



**MEDIA RELEASE – 22 August 2024**

**FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024**

**1. Summary**

<b>A\$M (Statutory)</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>Change</b>
Base business revenue	<b>8,905</b>	7,684	16%
COVID-19 revenue	<b>62</b>	485	(87)%
Total Revenue	<b>8,967</b>	8,169	10%
EBITDA <i>(excluding A\$32 million gain related to sale of West division in USA)</i>	<b>1,602</b>	1,708	(6)%
Net Profit	<b>511</b>	685	(25)%

- FY 2024 EBITDA in line with most recent guidance (May 2024).
- Revenue and earnings comparisons with FY 2023 materially impacted by the reduction in COVID-19 related revenues (A\$62 million versus A\$485 million).
- Base business revenue (ex-COVID testing) organic growth of 6% versus FY 2023 (Constant Currency, per working day).
- ~A\$655 million of new annual revenue secured from acquisitions through the year, plus additional revenue from new contract wins.
- EBITDA margin in H2 FY 2024 vs H1 FY 2024 demonstrates return to margin expansion.
- Post-pandemic headcount reduction program nearing completion.
- 95% conversion of EBITDA to gross operating cash flow.
- Progressive dividend policy maintained, increase of 1 cent (2%) to 63 cents per share (unfranked) for the FY 2024 Final Dividend, full-year dividend up 2% to A\$1.06 per share.

**2. Commentary**

Sonic Healthcare today reported a net profit for the year to 30 June 2024 of A\$511 million, on revenues of ~A\$9 billion.

Sonic's CEO, Dr Colin Goldschmidt, said: "The 2024 financial year can be summarised as a transition period for Sonic Healthcare, as we moved away from the impacts of the pandemic towards business as usual. An 87% reduction in COVID-related revenue has meant that our headline numbers for the year show significantly lower earnings versus FY 2023. Overall, however, the company remains in a very strong position, both financially and in terms of market positioning. We are delivering robust topline growth, both organically and through acquisitions, and have largely completed our post-pandemic headcount reduction program to right size the company moving forward. We are well positioned for future earnings growth, including through realising synergies and enhanced returns from investments made in FY 2024.

“Sonic has secured approximately A\$655 million of new annual revenue from acquisitions completed through the 2024 year, with further additional revenue to come from new major contract wins. The acquisitions of Medisyn and Dr Risch (Switzerland), PathologyWatch (USA) and the Hertfordshire & West Essex contract win (UK), while initially earnings and/or margin dilutive, will all yield strong earnings growth and returns on investment into the future. The acquisitions completed in Germany, particularly the larger Medical Laboratories Düsseldorf and Diagnosticum Laboratory Group, are excellent businesses, and have significantly strengthened our already market leading position in Germany.

“Sonic’s base business revenue grew 6% organically on a like-for-like basis versus FY 2023. Particularly strong organic base business growth was achieved in the Australian (10%), German (7%), and UK (9%) laboratory businesses. 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). Base business organic growth of 3% was achieved in the USA, and 5% in Switzerland. I believe these levels to be in line with or better than market growth.

“Radiology organic revenue growth per working day was strong at 10%, including indexation of fees and targeted private billing. Revenue for Sonic Clinical Services grew 13%, including 5% organically, benefiting from increased GP private billing and Government funding increases.

“Inflationary pressures, particularly on labour costs, have impacted our results for FY 2024 and there will be some annualisation of these effects into the first part of FY 2025. These impacts are expected to ease going forward, with headline inflation rates in Sonic’s main markets now in the range of 1.3% to 3.8%. In managing our costs, especially labour costs, we remain mindful of the necessity to maintain the high quality of the essential healthcare services we provide, as well as to support our ongoing strong organic growth.

“Sonic’s management teams around the world are acutely focused on achieving organic growth and margin improvement. There are multiple major projects and initiatives in train, including the realisation of synergies from recent acquisitions, directed at earnings growth in FY 2025, FY 2026 and later years, as well as our usual focus on tight cost control.

“I wish to thank all of Sonic’s more than 42,000 team members for their dedication and expertise, which together enable Sonic to provide our referrers, patients and other customers with the high-quality services they deserve.”

**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 FY 2024 Appendix 4E Preliminary Final Report, both of which will be posted on the Sonic Healthcare website by 10:00 am on 22 August 2024 ([www.sonichealthcare.com](http://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.*