 \$'000
	Foreign currency translation reserve	720,956	410,029
	Equity remuneration reserve	(137,208)	(150,616)
	Share option reserve	16,427	16,427
	Revaluation reserve	3,272	3,272
	Financial assets at FVOCI* reserve	(3,541)	(4,441)
	Transactions with minority interests reserve	(38,849)	(35,293)
		561,057	239,378
	Movements		
	<i>Foreign currency translation reserve</i>		
	Balance 1 July	394,459	475,760
	Net exchange movement on translation of foreign subsidiaries	326,497	(65,731)
	Balance	720,956	410,029
	<i>Equity remuneration reserve</i>		
	Balance 1 July	(148,499)	(123,199)
	Share based payments expense	12,150	12,313
	Employee share scheme issue	(389)	(22,829)
	Transfer to share capital (options exercised)	(470)	(16,901)
	Balance	(137,208)	(150,616)
	<i>Share option reserve</i>		
	Balance 1 July	16,427	16,427
	Movement in period	-	-
	Balance	16,427	16,427
	<i>Revaluation reserve</i>		
	Balance 1 July	3,272	3,272
	Movement in period	-	-
	Balance	3,272	3,272
	<i>Financial assets at FVOCI* reserve</i>		
	Balance 1 July	(5,641)	1,921
	Fair value gain/(loss) in period	2,100	(6,362)
	Balance	(3,541)	(4,441)
	<i>Transactions with minority interests reserve</i>		
	Balance 1 July	(35,583)	(34,297)
	Transactions relating to minority interests	(945)	-
	Net exchange movement	(2,321)	(996)
	Balance	(38,849)	(35,293)

*FVOCI = Fair value through other comprehensive income

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2024

Note 9	Net asset backing	31.12.24	30.6.24
	Net tangible asset backing per ordinary security	\$(2.66)	\$(2.19)
	Net asset backing per ordinary security	\$17.35	\$16.81

Note 10 Business combinations

During the period, the Group finalised the purchase price accounting for three acquisitions made in FY2024, including PathologyWatch. Of the total consideration (\$253m), \$181m was attributed to goodwill, \$66m to amortising intangible assets and the remainder to net tangible assets. The annual revenue and earnings of the acquisitions, and the contributions they made to the Group financial statements during the period were immaterial individually and in aggregate.

During the period, the Group acquired the entities/business assets of Pathologie Neuss (Germany), Genetics Associates (USA) and other minor healthcare businesses. The annual revenue and earnings of these acquisitions, and the contributions they made to the Group financial statements during the period were immaterial individually and in aggregate.

Note 11 Events occurring after the balance sheet date

Since the end of the financial period no matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years has arisen other than receiving unconditional German antitrust and foreign investment clearances to acquire Laboratory Group Dr. Kramer & Colleagues ('LADR') in February 2025. The transaction is expected to settle on 1 July 2025. Details of the LADR business and the acquisition were provided in Sonic's announcement to the market on 9 December 2024.

Forward-looking statements

This Half Year Report and ASX Appendix 4D 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 report 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.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 24 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that Sonic Healthcare Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



MR Compton
Chairman



Dr CS Goldschmidt
Director

Sydney
20 February 2025



Independent auditor's review report to the members of Sonic Healthcare Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Sonic Healthcare Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated income statement for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Sonic Healthcare Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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PricewaterhouseCoopers

A stylized, handwritten signature of 'Aishwarya Chandran' in a cursive script.

Aishwarya Chandran
Partner

Sydney
20 February 2025