

MEDIA RELEASE – 20 February 2025

FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

1. Summary

A\$M (Statutory)	H1 FY 2025	H1 FY 2024	Growth
Revenue	4,669	4,306	8.4%
EBITDA	827	737	12.3%
Net profit	237	202	17.0%
Cash generated from operations	620	452	37.2%
Earnings per share (A\$ cents)	49.2	42.6	15.5%

- On track to achieve full-year EBITDA guidance provided in August 2024 (A\$1.70–1.75 billion on a constant currency basis).
- Strong organic revenue growth of 6.1%.
- EBITDA margin up 60 basis points (bps).
- EBITDA margin expansion of 90 bps excluding two recent 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 (unfranked) per share for the FY 2025 Interim Dividend.

2. Commentary

Sonic Healthcare today reported a net profit for the half-year to 31 December 2024 of A\$237 million, on revenues of ~A\$4.7 billion.

Sonic's CEO, Dr Colin Goldschmidt, said: "Our operations have performed to our expectations in the half-year, with our management teams around the world acutely focused on achieving organic growth and margin improvement, in a setting of tight cost control. Our people are diligently working on a wide range of initiatives to drive growth and efficiency, including the many workstreams required to realise the synergies we expect from the significant acquisitions we have made in Switzerland, Germany and the USA since mid-2023.

"Organic revenue growth for the Group in the half-year was pleasing at 6%, with particularly strong organic growth in the Australian (9%), German (7%), and UK (8%) laboratory businesses, and in our Radiology division (12%). I am confident that we are growing our share of those markets organically, driven by Sonic's Medical Leadership culture and consequent expertise in high growth and high value speciality testing. UK growth included the commencement in April 2024 of the Whittington Health Trust 10-year NHS laboratory outsource contract (with annual revenue of ~A\$20 million), and Radiology growth included indexation of Medicare fees and targeted private billing.



“Our Swiss business achieved organic revenue growth of 6%, a great outcome given the potential for disruption in the market as a result of our recent two large acquisitions, being Synlab Suisse and the Dr Risch Group. Our US business grew 2% organically, with weaker than expected growth in our anatomical pathology revenues, however we have strategies in train to address this moving forward. The revenue of the Belgian business declined slightly, with underlying growth in the period offset by a government fee reduction from January 2024. A 3% indexation of fees from January 2025 will assist our Belgian growth in the second half. Revenue for Sonic Clinical Services grew 2% organically, with the ongoing market shortage of general practitioners impacting on growth.

“EBITDA for the Group grew 12%, reflecting total revenue growth of 8% and approximately 60 basis points of margin expansion. Without the dilution from the recent zero-margin acquisitions of the Dr Risch Group and PathologyWatch, the margin expansion would have been around 90 basis points. Whilst initially margin dilutive, we are confident that these acquisitions will increase margins and shareholder returns once the substantial synergies they offer have been achieved.

“Sonic’s Laboratory operations grew EBITDA by 12%, including margin expansion of approximately 50 basis points, whilst Radiology achieved 13% EBITDA growth with margin expansion of 20 basis points. Group-wide labour costs as a percentage of revenue reduced by 50 basis points versus the comparative period, reflecting the focussed cost reduction initiatives we have been undertaking.

“In December 2024 we announced the acquisition of the highly reputable LADR Laboratory Group, a major growth milestone for Sonic’s 20-year presence in Germany. LADR is one of the other ‘Top 5’ national groups in Germany, with 2024 revenue of €370 million and EBITDA of €50 million. The acquisition will complete on 1 July 2025 and will be immediately earnings per share accretive, and offers strong post-synergy returns on investment of more than 11% p.a. We are excited to commence working with the LADR team, with our closely aligned cultures, both based on a commitment to Medical Leadership and high-quality medicine, boding well for a successful integration.

“Looking ahead, we expect ongoing earnings growth driven by strong organic revenue growth and consequent operational leverage, and enhanced by specific factors including the realisation of synergies from recent acquisitions, benefits from the rollout of an enhanced revenue collection system in the USA, the new Hertfordshire and West Essex NHS outsource contract in the UK, annual fee indexation in various markets and contracts, including Radiology, UK, Belgium, SCS and Australian Pathology, and the LADR acquisition.

“My thanks go out to each one of Sonic’s 42,000 staff around the globe for their expertise and the effort they put in every day to provide the best possible service and outcomes for our referrers, patients and other stakeholders.”

Dr Colin Goldschmidt

Chief Executive Officer / Managing Director

Sonic Healthcare Limited

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This announcement has been authorised by the Board of Directors of Sonic Healthcare Limited – please refer to the contact details above.

For further information regarding the result, please refer to Dr Goldschmidt’s PowerPoint Presentation and to Sonic’s H1 FY 2025 Appendix 4D Half Year Report, both of which will be posted on the Sonic Healthcare website by 10:00 am on 20 February 2025 (www.sonichealthcare.com).

Forward-looking statements

This media release 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, or unexpected growth in costs and expenses. The statements being made in this media release 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.