ASX Announcement (ASX: HLS)

ASX Limited
Market Announcements Office
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

ACN 064 530 516
REGISTERED OFFICE:
LEVEL 22
161 Castlereagh Street
SYDNEY NSW 2000
TEL: +61 2 9432 9400
FAX: +61 2 9432 9447

18 February 2026

Healius announces 1H 2026 results

- Group revenue — up 3.8% to $688.1 million
- Underlying EBITDA — up 13.1% to $122.2 million
- Underlying EBIT — $7.9 million ($2.7 million loss in 1H25)
- Pathology revenue — up 3.5% to $666.3 million
- Agilex revenue — up 16.0% to $21.8 million
- Agilex EBITDA — up 65.5% to $4.8 million
- Net cash — $11.6 million

	1H26 $M UNDERLYING	1H25 $M	1H26 $M REPORTED	1H25 $M
Revenue	**688.1**	662.6	**688.1**	662.3
Non-underlying items	**-**	-	**(20.8)**	(13.1)
EBIT	**7.9**	(2.7)	**(12.9)**	(22.6)
NPAT (Reported including discontinued operations)	**-**	-	**(30.4)**	(12.8)

Healius Limited (Healius) today released results for the financial half year ended 31 December 2025, with Group underlying revenue growth of 3.8%, underlying EBITDA of $122.2 million, and underlying EBIT of $7.9 million.

Pathology

Pathology revenues grew by 3.5% in 1H 2026 on a 1.2% volume increase. Volumes grew by 2.4% in Q1 2026 but were flat across Q2 2026. This compares to flat MBS growth across the full half year.[1]

Total GP attendances were down 1.5% on the prior corresponding six-month period, with a continuing increase in the growth of Telehealth consults. Specialist attendances were up 2.5% over the same timeframe.[2] GP volumes were also impacted negatively by changes to Medicare criteria for B12 and Urine testing which commenced on 1 July 2025.

Revenue growth over and above volume growth was attributable to the changing mix in sources of revenue with higher growth in areas such as Genomics, B2B including Clinical Trials and Veterinary Pathology. The average fee for 1H 2026 improved by 3.5% as a result of the combined growth across these areas.

EBIT improved in 1H 2026 to $5.2 million, up from a loss of $3.8 million in 1H 2025.

[1] MBS volume growth calculated based on P10 Patient Episode Initiation counts.
[2] GP and Specialist attendance growth rates calculated based on Broad Type of Service (BTOS) Report from Services Australia using "Unreferred Attendances" for GP and "Specialist Attendances" for Specialists.

Cost Management

Costs have been contained to a 1.9% increase in 1H 2026.

This is a result of productivity measures that commenced in FY 2025 and that have been implemented across all areas of the business including a detailed labour optimisation program. As a result of this program, headcount across the organisation has been reduced by approximately 400 FTE during the period with a reorganised workforce that is utilising technology to provide a more efficient customer-facing service and laboratory network, aligned to current economic conditions and inflationary pressures.

As a percentage of revenue, labour costs have reduced by 2.7 percentage points between Q1 2026 and Q2 2026 to 49.3% as a result of our labour efficiency program. We have forecast labour costs to be broadly flat[3] year-on-year and this plan is well underway.

Cost management in the second half of the financial year continues as we refine labour planning and our collection centre and laboratory footprint. We are utilising technology including artificial intelligence (AI) to make our workforce planning more efficient, rolling out automation for manual tasks such as Microbiology and reducing other major expenses including logistics and support costs.

Consumable costs have reduced in absolute dollar terms this half year despite the increase in volumes and are now 15.8% of revenue.

Corporate and Support Costs

As previously communicated, Healius has committed to deliver annualised support cost savings of between $15.0 million and $20.0 million.

Corporate costs have largely been removed or absorbed with $7.3 million in annualised cost savings realised in FY 2025. $10.7 million in annualised savings have been realised in 1H 2026 with further cost savings to be implemented during 2H 2026.

Digital Investment

Digital investment will no longer be treated as a non-underlying charge from 1 January 2026. This is a major milestone for Healius as we transition from a period of major investment in underlying systems and processes.

A significant achievement on the customer service front has been the development of our Medway Collectors Portal. This portal is live across our network of collection centres, with 80% of all collections now being processed through this solution (over two million episodes since October 2025). We have issued more than 300,000 patient identity cards, allowing easy access to our services when visiting a collection centre. In August 2025 we launched a new online Appointment Booking capability with 100,000 bookings made to date and a Patient App will be launched in 2H 2026. Our Results Portal for doctors has had a major upgrade and now contains new Continuing Professional Development features.

We have moved more than 75% of all analysers across the four core laboratories onto one modern Pathway Instrument Manager solution, which sets us up to manage workflows more efficiently in the future. We have also introduced major improvements in our Pathway Laboratory Portal. This digital solution has been deployed first in Genomic Diagnostics to digitise paper-driven legacy processes around specimen handling and reporting. Anatomical Pathology is also now utilising AI and digital scanning technology allowing us to improve turn-around times and efficiency benefits by sharing cases nationally.

We are well placed to leverage our platform of Digital Technology solutions to support ongoing service improvements to customers and drive efficiencies in our laboratories.

Artificial Intelligence (AI)

Healius has recently launched two AI co-workers, Reva AI and Julie AI, to assist in high volume transaction environments and workforce planning. While still in the early stages, both co-workers are successfully performing functions in the business with Reva AI reconciling financial transactions and Julie AI assisting in the way we plan our labour each day. They form part of our workforce and have a place in our organisational charts with direct reporting lines.

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[3] Labour cost forecasts do not include the impact of the recent Fair Work Commission decision on gender-based undervaluation.

The benefits are both financial (better management of cash flows) and operational (improving the efficiency of labour planning across a complex network). Additional AI co-workers are planned as we take learnings from a positive experience and apply to deliberate and defined use cases.

Australian Defence Force (ADF) Contract

On 1 December 2025, Healius signed a contract with the Australian Department of Defence to provide private pathology services to the ADF.

Through its national pathology network, Healius will provide a full range of outpatient pathology services to ADF personnel, with dedicated pathology collection staff operating within ADF Health Centres across Australia. Healius will also provide a suite of modern digital solutions covering the entire pathology journey, including e-referrals, online bookings, collection management and a doctors' results portal.

Total revenue over the initial five-year period of the contract is expected to be approximately $60.0 million.

Fair Work Commission – Gender-Based Undervaluation

The Fair Work decision on gender-based undervaluation will come into effect in part from early April 2026 and more fully from 1 January 2027. This impacts Pathology Collectors and Health Professionals.

Pathology Collectors will receive an increase from 1 April 2026, with any remaining increases to take effect from 1 July 2026. Health Professionals will receive a phased increase over five years in equal instalments commencing 1 July 2026.

The final decision on the classification of all roles and increases for both Pathology Collectors and Health Professionals is yet to be finalised by the Fair Work Commission (FWC). However, we estimate that the impact for FY 2026 will be approximately $1.8 million for Pathology Collectors.

Healius is working closely with both Australian Pathology and the Department of Health, Disability and Ageing to find a solution through the Medicare Benefits Schedule to support these labour cost increases.

The annualised impact will be fully determined once a final decision is made by FWC.

Agilex Biolabs

Agilex Biolabs’ revenues grew by 16.0% to $21.8 million, the majority of which has translated to a 65.5% improvement in EBITDA to $4.8 million, and an EBIT improvement of 145.5% to $2.7 million.

Agilex Biolabs’ strategic decision to enhance capabilities and focus on large molecule development work has contributed positively to revenue and earnings growth and is aligned to the shift in market demand. During the year, Agilex Biolabs exited the Toxicology business to focus on its growing large molecule work as well as strengthening its Immunoassay and Immunobiology capabilities.

The new Brisbane bioanalytical laboratory opened in August 2025 and represents a significant milestone in expanding Agilex Biolabs’ national footprint. The facility is performing ahead of expectations and is the benchmark operating model for potential future sites. With expanded capabilities, Agilex Biolabs has a solid pipeline and is well positioned to secure additional flow cytometry and peripheral blood mononuclear cell work.

T27 Plan Update

Significant progress has been made in the first half of the financial year. The T27 Scorecard is presented in the 1H 2026 Results Presentation and outlines the progress made since the FY 2025 Results Presentation.

The T27 Scorecard contains tangible examples of progress made on the T27 Plan. These include the mix of revenue, efficiencies in our collection centres and laboratory operations and the use of technology, including AI, to facilitate more effective and efficient ways of working.

Capital & Cash Management

As at 31 December 2025, Healius is in a net cash position of $11.6 million with cash of $51.6 million and drawn debt of $40.0 million to facilitate management of working capital.

The net cash reduction over the six month period is primarily driven by the settlement of a historic dispute with the Australian Taxation Office, termination costs related to the recent restructure and Digital transformation costs.

Healius remains well within its bank covenants for gearing and interest cover ratio and expects to remain within its covenants as at 30 June 2026.

Capital management remains a key focus area and Healius will continue to take a disciplined approach to capital investment with defined hurdles for return on investment.

YTD Trading and Outlook

Healius expects earnings for FY 2026 to be in line with current Consensus.

As previously noted, from 1 January 2026, Digital Transformation will no longer be treated as non-underlying and will form part of normal operating expenses.

Revenue and profitability will again be skewed towards the second half of the financial year due to both the timing of cost savings and normal volume seasonality factors.

Healius continues to expect to achieve high single digit EBIT margins by June 2027 driven by:

- Continued focus on volume improvement and pricing initiatives.
- Growing higher margin business.
- The impact of the technology transformation plan both in collection centres and laboratories.
- Cost savings already achieved and further savings planned in 2H 2026.

Webcast

Healius will hold an analyst and investor briefing today to discuss the results. Webcast details are as follows:

Time: 10:30am (AEDT)

Webcast Link: **https://webcast.openbriefing.com/hls-hyr-2026/**

If you would like to dial in via teleconference or ask a question on the phone, please pre-register using this link: **https://s1.c-conf.com/diamondpass/10052593-ozwkqg.html**

This announcement has been authorised for release by the Board.

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For further information contact:

Analysts and Market

Sharon Ng
Head of FP&A and Investor Relations
+61 466 023 858
investor.relations@healius.com.au

Amy Liu
FP&A and Investor Relations Manager

For over 35 years Healius has been one of Australia's leading healthcare companies, committed to supporting quality, affordable and accessible healthcare for all Australians. Through its unique footprint of centres and its 8,000+ employees, Healius provides Australia-wide specialty pathology services to consumers and their referring practitioners.