ASX Announcement

AUSTRALIAN Clinicalabs

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

clinicallabs.com.au

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Monday, 16 February 2026

ACL 1H26 FINANCIAL RESULTS

The following announcements to the market are attached:

Appendix 4D

1H26 financial statements and statutory reports

✓ 1H26 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:

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IMPROVED EARNINGS QUALITY IN CHALLENGING MARKET CONDITIONS GROWTH IN EBIT, MARGINS AND EPS

Australian Clinical Labs Limited (ASX: ACL) (**ACL** or the **Company**) is pleased to announce its results for the 6 months to 31 December 2025 (**1H26**), along with updates on FY26 Guidance, FY27 EBIT Initiatives, and employee payment matters.

AUD in millions	Actual 1H26	Actual 1H25	% Growth
Total Revenue	**365.4**	**369.2**	**-1.0%**
Underlying EBITDA[1]	**94.7**	**95.1**	**-0.5%**
Underlying EBIT[1]	**28.0**	**27.3**	**2.4%**
Underlying EBIT Margin[1]	**7.7%**	**7.4%**	**30bps**
Underlying NPAT[1]	**13.2**	**12.1**	**8.9%**
Statutory EBIT	**19.7**	**26.9**	**-26.6%**
Statutory NPAT	**5.7**	**11.8**	**-51.7%**
Free cash flow before interest, tax and financing[2]	**21.0**	**26.8**	**-21.4%**
AUD in Cents per Share			
Underlying Earnings Per Share (EPS)[1]	**6.7**	**6.0**	**12.8%**

Highlights

- Revenue 1.0% down on the pcp, primarily due to below average market growth and continued progress on optimising ACL's portfolio of commercial contracts and ACCs to be accretive to profit margins, which has seen a net reduction in ACCs compared to the pcp. ACL was able to substantially offset the MBS fee cuts to B12 tests
- ACL's MBS outlays contracted 1.4%[3] vs market growth of 1.8%[4], delivering positive impact on earnings by focusing on profitable business. ACL's MBS outlays growth, adjusting for the closure of unprofitable ACCs, was up 1.3%[3]
- Underlying EBIT growth of 2.4% and margins expanded 30 bps to pcp, driven by closure of loss-making ACCs, workforce productivity measures aligning labour to volumes, and technology and Ai-enabled productivity improvements in our laboratories
- Combination of the above-mentioned factors and initiatives, and lower depreciation, has contributed to an 8.9% growth in Underlying NPAT on the pcp

1. Underlying results excludes certain non-recurring revenue and expenses
2. Free cash flow before interest, tax, financing excludes the one-off $6.2m AIC settlement payment
3. ACL growth excluding non-Medicare commercial work adjusted for working days
4. Market data based on working-day adjusted Medicare statistics for National PEI volumes

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- Underlying EPS of 6.7 cents per share (cps) is up 12.8% on improved profitability and return of capital to shareholders via the buyback
- Positive Free Cash Flow before interest, tax, and financing, but down on pcp due to softer revenues and modest negative working capital movement (expected to reverse in 2H26)
- Capital returns to shareholders equivalent to approximately 6% of current market capitalisation, comprising payment of FY25 final dividend and 3.6m shares bought back in 1H26. ACL will continue the buyback into the second half
- Interim fully franked interim dividend of 3.75 cps declared, up 0.25 cps on pcp

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

"The results presented today show improved underlying profitability, margins and EPS growth, which has been achieved in an environment of change in the industry, with many variables being managed concurrently.

Our ability to absorb the annual inflationary impacts on labour costs, where the Fair Work Commission increased wages under modern awards by 3.5% plus the 0.5% increase to superannuation on 1 July 2025, and the other broader inflationary pressures across our cost base and yet deliver earnings growth in a challenging market underscores the effectiveness of ACL's strategic initiatives, flexible business design and operating leverage.

We have responded to the challenging external environment by optimising our ACC portfolio and focusing on contract management. Operationally, we have seen the positive impact of our AI and automation projects on the digitalisation of our billing practices and operational management, leveraging our unique competitive advantage of a single national laboratory information system.

The progress achieved this half provides a strong foundation for sustainable earnings growth into the future when volumes improve towards the long-term average. Continued focus on revenue-enhancing projects, efficiency, disciplined capital allocation and targeted growth in specialised diagnostics will remain central to our strategy."

Interim dividend for 1H26

The ACL Board has declared an interim fully franked dividend of 3.75 cps, representing 55% of underlying NPAT.

The Record Date will be 13th March 2026 with a Payment Date of 31st March 2026.

FY26 Guidance

ACL is updating its FY26 guidance considering 1H26 financial performance and the outlook for the remainder of the financial year.

Revenue	$735m - $745m
Underlying EBIT	$66m - $69m
Gender Undervaluation impact	($1.8m)
Underlying EBIT (including Gender Undervaluation impact)	$64m - $67m

- Updated revenue guidance reflects the subdued pathology market in the 1H26 and expected market growth into the second half, taking into account the performance in January and February month-to-date
- As in previous years, there is an expected skew in profitability with H2 being stronger than H1. We expect to hold margins, with 2H26 margins at approximately 11%, bringing the full year margin to approximately 9%, before the impacts of gender undervaluation
- The estimated impact of gender undervaluation in FY26 (which was not included in the previously released FY26 guidance) relates to the first stage of wage increases for pathology collectors that commence on 1 April 2026. It comprises a $1.2m increase in wages, plus a one-off non-recurring restatement to annual and long service lease provisions of $0.6m

FY27 EBIT Initiatives

ACL has a strong pipeline of initiatives that support a positive outlook beyond FY26, with at least $8m of EBIT expected in FY27. Various aspects of these initiatives are either now in place or being rolled out across H2. Key initiatives include:

- Workforce alignment to activity, continuing to improve the labour ratio
- Digitised non-Medicare billing, improving debtor performance and cash conversion
- Recovery of unfunded MBS tests commencing in H2, supported by new digitised billing processes
- AI driven optimisation of manual billing to reduce complexity and lift accuracy
- Pricing and rate reviews across non-Medicare items aligned to costs and market conditions
- Lab of the Future: state of the art automation and consolidation of the laboratory footprint
- AI initiatives delivering back-office savings and operating efficiencies

Fair Work Commission Decision (FWC) on Gender Undervaluation

The FWC has confirmed that there is gender-based undervaluation in the Health Professionals and Support Services Award 2020 (covering ACL's pathology collectors and health professionals), to be rectified by way of variation to the classifications and rates of pay in the Award.

The phasing in of the increases for pathology collectors is by way of an initial increase effective from 1 April 2026 with any remaining increase to take effect from 1 January 2027.

The proposed wage increases for other health professionals under the Award (excluding pathology collectors) will be phased in over five approximately equal annual stages, 12 months apart, commencing on 1 July 2026, with subsequent increases taking effect on 1 July each year until 2030.

ACL is committed to ensuring our employees are paid fairly. The size and scope of the wage increases in addition to routine annual increments are such that the industry needs support from the Government to avoid impacts on employment, patient access and billing, and regional services/collection centre numbers.

With our Industry body, Australian Pathology, ACL has been working collaboratively with the Department of Health, Disability and Aging to reach agreement with Government on an appropriate support package via investment in the Medicare Benefits Schedule.

With no government support, ACL plans to offset the increased wage costs through further closures or downsizing of collection centres and laboratories and take other mitigating steps as outlined in Australian Pathology's submission to the Fair Work Commission.

Australian Clinical Labs is currently in the process of assessing the full financial impact of the decision for FY27, including health professionals, and will update the market once this work is completed.

Historical Underpayments to ACL Employees

An internal review has identified that there have been underpayments in respect of discrete employee entitlements. ACL reviewed the period FY2017 to FY2025, which will result in back payments of approximately $1.4m. ACL is in the process of remediating affected employees.

Consequently, ACL is investing resources to improve payroll processes and compliance.

ACL has engaged the Fair Work Ombudsman and the relevant unions and is keeping our employees informed, including contacting those directly affected.

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

"Ensuring our employees are paid correctly and in line with their awards and agreements is a fundamental priority. We sincerely apologise to our employees and have begun remediation for those affected".

A provision for the estimated $1.4 million back payment was taken up as at 31 December 2025 and is included as a non-underlying expense in the 1H26 financial results.

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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 12.30pm (Melbourne time).

Participants can register for the webcast by accessing this link:

https://clinicallabs-au.zoom.us/webinar/register/WN_D-a-zVHsRjKbdV4_MleFwQ

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

– ENDS –

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

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

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.

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.

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1H26 Results Presentation

Melinda McGrath, CEO and Executive Director

Matthew Cordingley, CFO

16 February 2026

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Contents

Financial & Operational Highlights

Melinda McGrath
CEO & Executive Director

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1H26 Result – Financial Highlights

EBIT growth and margin expansion on pcp after restructuring in low growth market

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Revenue
$365.4m
-1.0% to pcp

Revenue growth moderated due to ACL continuing to optimise its portfolio of ACCs and commercial contracts to focus on margins. Market growth was lower than long term average, with ACL's MBS outlays contracting 1.4%[1] vs market growth of 1.8%[2]. ACL's MBS outlays growth, adjusting for ACC closures, was 1.3%[1]

EBIT[3]
$28.0m
7.7% margin

Underlying EBIT growth of 2.4% and **margin expansion of 30 bps** to pcp, driven by closure of loss-making ACCs, workforce productivity measures aligning labour to volumes, and technology and AI-enabled productivity improvements in our laboratories

NPAT[3]
$13.2m
+8.9% on pcp

Combination of the above-mentioned factors and initiatives, plus lower depreciation, has contributed to an **8.9% growth in Underlying NPAT** on the pcp. **Underlying EPS** of **6.7cps up 12.8%** on increased profitability and impacts of buyback

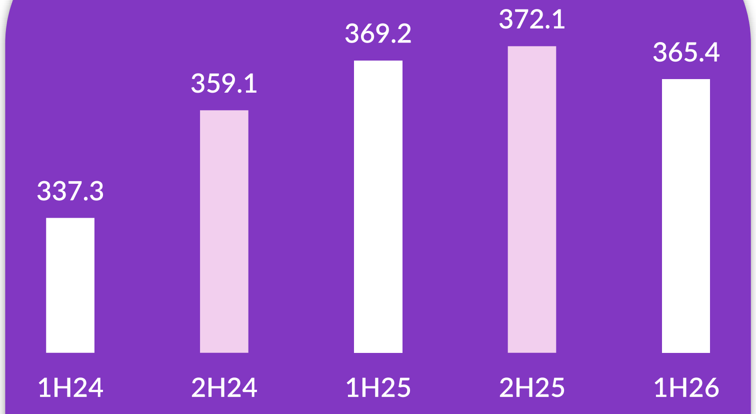
FCF[4]
$21.0m
-$5.8m on pcp

Positive Free Cash Flow before interest, tax, and financing, down on pcp due to softer revenues and modest negative working capital movement (expected to reverse in 2H26)

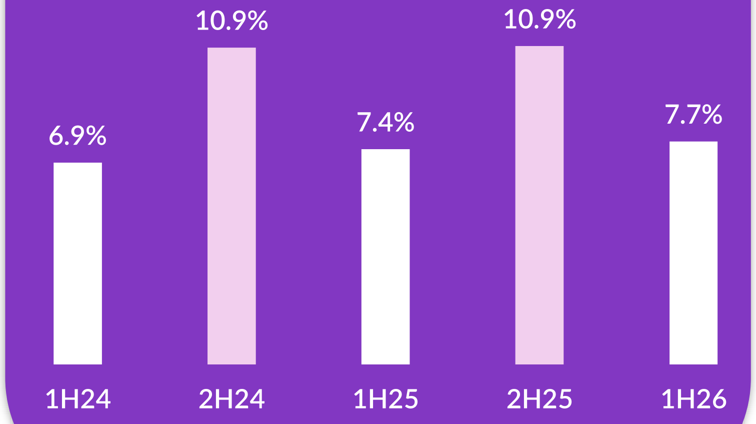
Capital Returns
$27.8m
in 1H26

Capital returns to shareholders equivalent to approximately 6% of current market capitalisation, comprising payment of FY25 final dividend and 3.6m shares bought back in 1H26. An **FY26 interim dividend** declared of **3.75cps, +0.25cps** on pcp. ACL will continue its buyback into the second half

Revenue ($m)



EBIT Margin



Consistent EBIT margin expansion

1). ACL growth excluding non-Medicare commercial work adjusted for working days
2). Market data based on working-day adjusted Medicare statistics for National PEI volumes
3). Underlying EBIT and NPAT excludes certain non-recurring revenue and expenses (for more information see slide 22)
4). Free Cash Flow before interest, tax, financing excludes the one-off $6.2m AIC settlement payment

1H26 Result – Revenue Bridge

Revenue outcomes driven by focus on disciplined growth at acceptable margins

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1H25 Revenue	**$369.2m**	
Unprofitable ACC reductions	($8.2m)	• Net reduction in unprofitable ACCs in this period – will only pursue growth at acceptable margins • Revenue reduction was more than offset by rent, labour and consumables savings
Medicare Growth	$3.7m	• Lower market MBS growth in 1H26 than long term average • ACL's MBS growth, excluding the impacts of ACC closures, is 1.3%[1]
Public hospitals / commercial contracts	($1.4m)	• Like ACCs, ACL will not pursue commercial contracts at below acceptable margins • Resulted in ACL not renewing certain contracts in this period
Net impact of B12 & other fee cuts	($0.9m)	• ACL's initiatives almost completely offset the B12 cuts that commenced 1 July 25
Other growth	$3.0m	• Revenue initiatives and growth across other businesses
1H26 Revenue	**$365.4m**	• Overall Revenue declined 1% while EBIT grew 2.4% and NPAT grew 8.9%, validating ACL's long-term strategy for profitable growth • ACL well placed for operating leverage release upon market growth returning to normal

1). ACL growth excluding non-Medicare commercial work adjusted for working days

1H26 Result – Operational Highlights

Focus on margins and profitable revenue growth to release operating leverage

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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 service - enables first to market bolt on technology

Improved Operating Efficiencies

Labour as a percentage of revenue continuing to perform at less than 44%

Lab operational efficiency (panels per FTE) rose 10.1% leveraging ACL's single national LIS

Logistics efficiency increased 13%, with route optimisation resulting in nearly 900,000 fewer kilometres travelled

Consumables as a percentage of revenue decreased 40bp to 17.4%

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

Patient NPS score of +79

Final testing of AI to enhance back-office functions, including manual data entry processes that will produce savings in 2026 and beyond

Revenue Growth Highlights

Rationalisation of our ACC network and Medicare cuts to vitamin B12, along with a sluggish GP consultation market has slowed GP growth YTD, however expecting increased GP Consult volumes due to impact of Bulk Bill incentive program

Positive specialist growth particularly in Out-Patient referrals (up 4% on pcp) with growth from our key specialties including Hematologist, Oncologists and Emergency Physicians

Commencement of e-Commerce & digitalisation to collect upfront payments, has seen an increase in non-MBS payments reducing the number of non-MBS debtors by up to 30%

Genetic Reproductive Health – Our Carrier Screening volume has been grown over 10% to pcp, ahead of market, along with improved growth in NIPT and other fertility testing

Increases in Oncology Genomic testing - ACL is the exclusive provider of Endopredict which helps to define the risk of breast cancer recurrence, the benefits of chemotherapy, and who can benefit from extended endocrine therapy. Since being introduced to the Medicare Schedule in 2024, has seen a 100% volume increase of these tests from Oncologist

ACL's Digital Journey

Our digital workflow from referral to result, and the software that gets us there

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1. eRequest & eResults

- eRequest now with 18% utilisation and integrated with all major clinic practice management software
- Improves order accuracy and enhances patient convenience
- eResults - over 39,000 referrers
- Available on desktop & mobile app
- Continuous new features added to enhance doctor experience

2. AI/OCR

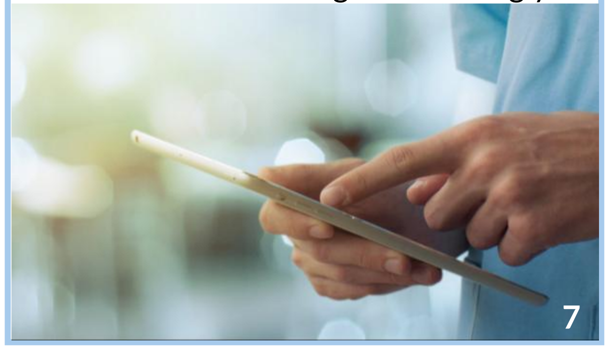
- Solution devised using AI & OCR technology to automatically enter pathology request forms
- Over 50% of forms fit into current model
- Low volume testing course with rollout of phased trial planned March 26
- AI has the ability to read and interpret doctor handwriting
- ACL has active workflows of 250+ personnel supporting back-office functions

3. Click to Collect

- Route Optimisation software has been in use since 2019
- Since launch, route optimisation has provided 150,000km/mth benefit across group
- Futile stops have decreased by 50% with episodes per Km up 25%
- Software continues to improve route efficiency and labour effectiveness
- Click to collect usage now at 90% meaning better customer experience

4. Workforce

- Workforce planning via digital platform has been in use since 2018 predicts lowest cost roster for the skills required
- Version 5 has now been launched and provided an additional 6% benefit on FY24
- Since launch, platform has provided 23% labour efficiency across targeted areas
- Technology matches volume to labour and manages accordingly



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ESG Highlights

Delivering strong performance across all areas of our ESG Mission

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Environmental

Carbon Emissions[1]

1.1kg CO_2 per episode – a reduction of 10% from FY24; Cold chain logistics has removed 32,200 kg of packaging

Couriers & Logistics

141 hybrid cars across group up from 102 in FY24; 900,000km less travelled using SMART logistics

Electronic Ordering

18% digital referral from General Practitioners and Specialists. 25% increase in e-Orders in 1H26

Social

Injury reduction[1]

4.3 LTIFR

Continuous performance below industry benchmarks across healthcare, logistics and warehousing

Customer Service

NPS +79

Women In Leadership

Phase 2 of Women in leadership training program continues

Corporate Governance

Board/management composition

Balanced diversity ratio of 50:50

Board comprising 3 female Directors and 3 male Directors

Culture Survey

Reviewed key policies to identify and address potential discriminatory impacts, and promoted roles through Indigenous recruitment platforms to support inclusive hiring

Internal audit function

Internal audit function for non-clinical risk

Program of works continues

1). This calculated annually and is therefore the same disclosure as at 30 June 2025

Financials

Matthew Cordingley
CFO

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1H26 Profit and Loss

Increased Underlying EBIT and NPAT in 1H26 (to pcp) despite challenging market

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AUD in millions	Actual 1H26	Actual 1H25	% Growth
Total Revenue	365.4	369.2	-1.0%
Underlying EBITDA[1]	94.7	95.1	-0.5%
Underlying EBIT[1]	28.0	27.3	2.4%
Underlying EBIT Margin[1]	7.7%	7.4%	30bps
Underlying NPAT[1]	13.2	12.1	8.9%
Statutory EBIT	19.7	26.9	-26.6%
Statutory NPAT	5.7	11.8	-51.7%
Free cash flow before interest, tax and financing[2]	21.0	26.8	-21.4%
AUD in Cents per Share			
Underlying Earnings Per Share (EPS)[1]	6.7	6.0	12.8%

Highlights

Revenue growth of -1.0% due to ACL continuing to optimise its portfolio of ACCs and commercial contracts and lower market growth

Underlying EBIT growth of +2.4% despite challenging market conditions. Closing unprofitable ACCs and technology enhancements and productivity initiatives more than absorbed inflation across our cost base

Underlying EBIT Margin of 7.7% up from 7.4% in 1H25, driven by closure of loss-making ACCs, workforce productivity measures aligning labour to volumes, and technology and AI-enabled productivity improvements in our laboratories

Underlying NPAT growth of +8.9% on the pcp and **Underlying EPS of 6.7cps up 12.8%,** 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 22)
2). Free cash flow before interest, tax and financing excludes AIC settlement of $6.2m

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1H26 Cash Flow

Positive operating cash flow and accretive capital management via buyback

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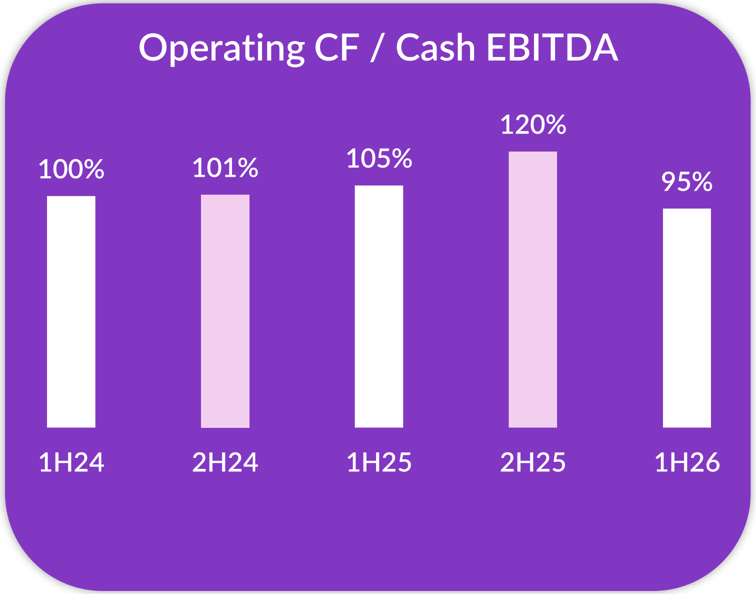
AUD in millions	Actual 1H26	Actual 1H25	Actual 2H25	Actual CY25	Actual FY25
EBITDA[1]	92.6	94.7	107.5	200.1	202.2
Non-cash items	1.0	1.9	1.7	2.7	3.6
Property related payments AASB 16	(67.8)	(67.3)	(68.8)	(136.6)	(136.1)
Cash EBITDA[1]	**25.8**	**29.3**	**40.4**	**66.2**	**69.7**
Change in net working capital	(1.3)	1.5	8.0	6.7	9.5
Operating cash flow pre capex[1]	**24.5**	**30.8**	**48.4**	**72.9**	**79.2**
Capital expenditure	(3.5)	(4.0)	(4.4)	(7.9)	(8.4)
Free cash flow before interest, tax and financing[1]	**21.0**	**26.8**	**44.0**	**65.0**	**70.8**
Dividends paid	(17.8)	(18.0)	(6.9)	(24.7)	(24.9)
Borrowings	30.0	0.0	(13.0)	17.0	(13.0)
Share buy-back	(10.0)	(4.4)	(14.7)	(24.7)	(19.1)
Other financing and investing activities	0.1	-	(0.5)	(0.4)	(0.5)
Interest paid (excluding AASB 16 related interest)	(1.2)	(2.1)	(1.6)	(2.8)	(3.7)
Income tax paid	(15.0)	(7.8)	(6.6)	(21.6)	(14.4)
AIC settlement	(6.2)	-	-	(6.2)	-
Net cash flow	**0.9**	**(5.5)**	**0.7**	**1.6**	**(4.8)**
Net cash flow excluding AIC, financing and investing	**4.8**	**16.9**	**35.8**	**40.6**	**52.7**
Cash EBITDA to Operating cash flow	95.0%	105.3%	119.8%	110.0%	113.6%



Highlights

Free cash flow before interest, tax and financing of $21.0m, (excludes the one-off AIC settlement of $6.2m)

Robust Operating CF to Cash EBITDA of 95%, slightly down on pcp with a modest net working capital outflow, which is expected to reverse in 2H26

ACL **returned $27.8m to shareholders** via dividends and buybacks in 1H26, equivalent to 6% of current market capitalisation

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

Income tax paid in 1H26 was higher due to an increase in assessed instalments compared to the prior period

1). Excludes AIC settlement of $6.2m

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1H26 Balance Sheet

Strong Balance Sheet underpins dividends and buyback

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AUD in millions	Actual 1H26	Actual FY25
Cash and cash equivalents	22.4	21.4
Trade and other receivables	59.5	72.8
Inventories and other assets	33.5	25.8
Total current assets	**115.5**	**120.1**
Plant and equipment	34.0	36.9
Right-of-use assets	228.2	233.3
Intangible assets	165.1	165.2
Other assets and deferred tax assets	19.7	19.5
Total non-current assets	**447.0**	**454.8**
Total assets	**562.5**	**574.8**
Trade and other payables	(45.7)	(51.6)
Lease liabilities	(104.4)	(108.6)
Provisions	(46.4)	(47.2)
Deferred consideration, tax and other liabilities	(0.4)	(9.0)
Total current liabilities	**(196.9)**	**(216.4)**
Trade and other payables, provisions and deferred consideration	(3.8)	(4.7)
Lease liabilities	(138.5)	(139.8)
Borrowings	(72.2)	(42.0)
Total non-current liabilities	**(214.5)**	**(186.5)**
Total liabilities	**(411.5)**	**(402.9)**
Net Assets	**151.0**	**172.0**

Highlights

Stable cash position, $22.4m

Net working capital stable, with a reduction in **accounts receivable** and **trade and other payables** due to December being a seasonally quieter trading month

Net Debt (excluding lease liabilities) of $49.8m has increased during the half due to funding of the AIC settlement ($6.2m), share buyback ($10.0m) and FY25 final dividend payment ($17.6m). ACL remains **conservatively leveraged** with a **strong balance sheet**

Banking facilities have a maturity of 31 July 2027 and ACL continues to remain comfortably within its covenants

Interim Dividend of 3.75cps for 1H26, which represents 55% of 1H26 Underlying NPAT. The final dividend for FY25, combined with the share buyback, represents a return to shareholders of $27.8m in 1H26. Buyback to continue into H2

Interim Dividend **Record Date** of 13 March 2026 and **Payment Date** of 31 March 2026

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Industry Outlook & Growth Strategy

Melinda McGrath
CEO & Executive Director

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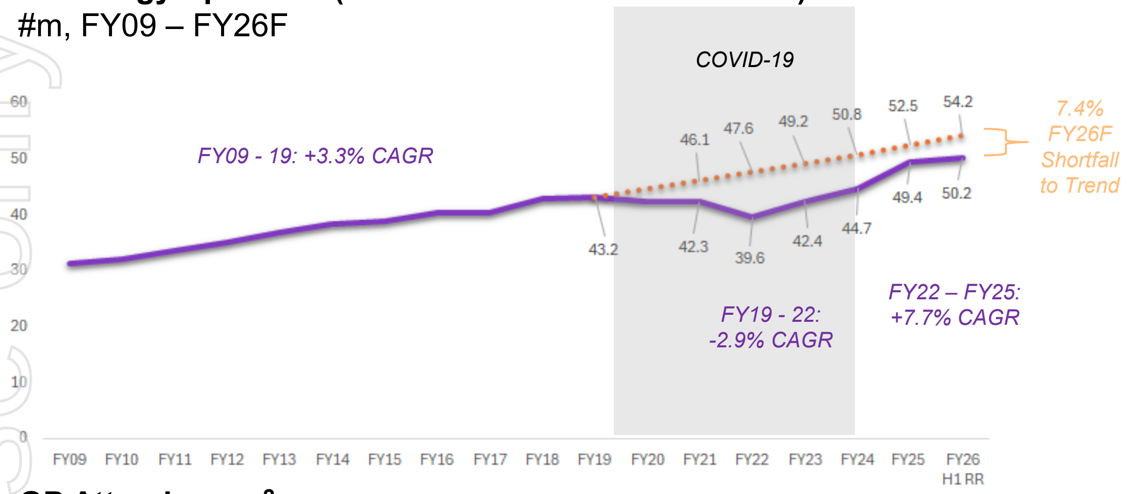
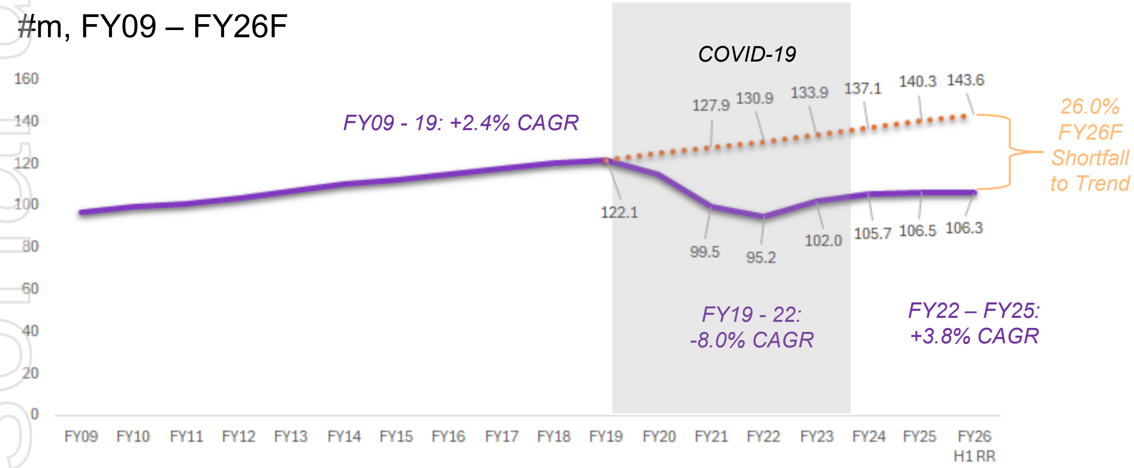
Industry Outlook

Pathology market growth is closing the gap; Green shoots with increase of GP Bulk billing incentive

Pathology Episodes (ex COVID-19 for FY20 – FY24[1])
#m, FY09 – FY26F



GP Attendances[2]
#m, FY09 – FY26F



Highlights

- Expansion of the tripled GP bulk-billing incentive (from Nov-25) is beginning to lift the Bulk Bill Rate, with GP attendances expected to rise over the next six months
- GP attendances excluding telehealth remain ~26% below historical trend, driven mainly by short consults
- Market volumes remain ~7.4% below historical trend, representing a significant recovery opportunity
- Catch-up of this shortfall implies a revenue opportunity of >$46m for ACL

National GP Bulk Billing Snapshot[3]

National GP NRA Bulk Billing Rate (Nov 25 - Jan 26)	No. of Practices changed from Mixed Billing to Bulk Billing
81.4% (4.5% increase)	**1,269**

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
3). National GP Bulk Billing Snapshot – 1 November 2025 to 31 January 2026

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Growth Strategy

Clear opportunity pipeline to drive increased shareholder returns

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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

Enhanced focus on Commercial pathology

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 via acquisition pipeline

International and adjacent opportunities

Other strategic investments aligned to competitive advantage

Revenue Initiatives

Digitised non-Medicare billing, improving debtors and cash conversion

Unfunded MBS test recovery to begin in H2 with stronger processes

Indexation now applied to one-third of the MBS; advocacy continues

AI-driven optimisation of manual billing to reduce complexity and lift accuracy

Regular pricing and rate reviews across non-Medicare items aligned to costs and market conditions

Operational Improvement & Restructuring

Lab of the Future implementation in progress

National Skin Laboratory to leverage ACL exposure to this segment – better service, improved productivity, greater returns

AI / Automation of operations

AI / Automation of diagnostics / clinical practice

Lab of the Future

Leveraging ACL's Competitive Advantage - National Laboratory Information System

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Efficiency Gain

- Over 50% of routine work to be processed in a highly automated 24/7 laboratory
- Overall efficiency of ACL national laboratories will increase by over 20%

Faster Critical TAT

- Turn around times for critical tests from GPs will improve by 30% by implemented priority testing protocols

Robotics Infrastructure

- AI, machine learning and robotics will significantly improve sample handling and performance

Rollout Schedule

- Progressive rollout through FY27/28

National Skin Cancer Business

Leveraging ACL's National LIS & boutique skin cancer business (SunDoctors)

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State-of-the-Art Automated Skin Lab	Cancer Expertise Integration	Specialists Workforce	Industry leading TAT's	Cost Reduction
Creating a high-throughput, precision processing	Combing the clinical and operational experience of our SunDoctors, Southern Sun and ACL businesses	Dedicated dermatopathologists and training programs	Combining our streamlined workflows, clinical and operational experience to providing results back to referrers and their patients quicker to achieve better patient outcomes	Cost per case reduced by 20% with efficiency in processing and diagnosis

Underpinned by Our SunDoctors Business

Strong acquisition pipeline of Skin Cancer Medical Centres	New CEO – experienced in clinic acquisitions and integrations	Increase consulting utilisation by expanding room capacity and targeting patient acquisition	AI opportunities to enhance workflows, support clinical service delivery	Increasing non-Medicare opportunities via complementary skin services

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Outlook & Guidance

Melinda McGrath
CEO & Executive Director

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Gender Undervaluation Impacts

Fair Work Commission (FWC) Decision

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Decision Summary

- The FWC has confirmed that there is gender-based undervaluation in the Health Professionals and Support Services Award 2020 (covering ACL's pathology collectors and health professionals), to be rectified by way of variation to the classifications and rates of pay in the Award
- The phasing in of the increases for **pathology collectors** is by way of an initial increase effective from 1 April 2026 with any remaining increase to take effect from 1 January 2027
- The proposed wage increases for other **health professionals** will be phased in over five approximately equal annual stages, 12 months apart, commencing on 1 July 2026, with subsequent increases taking effect on 1 July each year until 2030

ACL Impacts and Response

- ACL is committed to ensuring our employees are paid fairly. The size and scope of the wage increases in addition to routine annual increments are such that the industry needs support from the Government to avoid impacts on employment, patient access and billing and regional services/collection centre numbers
- ACL estimates the impact of the increase in wage rates to pathology collectors is approximately $1.2m in FY26. There is also a one-off and non-recurring restatement of annual and long service leave provision of $0.6m
- The impacts for FY27 will include a full year of pathology collector increases and the first of five increases for health professionals. ACL is in the process of estimating this impact for FY27 and will make this known once this work is complete
- With our Industry body – Australian Pathology – ACL has been working collaboratively with the Department of Health, Disability and Aging to reach agreement with Government on an appropriate support package via investment in the Medicare Benefits Schedule
- With no government support, ACL plans to offset the increased wage costs through further closures or downsizing of collection centres and laboratories and take other mitigating steps as outlined in Australian Pathology's submission to the Fair Work Commission

Updated FY26 Guidance & FY27 Initiatives

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FY26 Guidance[1]

ACL is updating its FY26 guidance considering 1H26 financial performance and the outlook for the remainder of the financial year

Revenue	$735m - $745m
Underlying EBIT	$66m - $69m
Gender Undervaluation impact	($1.8m)
Underlying EBIT (including Gender Undervaluation impact)	$64m - $67m

- Updated revenue guidance reflects the subdued pathology market in the 1H26 and expected market growth into the second half, taking into account the performance in January and February month-to-date
- As in previous years, there is an expected skew in profitability with H2 being stronger than H1. We expect to hold margins, with 2H26 margins at approximately 11%, bringing the full year margin to approximately 9%, before the impacts of gender undervaluation
- The estimated impact of gender undervaluation in FY26 (which was not included in the previously released FY26 guidance) relates to the first stage of wage increases for pathology collectors that commence on 1 April 2026. It comprises a $1.2m increase in wages, plus a one-off non-recurring restatement to annual and long service leave provisions of $0.6m

FY27 EBIT Initiatives

ACL has a **strong pipeline of initiatives** that support a positive outlook beyond FY26, with **at least $8m of EBIT expected in FY27**. Various aspects of these initiatives are either now in place or being rolled out across H2. Key initiatives include:

- **Digitised non-Medicare billing**, improving debtor performance and cash conversion
- **Recovery of unfunded MBS tests** commencing in H2, supported by new digitised billing processes
- **AI driven optimisation of manual billing** to reduce complexity and lift accuracy
- **Pricing and rate reviews** across non-Medicare items aligned to costs and market conditions
- **Lab of the Future**: state of the art automation and consolidation of the laboratory footprint
- **AI initiatives delivering back-office savings** and operating efficiencies
- **Workforce alignment to activity**, continuing to improve the labour ratio

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

Appendix

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Reconciliations

Reported & Underlying EBITDA, EBIT and NPAT

AUD in millions	Statutory 1H26	AIC Settlement	Labour - Prior periods	Other	Underlying 1H26
Total Revenue	**365.4**	**-**	**-**	**-**	**365.4**
EBITDA	**86.4**	**6.2**	**1.4**	**0.6**	**94.7**
EBIT	**19.7**	**6.2**	**1.4**	**0.6**	**28.0**
EBIT margin	5.4%				7.7%
NPAT	**5.7**	**6.1**	**1.0**	**0.4**	**13.2**
EBITDA (pre-AASB 16)	**19.3**	**6.2**	**1.4**	**0.6**	**27.6**
EBITDA (pre-AASB 16) margin	5.3%				7.5%

AIC settlement, prior period labour and legal fees

Adjustments between reported and underlying reflect:

- A settlement was reached between ACL and the Australian Information Commissioner (AIC) to resolve the civil penalty proceeding commenced in the Federal Court in November 2023 relating to a cyberattack on the Medlab Pathology business acquired by ACL. Under the orders ACL paid aggregate civil penalties of $5.8m and made a contribution of $0.4m to the AIC's legal costs
- 'Labour – Prior periods' relates to historical employee underpayments from FY17 to FY25 that were provisioned at 31 December
- 'Other' includes ACL legal fees predominately relating to defending civil proceedings with the AIC (noted above) and some redundancy costs. These costs have been partially offset by a historical GST claim within other income

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Reconciliations

AASB 16 to pre-AASB 16

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AUD in millions	Actual 1H26	Actual 1H25	2H25	Actual CY25	Actual FY25
Statutory EBITDA (AASB 16)	**86.4**	**94.7**	**107.5**	**193.9**	**202.2**
Less: Operating lease rentals (pre-AASB 16)	(67.1)	(66.9)	(68.3)	(135.4)	(135.2)
EBITDA (pre-AASB 16)	**19.3**	**27.8**	**39.2**	**58.5**	**67.0**
Statutory EBIT (AASB 16)	**19.7**	**26.9**	**39.2**	**58.9**	**66.1**
Add: Depreciation of Right-of-Use asset (AASB 16)	60.3	61.0	61.7	122.0	122.7
Less: Operating lease rentals (pre-AASB 16)	(67.1)	(66.9)	(68.3)	(135.4)	(135.2)
EBIT (pre-AASB 16)	**12.9**	**21.0**	**32.6**	**45.5**	**53.6**
Statutory NPAT (AASB 16)	**5.7**	**11.8**	**21.0**	**26.7**	**32.8**
Add: Depreciation of Right-of-Use asset (AASB 16)	60.3	61.0	61.7	122.0	122.7
Add: Interest expense on lease liabilities	7.1	7.2	7.1	14.3	14.3
Less: Operating lease rentals (pre-AASB 16)	(67.1)	(66.9)	(68.3)	(135.4)	(135.2)
Pre tax Impact NPAT (pre-AASB 16)	**5.9**	**13.1**	**21.5**	**27.4**	**34.6**
Income tax impact	(0.1)	(0.4)	(0.1)	(0.2)	(0.5)
NPAT (pre-AASB 16)	**5.9**	**12.7**	**21.4**	**27.3**	**34.1**
EBITDA margin AASB 16	23.6%	25.6%	28.9%	26.3%	27.3%
EBITDA margin (pre-AASB 16)	5.3%	7.5%	10.5%	7.9%	9.0%
EBIT margin AASB 16	5.4%	7.3%	10.5%	8.0%	8.9%
EBIT margin (pre-AASB 16)	3.5%	5.7%	8.8%	6.2%	7.2%

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Thank You

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