

SONIC HEALTHCARE

Annual General Meeting
19 November 2019



Forward-looking statements

This presentation 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 presentation 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. The information provided in this presentation is based on and should be read in conjunction with the 2019 Annual Report released to the ASX on 25 September 2019 and may include earnings figures restated on a “constant currency” basis.



Headlines FY 2019



- FY 2019 result in line with guidance (constant currency)
 - Underlying EBITDA growth 6.7%
- Statutory result strong (actual currency)
 - Revenue growth 11.6% to A\$6.2 billion
 - EBITDA growth 13.3% to A\$1.1 billion
 - Net profit growth 15.6% to A\$550 million
- Final dividend up 4.1% to A\$0.51 per share (full-year dividend up 3.7% to A\$0.84)
- Strategic acquisition of Aurora Diagnostics completed in January 2019
- Growth momentum strong – major opportunities ahead



FY 2020 Guidance

- FY 2020 EBITDA growth guidance confirmed after 4 months' trading
- Guidance
 - EBITDA growth 6-8% on underlying FY 2019 EBITDA of A\$1,052 million (constant currency)
 - Interest expense to decrease by ~5% (constant currency)*
 - Effective tax rate ~25%
 - Capital expenditure expected to be significantly lower in FY 2020
- Key guidance considerations
 - Excludes impact of new lease accounting standard AASB 16 – refer to 2019 Annual Report for details
 - Excludes future acquisitions
 - Incorporates PAMA fee reductions (USA) equivalent to ~2% of total group EBITDA
 - No other regulatory changes assumed
 - Current interest rates assumed to prevail

*Previous guidance was an increase of ~3%. Revision due to favourable pricing achieved on recent USPP note issue and lower US\$ base rates



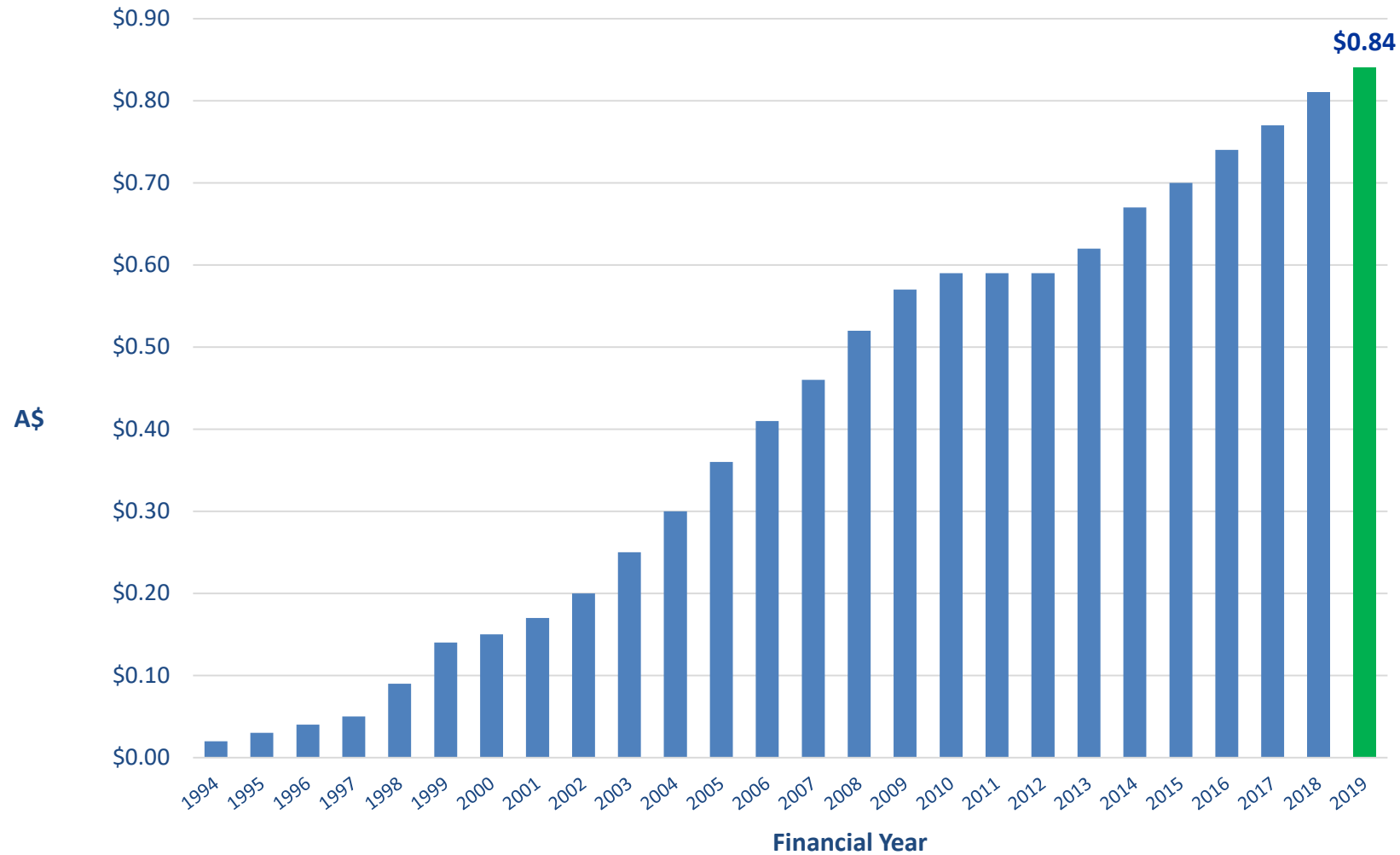
Dividends

A\$	FY 2019	FY 2018	Growth
Interim Dividend	\$0.33	\$0.32	3.1%
Final Dividend	\$0.51	\$0.49	4.1%
Total Dividends	\$0.84	\$0.81	3.7%

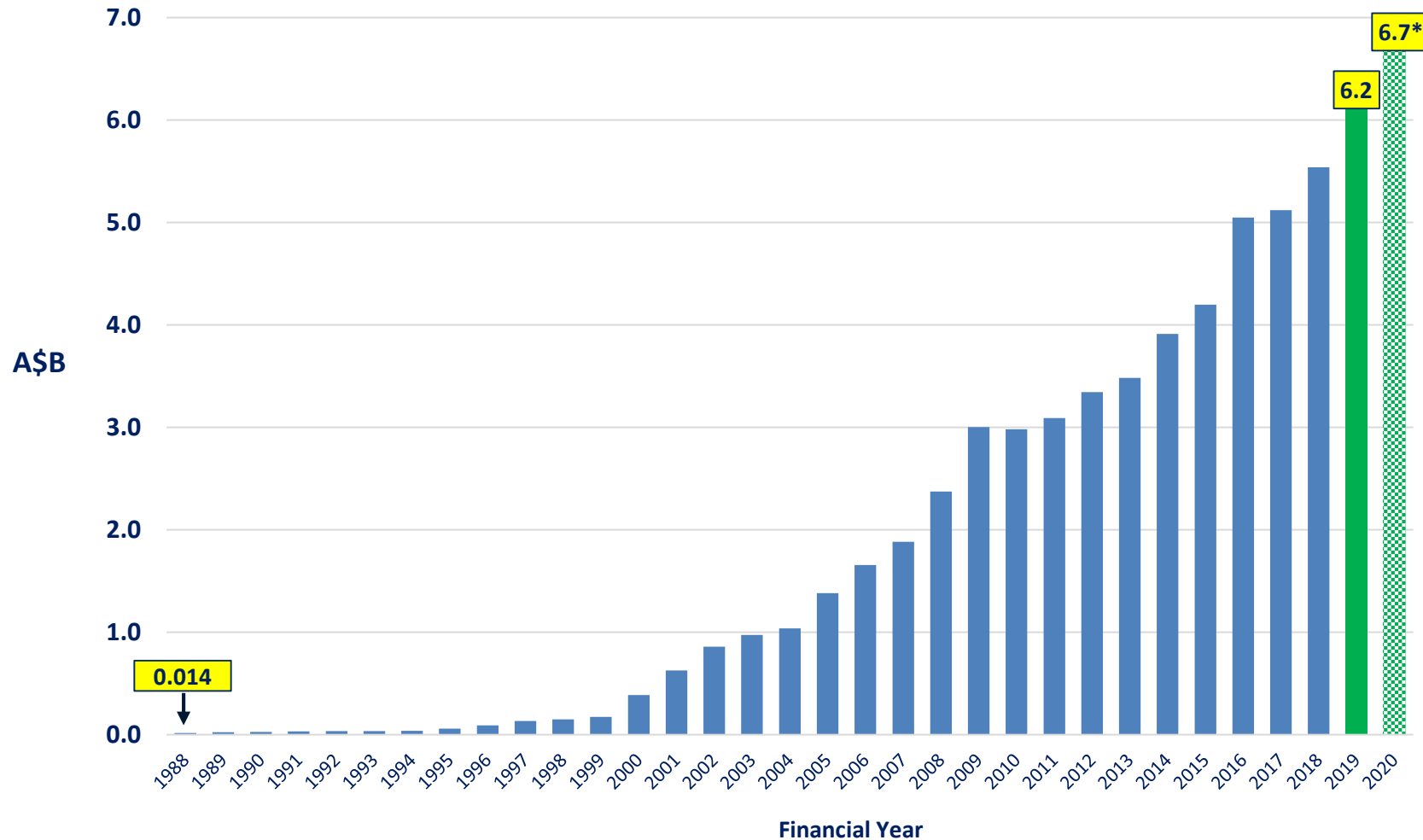
- Final dividend franked to 30% (interim dividend franked to 20%)
- Record date 11 September 2019
- Payment date 25 September 2019
- Dividend Reinvestment Plan suspended



Full-year Dividend



Annual Revenue

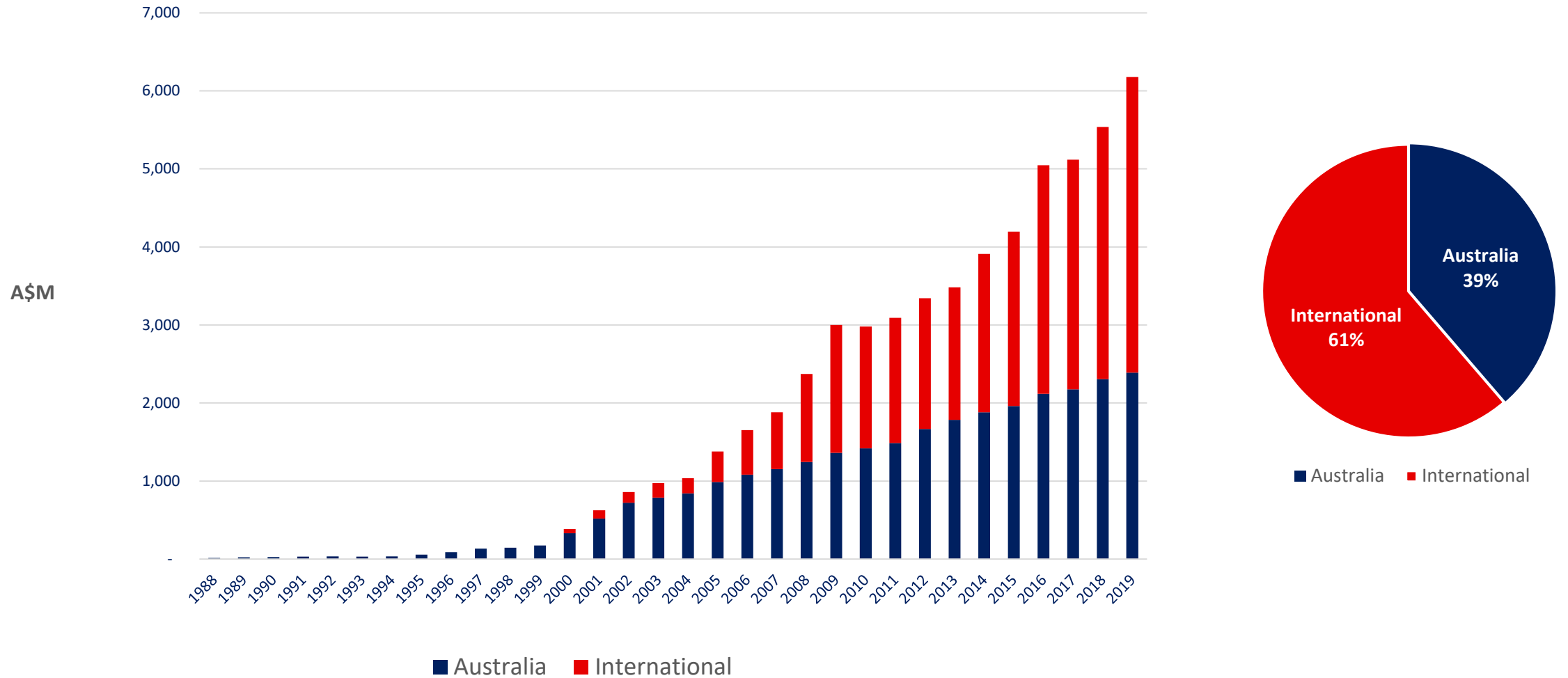


* FY 2020 revenue, including full year of Aurora acquisition, based on market consensus forecast, including FX rate assumptions. Illustrative only, not Sonic guidance.



Annual Revenue

Australia v International

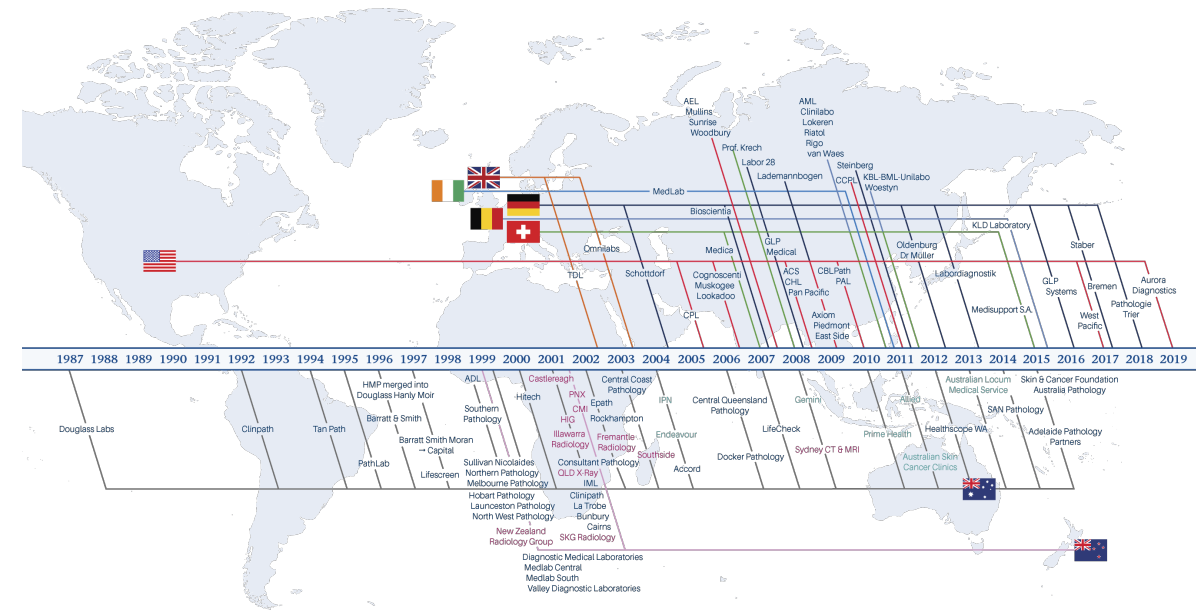


International Expansion



Acquisitions – 32 Years of Enrichment

- Acquired companies are culturally aligned
 - Integrations and mergers smooth
 - Fall-out minimal
 - Drives loyalty, commitment, passion
 - Global unity of purpose
- Acquired companies add value to Sonic
 - Adding people and talent
 - Geographical diversification
 - Strengthening of Medical Leadership
 - Pooling of resources, sharing of ideas, benchmarking
 - Economies of scale – national and global



Sonic Healthcare Today

- International healthcare company providing laboratory, imaging and primary care services
- Third largest medical laboratory company in the world
- Top-50 ASX listed, market capitalization ~\$13.5 billion
- Revenue A\$6.2 billion p.a., EBITDA A\$1.1 billion p.a. (FY 2019)
- Operating in 8 countries – Australia, USA, Germany, UK, Switzerland, Belgium, NZ, Ireland
- #1 laboratory medicine player in Australia, Germany, Switzerland, UK
- #3 laboratory medicine player in the USA
- 37,000 employees
- 120 million patients per annum
- Embedded culture of Medical Leadership, driving high-quality medicine and best patient outcomes



Corporate Responsibility Report

2019



ABN 24 004 196 909



Behind Every Test is a Patient

Corporate Responsibility Report 2019



Email from a long-standing shareholder:

- *"I wanted to say how good it was, and how much of a picture it paints of the organization, beyond the financial numbers that underpin it.*
- *I enjoyed the 'My Story' segments and in particular the one featuring Dr Conrad. It's a great example of someone not being limited by the parameters of their role, and going the extra mile, and in this case possibly saving a life."*

Pathologists

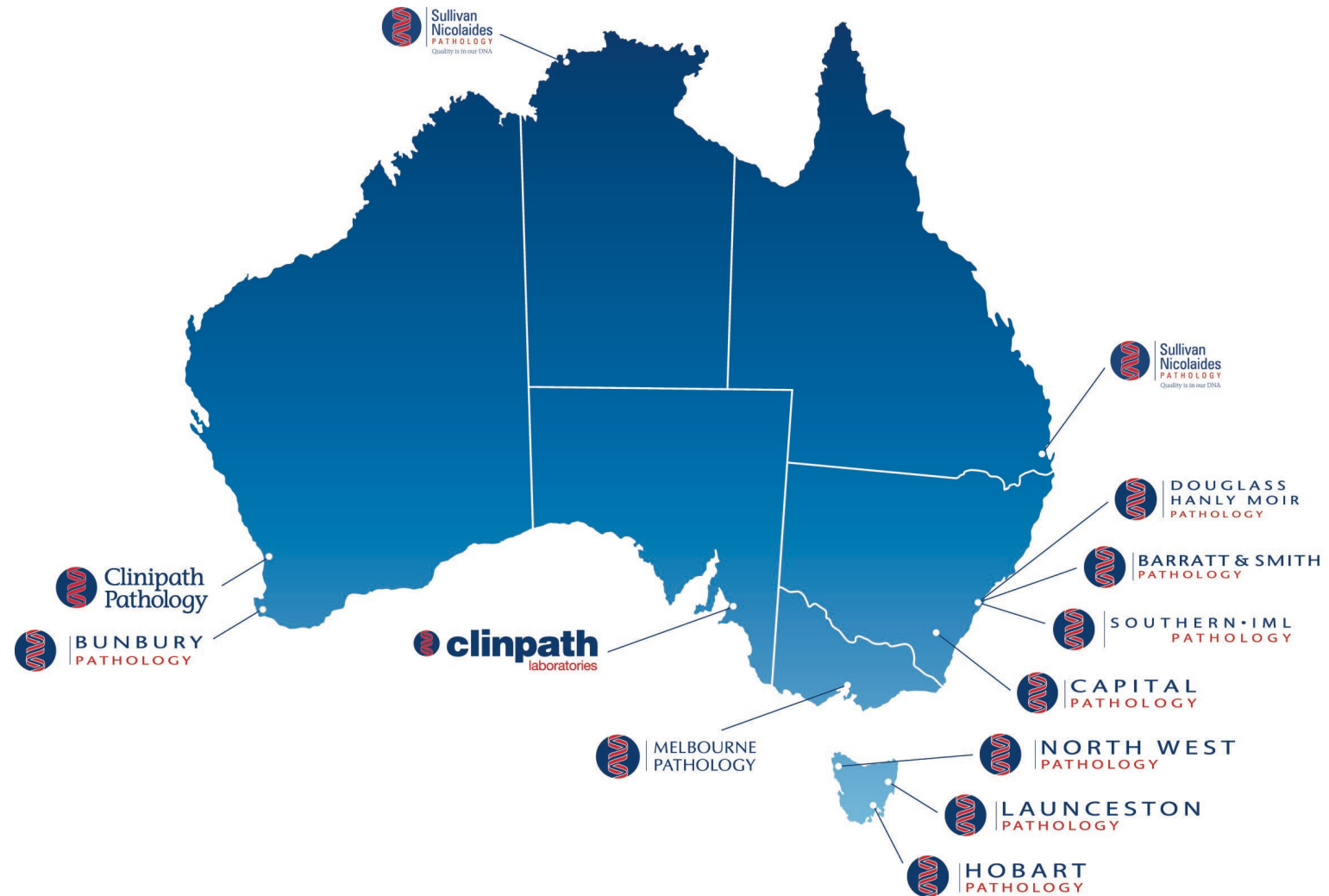
- **Medical Specialists in the laboratory**
 - Medical degree – 6 years
 - Internship/Residency – 2 years
 - Pathologist Fellowship – 5 years
- **Supervise testing and ensure quality in pathology laboratory**
- **Consultants to clinicians – GPs and specialists**
 - Result interpretation, diagnosis and treatment
 - Drive optimum patient care
- **Form collegiate relationships with clinicians**
 - Understand medicine, clinicians, doctor-patient relationship
 - Carry goodwill, drive growth
- **Leaders in the laboratory**
 - Resonance with staff and customers
 - Understand operations and the business of pathology

Pathologists are the heart of Sonic's Medical Leadership culture



Sonic Pathology Australia

National Coverage / Market Leader



Douglass Hanly Moir Pathology

Sydney, Australia



Sullivan Nicolaides Pathology

Brisbane, Australia



Sonic Healthcare Germany

National Coverage / Market leader



Sonic Healthcare Germany
Laboratory locations

Bioscientia

Ingelheim, Germany

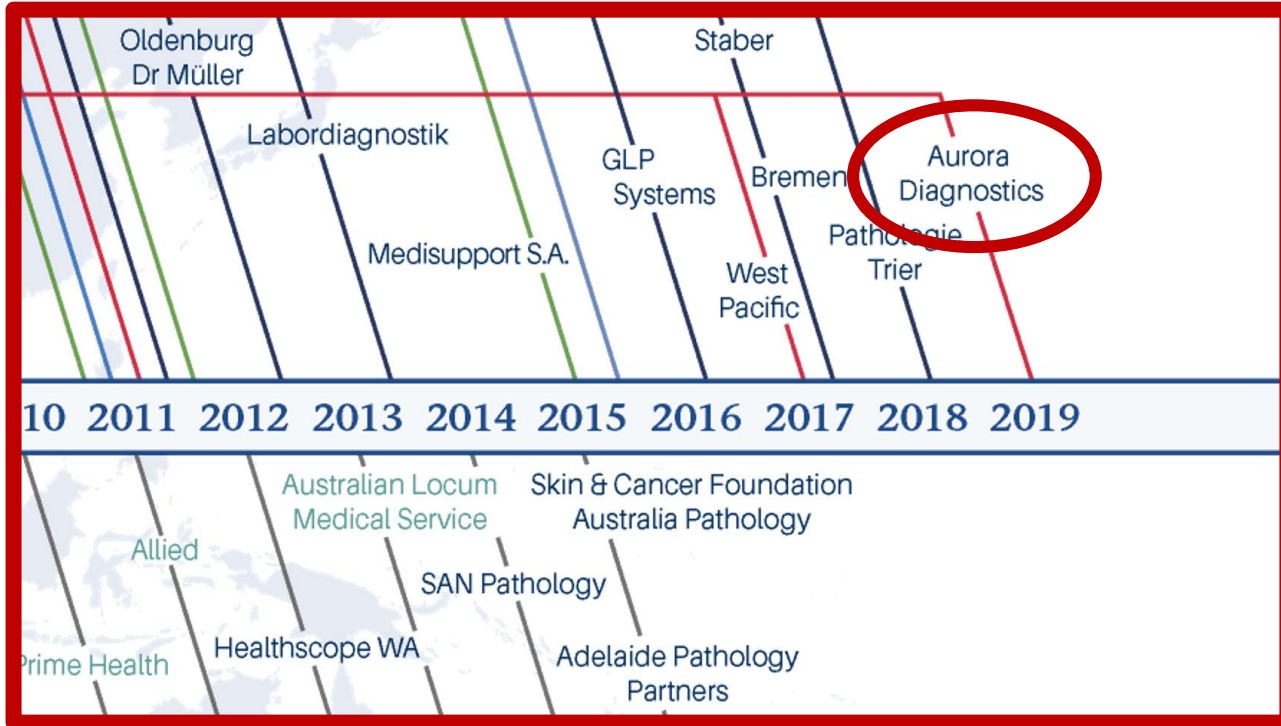


Bioscientia

Ingelheim, Germany



Aurora Diagnostics Acquisition



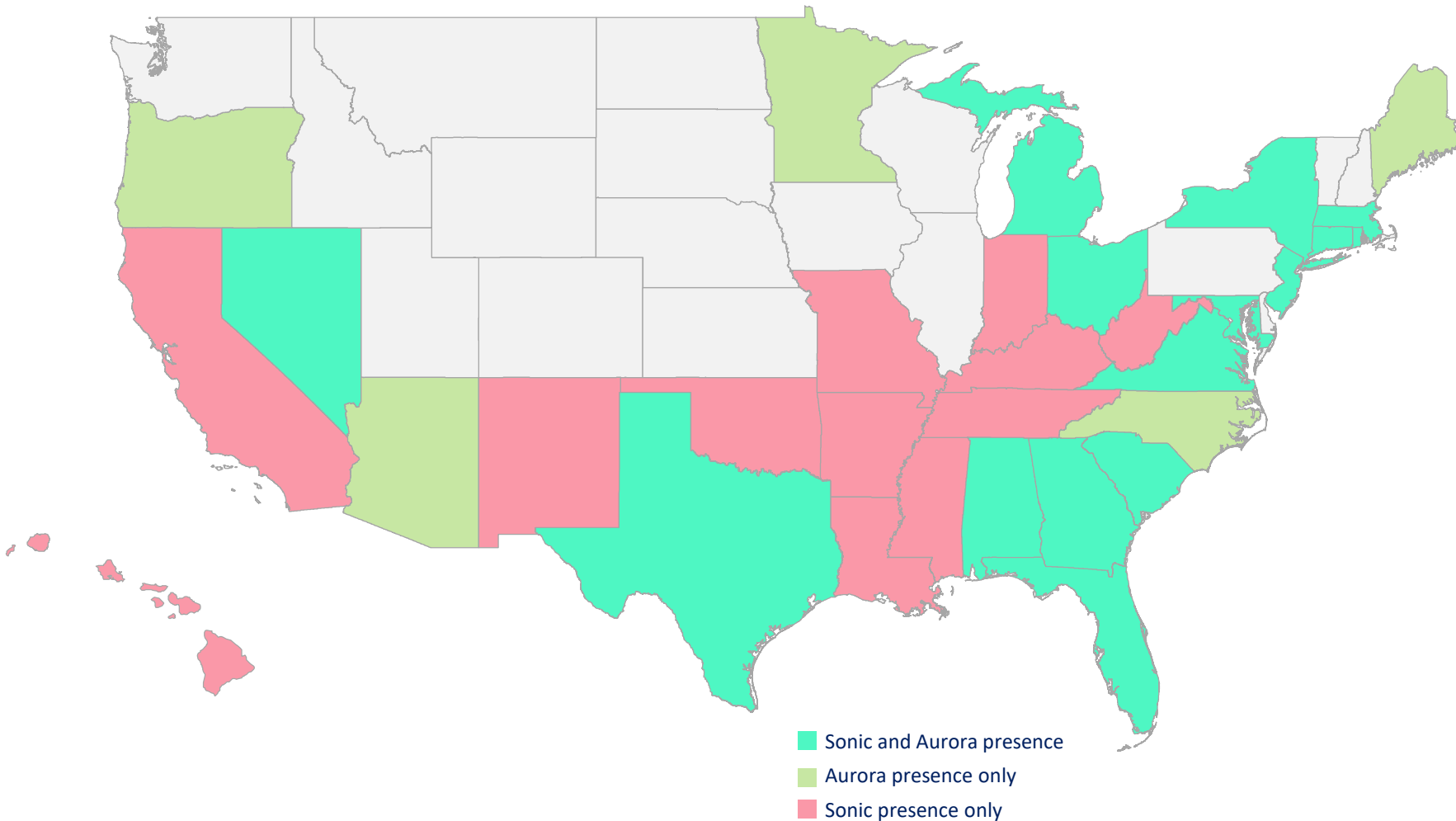
- A seminal event in Sonic's history
- Revenue ~A\$430 million (~7% of Sonic's revenues)
- 32 practices, 19 states, 220 pathologists
- >100 hospital contracts, serving ~23,000 physicians
- Experienced leadership team
- US Anatomical Pathology market ~A\$20 billion p.a.
- Growth platform in world's largest market
- Synergy opportunities
- Strengthens Sonic's Medical Leadership model in USA
- Differentiates Sonic in USA lab market

Aurora Diagnostics



Aurora Acquisition

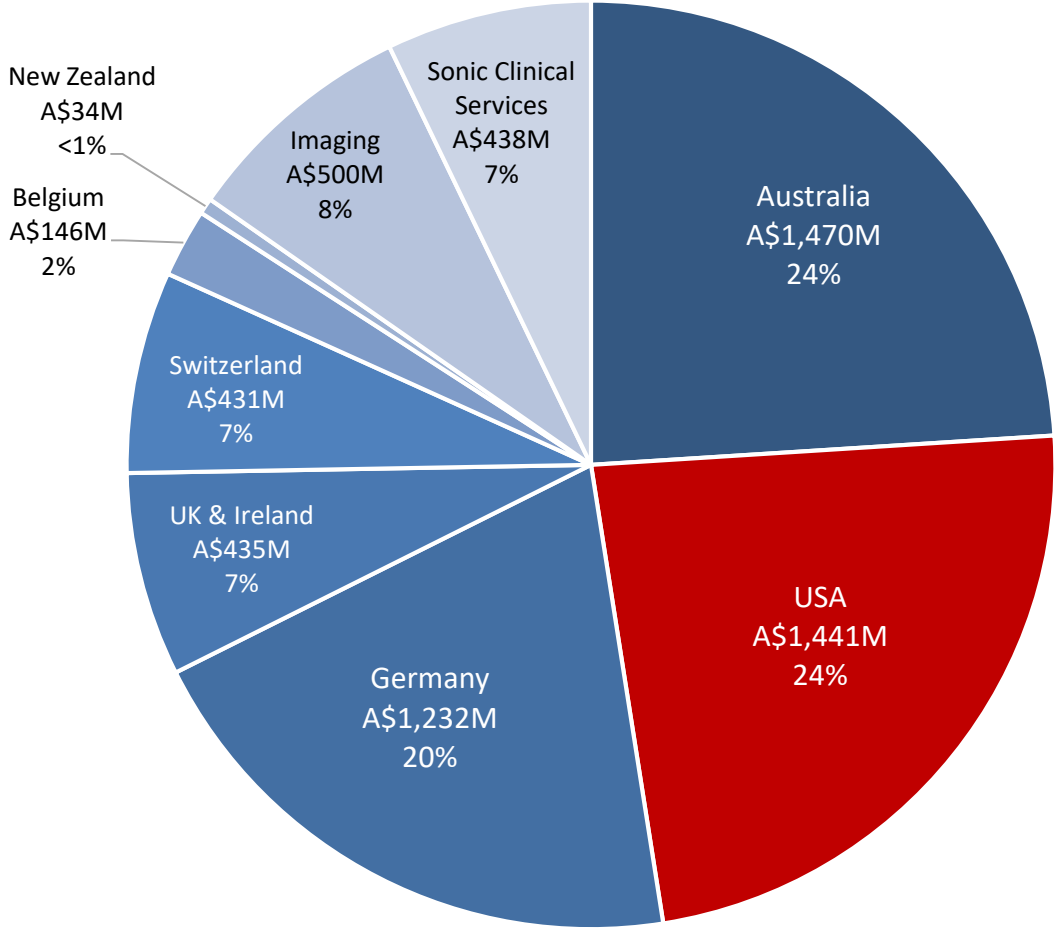
Growth and Synergy Opportunities



- Growth in Anatomical Pathology market
- Access more clinicians
- Access more hospitals
- Cross-sell from Anatomical to Clinical Pathology
- Centralise complex tests
- Strengthen databank
- Pathologists and Medical Leadership



Revenue Split – FY 2019

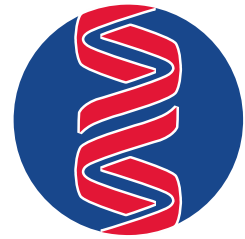


Outlook



- Company well positioned for ongoing strong growth
- Rich pipeline of acquisition, joint venture and contract opportunities
- Strong balance sheet with headroom for expansion
- Geographical diversification provides growth opportunities and risk mitigation
- Stable, experienced and dynamic global management teams
- Technology and innovation driving efficiencies
- Procurement and other synergy initiatives delivering ongoing benefits
- Global team of >1,000 pathologists, >200 radiologists and thousands of qualified technical staff underpin Sonic's Medical Leadership culture





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HEALTHCARE

Thank you

