healius pathology network

Full Year Results

FY26

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Andrew Thomson, CFO

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Group Overview

Paul Anderson

Chief Executive Officer &
Managing Director

Group Results

Revenue growth on reduced volumes and higher average fee

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Underlying Revenue	Pathology Revenue
$1,373.2m	**$1,329.6m**
$1,344.5m in pcp (up 2.1%)	*$1,306.4m in pcp (up 1.8%)*

Underlying EBITDA	Reported EBITDA loss
$258.6m	**$100.5m**
$239.3m in pcp (up 8.1%)	*Loss of $302.7m in pcp*

Underlying EBIT	Net Debt
$30.2m	**$32.8m**
$17.1m in pcp (up 76.6%)	*$57.2m net cash at Jun 25*

Financial Performance

Revenue

- Group revenue growth of $28.7m or 2.1% to $1,373.2m.
- Pathology revenue growth of $23.2m or 1.8% to $1,329.6m.
- Agilex revenue growth of $5.4m or 14.1% to $43.6m.

Underlying Results

- Group EBITDA up $19.3m or 8.1% to $258.6m.
- Pathology EBITDA up $15.0m or 6.4% to $247.9m.
- Agilex EBITDA up $4.3m or 67.2% to $10.7m.
- Pathology EBIT up $9.4m or 65.3% to $23.8m.
- Agilex EBIT up $3.7m or 137.0% to $6.4m.

Net Debt

- Healius ended FY26 with net debt of $32.8 million and remains well within its banking covenants.

Underlying results are defined as Reported results adjusted for non-underlying items and discontinued operations. The Directors believe that presentation of Underlying financial information is useful for investors to understand the entity's core results from operations, without the impact of non-underlying items. For a reconciliation between Underlying and Reported results, refer to Appendix.

Pathology

Revenue growth on changing revenue mix against flat costs improves margins

Strategic

- Margin recovery through improving revenue quality and strict cost discipline.
- Fair Work Commission labour cost increases significant, but network and labour optimisation is reshaping the cost base with flat costs in FY26.
- Completion of major implementation phase for Digital Technology. Key lever for the business, together with AI and automation.
- Pathway (one LIS) will unlock centralisation and laboratory network efficiencies gradually over FY27.
- Significant progress made on T27 initiatives.
- Restoring a sustainable positive cash flow remains a key priority, as expected in FY27.

Operational

- Pathology revenue growth attributable to change in revenue mix (growth in Genomic Diagnostics, B2B including Clinical Trials and Veterinary Pathology).
- GP attendances reduced by 0.9% vs pcp, while Specialist attendances are up 2.9% over same period.
- MBS volumes marginally improved by 0.5% for the 12-month period.
- Labour costs are flat vs pcp with workforce planning program utilising technology to gain efficiencies.
- Significant technology developments delivered with Medway Collectors Portal, Results Portal, and a new Patient App.
- AI co-workers Reva AI and Julie AI launched with two additional AI co-workers now live in production supporting high volume transaction environments and workforce planning.
- Fair Work decision on gender-based undervaluation having significant impact on labour costs.

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Agilex Biolabs

Strategic capability enhancement and focus on large molecule development contributes positively

Strategic

- Healius has engaged UBS Securities Australia Limited to explore a sale of Agilex Biolabs.
- The business has received strong interest from potential acquirers.
- Update will be provided to shareholders in advance of the AGM.

Operational

- Strategic decision to enhance capability and focus on large molecule development.
- Exit of the Toxicology business to focus on large molecule work has contributed to the improved performance.
- Reallocated business development resources to new geographies are showing traction.
- New bioanalytical laboratory opened in Brisbane is a significant milestone. It is the benchmark operating model for future sites as Agilex plans to expand its national footprint in Brisbane, Melbourne and Sydney.
- Order book (won work) is strong and supports future revenue growth.

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T27 Scorecard – Performance Update FY26

Our aim is to deliver mid-to-high single-digit EBIT margins by December 2028

✓ Delivery complete ▶ Partially delivered > On track

Customer Service	✓ **Collections:** >80% of ACC episodes now processed through Medway Collections ▶ **Enhanced CX:** 220k patient appointments booked (new capability from Aug 25) ▶ **Core growth:** ~1,500 new referrers added in 2H26	▶ **Collections:** New HubSpot CRM capability implemented to improve service for referrers ▶ **Enhanced CX:** FY26 Contact Centre response times improved 1.9x vs pcp ▶ **Core growth:** FY26 average fee growth of 4.0% over FY25
Laboratory Modernisation	✓ **Lab:** Regional lab optimisation with 24.3% reduction in FTEs vs FY25 ✓ **Lab:** Productivity gain from main lab optimisation with 1.6% less FTEs vs 4Q25 ▶ **Consumables spend:** 15.3% as % of revenue vs pcp of 16.2%	▶ **Lab:** Laverty Microbiology automation setup, validation in progress > **Lab:** Pathway LIS being implemented across all disciplines ▶ **Logistics:** 100% of metro courier runs digitised, 33% reduction overtime vs pcp
Emerging Diagnostics	▶ **Genomics:** Revenue up 16.9% in FY26 vs pcp ▶ **Vetnostics:** Digital courier, consumables ordering in place (100% take-up), full digital solution in build ✓ **B2B:** Full year benefit from new commercial contracts	▶ **Genomics:** 15 new products launched in FY26, focus on hereditary cancer detection ▶ **Vetnostics:** FY26 revenues up 3.4% over pcp ▶ **B2B:** Clinical Trials FY26 revenue up 92.9% vs pcp
Digital Technologies	✓ **Medway:** New Diabetes Audit functionality in market with ~1k referrers onboarded ▶ **Medway:** eReferral growth continues – FY26 volumes 39.7% higher vs pcp ▶ **Digital AP:** Majority of inter-state AP work digitised, new scanners fully embedded	▶ **Medway:** New Patient App in "soft-live" across internal users, go live in 1H27 ▶ **Pathway:** High volume Genetics workflows (Reproductive & Oncology) built & in roll out ▶ **Digital AP:** IBEX AI enabled cancer detection extended to new tissue types
People & Ways of Working	✓ **Corporate costs:** Total of $24.4m (annualised) cost savings delivered ✓ **New National Collector Training Academy operational:** 600+ collectors graduated ▶ **FY26 labour costs:** Flat on FY25 despite FWC decision, now 49.7% (as % of revenue)	✓ **AI workers:** Reva AI and Melinda AI – working on high volume finance transactions ✓ **AI workers:** Julie AI and Oscar AI – working on workforce planning ▶ **AI workers:** Additional digital co-workers being developed in priority operational areas

Summary Financials

Andrew Thomson

Chief Financial Officer

Group Results

Focused on cost reduction strategy

	FY26 $m	FY25 $m	Chg %
Underlying Revenue	**1,373.2**	**1,344.5**	***2.1%***
Underlying EBITDA	**258.6**	**239.3**	***8.1%***
Depreciation & amortisation	(228.4)	(222.2)	*(2.8%)*
Underlying EBIT	**30.2**	**17.1**	***76.6%***
Non-underlying items	(27.1)	(32.0)	*15.3%*
Non-cash impairment charges	(332.0)	(495.2)	*33.0%*
Transactions with discontinued operations	-	(16.9)	-
Reported EBIT	**(328.9)**	**(527.0)**	***37.6%***
Interest	(49.1)	(65.1)	*24.6%*
Tax (expense)/benefit	(30.9)	29.1	*(206.2%)*
(Loss)/profit from discontinued operations	(6.7)	411.8	*(101.6%)*
Reported NPAT	**(415.6)**	**(151.2)**	***(174.9%)***

Top line revenue growth / cost reductions

- Group underlying revenue growth of $28.7m (2.1%) to $1,373.2m driven by improved mix in Pathology and strong revenue growth in Agilex.
- Group EBIT of $30.2m is an improvement on prior period of $17.1m.
  - Pathology EBIT of $23.8m benefitting from strong cost control across the business.
  - Agilex EBIT more than doubled to $6.4m with both strong revenue growth and good cost control contributing to margin expansion.
- Non-underlying items of $27.1m, predominantly from restructuring costs to right-size the business and costs incurred for the Digital Technology program in 1H26.
- As required by Accounting Standards, a non-cash pre-tax impairment charge of $332.0m was recognised against goodwill.
- Interest costs reduced significantly due to lower average debt levels.
- Support cost savings target exceeded with total annualised savings of $24.4m.
  - Annualised savings achieved in FY25 of $7.3m and additional savings in FY26 of $17.1m.
  - Full run rate benefit expected from FY27 onwards.
  - Further cost saving opportunities still being executed.

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Pathology

Improved revenue source mix contributing to average fee growth

UNDERLYING	FY26 $m	FY25 $m	Chg %
Revenue	**1,329.6**	1,306.4	*1.8%*
EBITDA	**247.9**	232.9	*6.4%*
EBITDA margin	***18.6%***	*17.8%*	*80 bps*
EBIT	**23.8**	14.4	*65.3%*
EBIT margin	***1.8%***	*1.1%*	*70 bps*

UNDERLYING	2H26 $m	1H26 $m	Chg %
Revenue	**663.3**	666.3	*(0.5%)*
EBITDA	**130.5**	117.4	*11.2%*
EBITDA margin	***19.7%***	*17.6%*	*210 bps*
EBIT	**18.6**	5.2	*257.7%*
EBIT margin	***2.8%***	*0.8%*	*200 bps*

Revenue growth 1.8% - benefiting from mix

- Revenue growth underpinned by improved mix of Specialists, Hospital and B2B revenues leading to higher average fees.
  - Strong growth continues in Genomics (up 16.9% vs pcp).
  - Clinical Trials showing exceptional growth and solid pipeline (up 92.9% vs pcp).
- Labour costs held flat on pcp with increased benefit from labour optimisation program in 2H26 offsetting EA rate increases and impacts of Fair Work Commission’s decision on gender-undervaluation for Pathology Collectors.
- Consumables costs also well controlled, reducing in absolute terms (3.8% lower than pcp) and as % of revenue (15.3% vs 16.2%).
- Network cost (property including AASB16 depreciation and finance costs) have trended higher as a % of revenue, impacted by mix of sites within the portfolio.
- Ramp up of run rate benefit from cost savings contributing to improved EBITDA and EBIT margins in 2H26.

Agilex Biolabs

Strategic pivot to large molecule work contributes to margin expansion, well positioned to capitalise on market growth

UNDERLYING	FY26 $m	FY25 $m	Chg %
Revenue	**43.6**	38.2	*14.1%*
EBITDA	**10.7**	6.4	*67.2%*
EBITDA margin	***24.5%***	*16.8%*	*770 bps*
EBIT	**6.4**	2.7	*137.0%*
EBIT margin	***14.7%***	*7.1%*	*760 bps*

Revenue growth contributing to margin improvement and expansion

- EBIT margin of 14.7% reflects the change in mix as business pivoted away from small molecule to large molecule work. It also reflects the closure of the loss-making Toxicology business.
- National footprint expansion, with new Brisbane Bioanalytical Laboratory performing ahead of expectations.
- Pipeline leading into FY27 remains strong.
- As previously announced, in order to optimise shareholder value, Healius is exploring a sale of Agilex Biolabs in response to several unsolicited approaches from credible parties.
- Industry fundamentals, strategic rationale, competitive advantages remain.

Capital Management

Conservative capital management until earnings consistency is achieved

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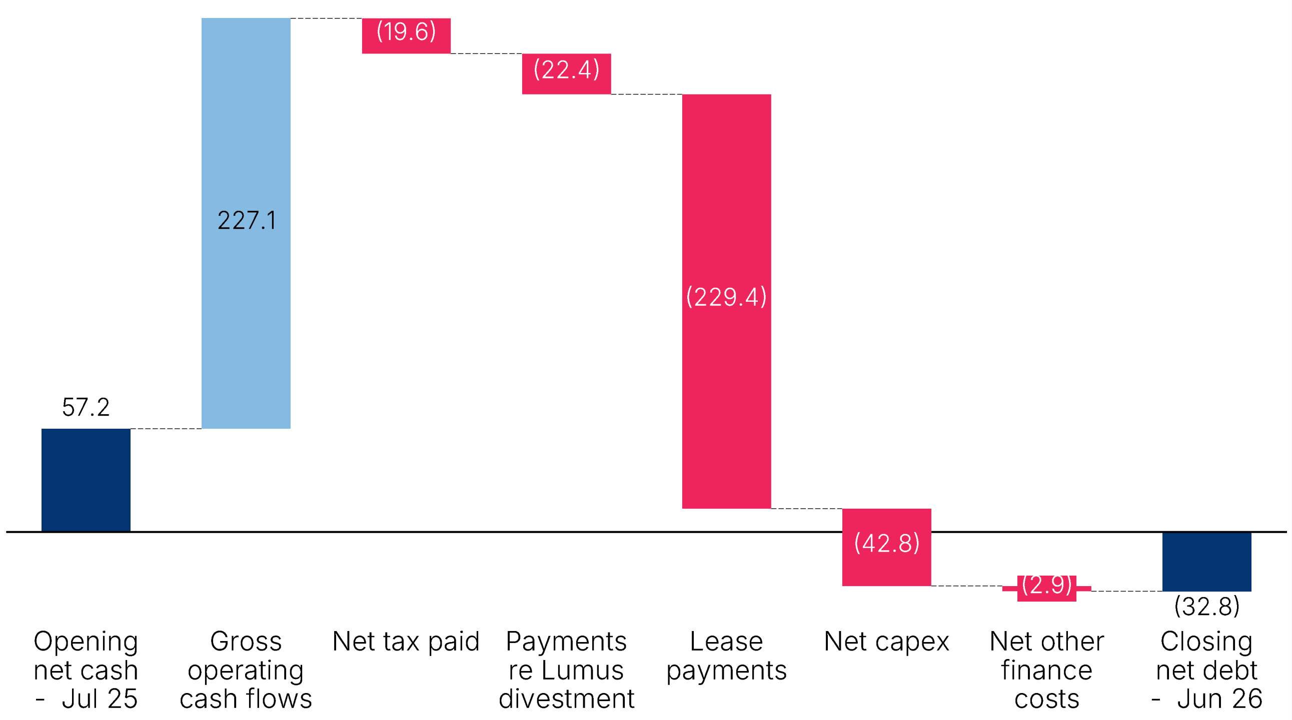
Net cash bridge ($m)



Capex

- Maintenance capex of $16.5m (FY25: $31.3m), primarily for replacement of aged laboratory equipment and IT hardware.
- Growth capex of $26.8m (FY25: $34.6m) mainly consists of investment in select large-scale ACCs, equipment for new hospital contracts (Grampians & NWT) and AI development.

Capital management

- Reduction from net cash of $57.2m to net debt of $32.8m due to:
  - One-off ATO payment offset by tax refund.
  - Payments relating to divestment of Lumus Imaging.
  - Cost of restructuring program.
- Healius is well within its bank covenants for gearing and interest cover ratios as at 30 June 2026.

FY27 Outlook

Healius expects FY27 EBIT to be in line with consensus[1] EBIT of $39.7m.

Pathology

- Healius anticipates volumes to grow in line with MBS on a like-for-like collection centre basis, in addition to a modest increase in profitable sites. Non-MBS volumes are expected to see the benefit of a full year of new commercial and hospital contracts, and continued growth in Genomic Diagnostics, Vetnostics and B2B including Clinical Trials.
- Disciplined cost control in Pathology is expected to contain cost growth to 3.5% for FY27, inclusive of the impact of Fair Work Commission costs relating to gender undervaluation and the 4.75% increase linked to Modern Awards.
- Due to the significant impact of the Fair Work Commission costs and reduced GP attendances, Healius expects to achieve its T27 target of mid-to-high single-digit EBIT margins by approximately December 2028.

Agilex Biolabs

Agilex Biolabs order book and revenue conversion remains strong and in line with expectations.

1. EBIT consensus as per Visible Alpha on 18 August 2026.

Q&A

Appendix

Pathology Strategy

Execution of strategy well underway with a defined plan and progress

Focused on providing better services for our patients and referrers to improve the volume and quality of the revenue we generate and to become more efficient in our processes

Customer service

- Providing consistent and high-quality service across all touchpoints for patients and referrers.
- Improving technology, training and recruitment in collection and call centres.

Laboratory modernisation

- Simplify and automate workflows.
- Standardise processes and improve productivity.
- Reduce administrative burden.
- Cost efficiency a natural by-product.

Emerging diagnostics

- Diversifying from MBS.
- Higher margin products and services.
- Focused on genomics, preventative screening and B2C/B2B offerings.

Enabled by:

Digital technologies

- Customer facing solutions to improve services for patients and doctors.
- Clinical systems that underpin core workflow in laboratories.
- Modern data platform that provides a secure infrastructure.

People and ways of working

- New standardised national operating model.
- Core functions:
  - Customer & Commercial.
  - Laboratory Operations.
  - Clinical Integration.

Underlying to Reported Reconciliation

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	FY26 $m	FY25 $m
Underlying EBIT	**30.2**	**17.1**
Termination and other costs	(16.6)	(10.8)
Digital transformation costs	(9.2)	(19.6)
Transaction costs	(1.3)	(1.6)
Impairment of goodwill	(332.0)	(495.2)
Transactions with discontinued operations	-	(16.9)
Reported EBIT (loss)	**(328.9)**	**(527.0)**

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- Healius believes that the presentation of Underlying financial information is useful for investors to understand the entity's core results from operations, without the impact of non-underlying items.

	FY26 $m	FY25 $m
Underlying EBIT	**30.2**	**17.1**
Interest	(49.1)	(65.1)
Notional interest recharged to Lumus Imaging, net of tax	-	12.6
Tax benefit @ 30%	5.7	10.6
Underlying loss after tax	**(13.2)**	**(24.8)**
Adjustments to underlying EBIT, net of tax	(251.5)	(369.0)
Tax differential for non-deductible items	(144.2)	(148.6)
Transactions with discontinued operations, net of tax	-	(11.8)
Notional interest recharged to Lumus Imaging, net of tax	-	(8.8)
(Loss)/profit from discontinued operations	(6.7)	411.8
Reported loss after tax incl. discontinued operations	**(415.6)**	**(151.2)**

Thank you

The Healius Pathology Network incorporating

Abbott Pathology | Dorevitch Pathology | Laverty Pathology | QML Pathology
TML Pathology | Western Diagnostic Pathology | Gastrolab | Genomic Diagnostics
IQ Pathology | Kossard Dermatopathologists | Vetnostics Pathology

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