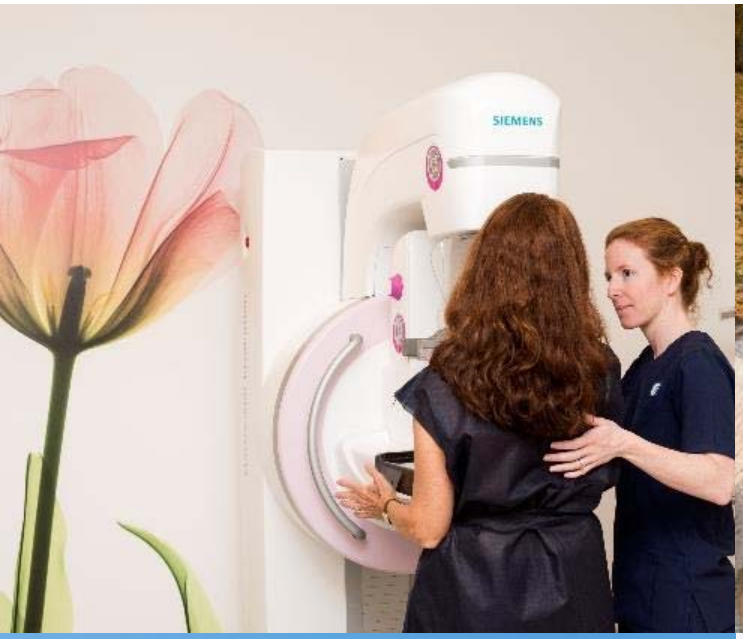

1H18 RESULTS

6 MONTHS ENDED 31 DECEMBER 2017

PRIMARY
HEALTH CARE LIMITED

GROUP RESULTS

PRIMARY HEALTH CARE LIMITED

GROWTH IN PROFIT AND FCF

Group	Underlying[1]		Reported[2]	
$m	1H 2018	1H 2017	1H 2018	1H 2017
Revenue	**856.5**	808.7	856.5	808.7
EBIT	**81.3**	81.9	61.6	61.1
NPAT	**44.0**	41.9	22.1	21.1
As at			31 Dec 2017	31 Dec 2016
Free cash flow[3]			45.7	23.9
Dividend cps 100% franked (60% UNPAT)			5.1	4.8

- 6% revenue growth with increases in all divisions
- Improved EBIT contribution from Pathology (+3%), Imaging (+15%) and corporate offsetting Medical Centres contraction, where the operating model has a new strategic focus in *Project Leapfrog*
- 4% growth in EBIT[4], adjusting for greenfield sites and Health & Co
- 5% growth in NPAT, primarily from balance sheet and cash flow initiatives
- Free cash flow nearly twice 1H17
- Reported results include $20 million restructuring and strategic initiatives

[1] All comments relate to underlying results unless specifically noted
[2] Reported performance - slide 8 [3] FCF - slide 4 [4] Business as Usual - slide 6

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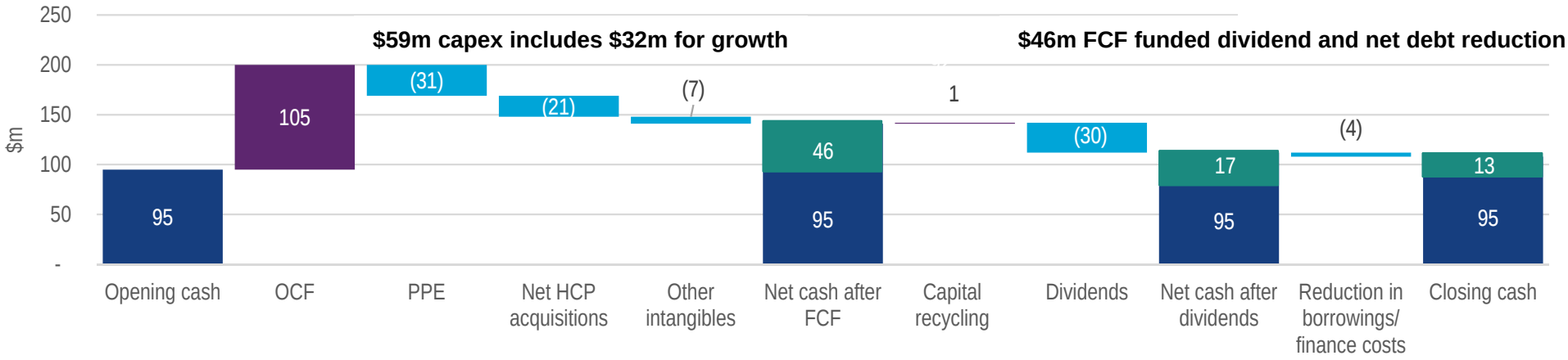
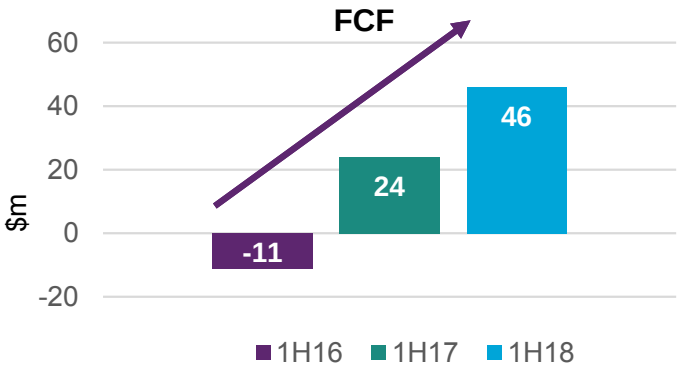
FURTHER INCREASE IN FREE CASH FLOW



- OCF benefitted from reduced tax and interest costs
- Capex of $59m down $7m or 11%[1] of which
  - HCP down $7m
  - PP&E down $2m
  - Intangibles up $2m
- 54% of capex invested for growth
- Delivered $46m free cash flow[1] = close to double 1H17
- Funded $20m restructuring and strategic initiatives, $30m dividend and reduced net debt



[1]*Capex and FCF are before $1m in capital recycling (1H17 $6m)*

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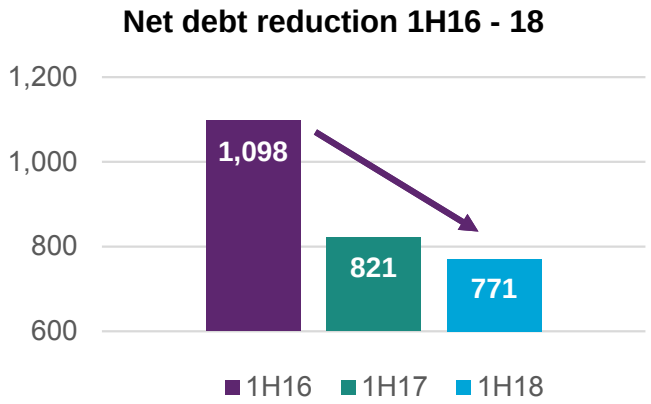
PROGRESSIVE DECREASE IN DEBT

Reported	As at	
$m	31 Dec 2017	30 June 2017
Total debt	878.6	879.7
Cash	(108.0)	(95.5)
Net debt	770.6	784.2
Bank gearing ratio (covenant <3.5x)	2.52x	2.51x
Bank interest ratio (covenant >3.0x)	8.78x	7.86x
Gearing (net debt: net debt + equity)	29.3%	29.6%

- Significant improvement in leverage since 1H16 with capital recycling program and, more recently, free cash flow generation
- Lower leverage ensures cover on covenants and substantial liquidity. ($1.125b bank facility refinanced in 1H18)
- Discipline at divisional level, spending only what they generate
- Overall need to balance competing capital demands - acquisitions, greenfield expansions, investing in essential infrastructure and dividends



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BAU DELIVERS 3.8% EBIT GROWTH

Underlying	1H 2018 $m	1H 2017 $m	Better/ (worse) %
EBIT	81.3	81.9	(0.7)
New centres / Health & Co	5.8	2.0	
EBIT Business as Usual	87.1	83.9	3.8

- 1H18 underlying EBIT up 3.8% (underlying NPAT up 11.8%) on BaU basis, reflecting new sites opening this year
- Recognises net costs of greenfield centres[1] and start-up costs in Health & Co
- FY 2018 openings:
  - Medical Centres - Craigieburn, Narellan, Greensborough, Robina, Perth IVF and Day Surgery
  - Imaging - Kawana
- FY 2017 openings:
  - Medical Centres - Corrimal, Brisbane IVF
  - Imaging - River City

[1] *3-year ramp-up is assumed for greenfield sites*

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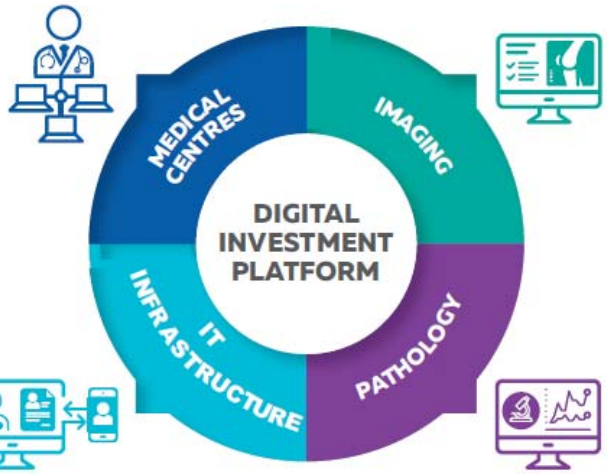
DIGITAL INVESTMENT TO DRIVE BETTER SERVICES AND EFFICIENCIES

- Deliver modern platforms with an enhanced digital presence, tools and marketing
- Medical Centres Clinical and Practice Management System (PMS) and Imaging Core Application Refresh (iCAR) projects underway - to complete over next 18-24 months
- Pathology Laboratory Information System (LIS) under review - with 3-5 year horizon
- Core systems will increase support to healthcare practitioners, improve earnings potential and deliver operational efficiencies
- Modernisation and upgrade to Group IT infrastructure

PRACTICE MANAGEMENT SYSTEM (PMS)
Clinical and practice management software to replace current infrastructure in Medical Centres

IMAGING CORE APPLICATION REFRESH (iCAR)
Integrated digital systems to improve interaction with referrers and their patients



IT INFRASTRUCTURE
Modernisation and upgrades to the networks, data centres and connectivity

PATHOLOGY LABORATORY INFORMATION SYSTEM (LIS)
Upgrade to infrastructure platforms in planning

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FOCUS ON UNDERLYING RESULTS

$m	1H 2018	1H 2017
Reported EBIT	**61.6**	**61.1**
Restructuring - redundancies & other termination payments	5.8	2.1
Technology strategic initiatives	5.9	1.4
Other strategic initiatives	4.6	3.8
Business set-up costs	1.4	2.4
Restructuring and strategic initiatives	17.7	9.7
Non-recurring items	2.0	11.1
Underlying EBIT	**81.3**	**81.9**

- Underlying results reflect core trading results, adjusted for restructuring and strategic initiatives and non-recurring items
- Restructuring costs relate to changes to leadership and HO structure
- Technology and other strategic initiatives relate to the modernisation of our infrastructure and support systems eg Finance, Property and HR where investments expected to deliver benefits

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DIVISIONAL RESULTS & STRATEGIES

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PATHOLOGY:
ACC COSTS GROWING LESS THAN REVENUE

Underlying	1H 2018 $m	1H 2017 $m	Better/ (worse) %
Revenue	**534.0**	504.9	5.8
EBITDA	**67.0**	64.6	3.7
Depreciation	**(9.7)**	(9.5)	(2.1)
Amortisation	**(4.4)**	(3.8)	(15.8)
EBIT	**52.9**	51.3	3.1
Capital expenditure	**7.9**	13.8	42.8

- 5.8% revenue growth with increases in both volume and price underpinned by market demand (MBS five-year growth rates firming to 4.1%)
- 3.1% EBIT growth with Approved Collection Centre (ACC) costs growing at a lower rate than revenue but not impacting volumes
- Partially offset by consumables costs from increased coning and higher value tests requiring higher cost consumables
- EBIT growth ~8% if not for completed HSO disposal
- Continues to generate strong cash flow
- Capex down 42.8% on pcp but expected to normalise in 2H18

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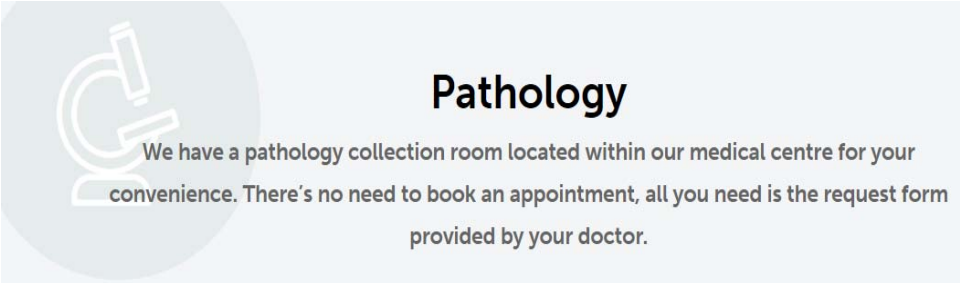
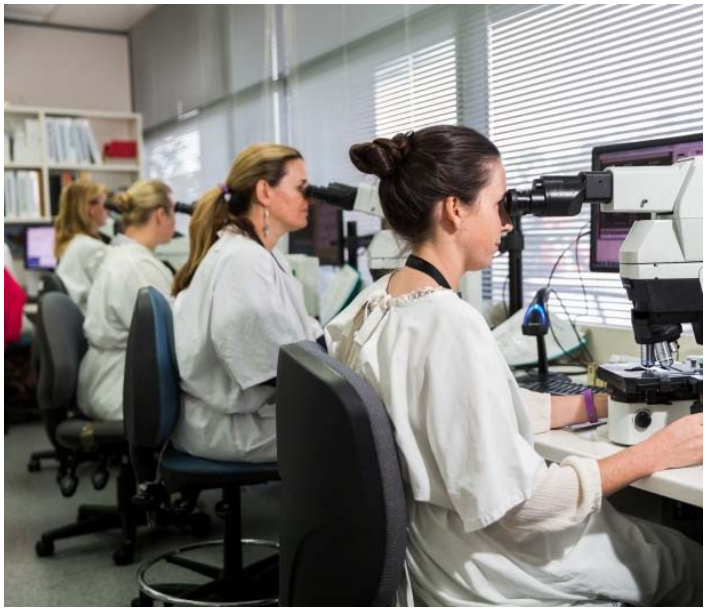
TOP-LINE GROWTH, ACC OPTIMISATION AND INFRASTRUCTURE IMPROVEMENTS

- **Growth**
  - Whole-of-Primary approach
  - Expanding Medical Centres footprint / optimising hospital contracts
  - Specialty partnerships – genetics, vets, histopathology
- **ACC optimisation**
  - Better service levels to reduce leakage
  - Rent negotiation discipline (with rent as % of revenue decreasing)
- **Efficient, flexible infrastructure driving improved outcomes**
  - Serum work area
  - LIS and pre-analytics
- **Stakeholder engagement**
  - Staff engagement
  - Industry pathology body
- **Southeast Asia opportunities**





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PRY MEDICAL CENTRES : CHANGING METRICS AS CONTRACTS TRANSITION

Underlying	1H 2018 $m	1H 2017 $m	Better/ (worse) %
Revenue	159.3	157.0	1.5
EBITDA	54.3	65.4	(17.0)
Depreciation	(8.7)	(10.7)	18.7
Amortisation	(23.6)	(27.8)	15.1
EBIT	22.0	26.9	(18.2)
HCP capital expenditure	16.1	17.2	6.4
EBITDA – HCP capex	38.2	48.2	(20.7)

Halfway through 5 year process with new contracts to improve cash flow and widen appeal

HCP capex at $16.1m, down from $38.1m in 1H16, when new contracts were just introduced

Value proposition balanced with GP share of billings up

Revenue up $2.3m but GP revenue down $5.0m due to lower % share on improved gross billings

Additional investments:

- ***Recruit and support GPs***
- ***Expand offerings eg dental, occ health, chronic care***

EBIT down $4.9m, or $2.6m on BaU basis

New strategic focus under Leapfrog

GP metrics and recruitment statistics – see slides 25 and 26

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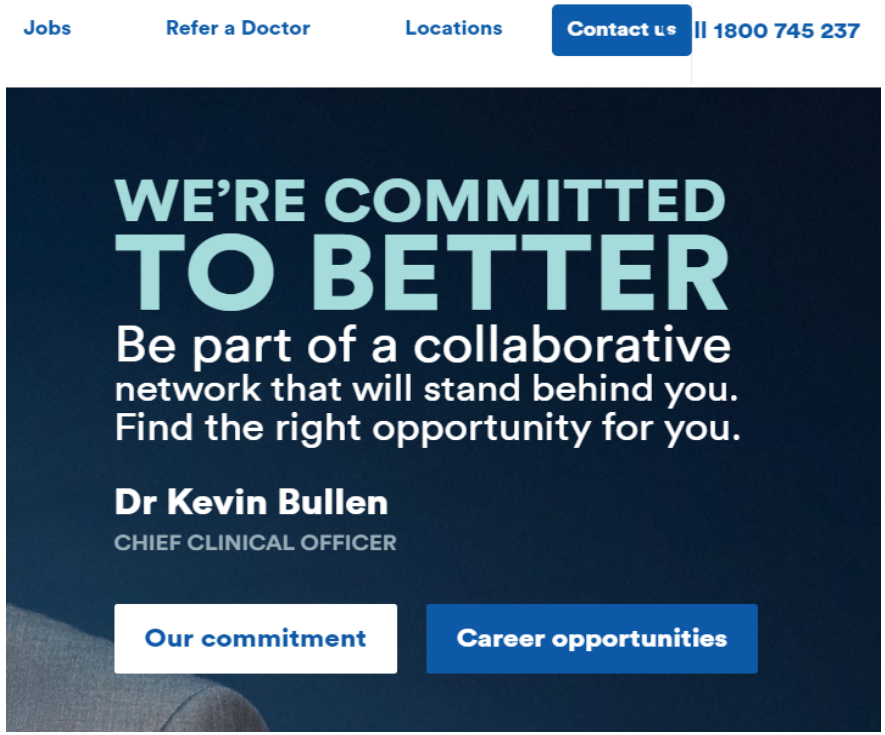
IT'S ALL ABOUT THE RIGHT GPS IN RIGHT CLINICS

» **Recruitment**
  – Simplified contracts – fewer restraints in 'Workplace of Choice' environment
  – Locally-based, internal recruitment team
  – Right GPs in the right places
  – Quality initiatives

» ***Project Leapfrog***
  – Giving GPs what they want in the work environment: appointments, selective private billing
  – Enhancing consumer experience: increased services, online access and improved facilities
  – Driving efficiencies through digitisation and re-engineering workflows

» **Expansion**
  – Clinical Institute
  – Roll out of 4 new medical centres and Perth IVF and day surgery
  – Develop specialties, dental, IVF, occupational health
  – Health Care Homes



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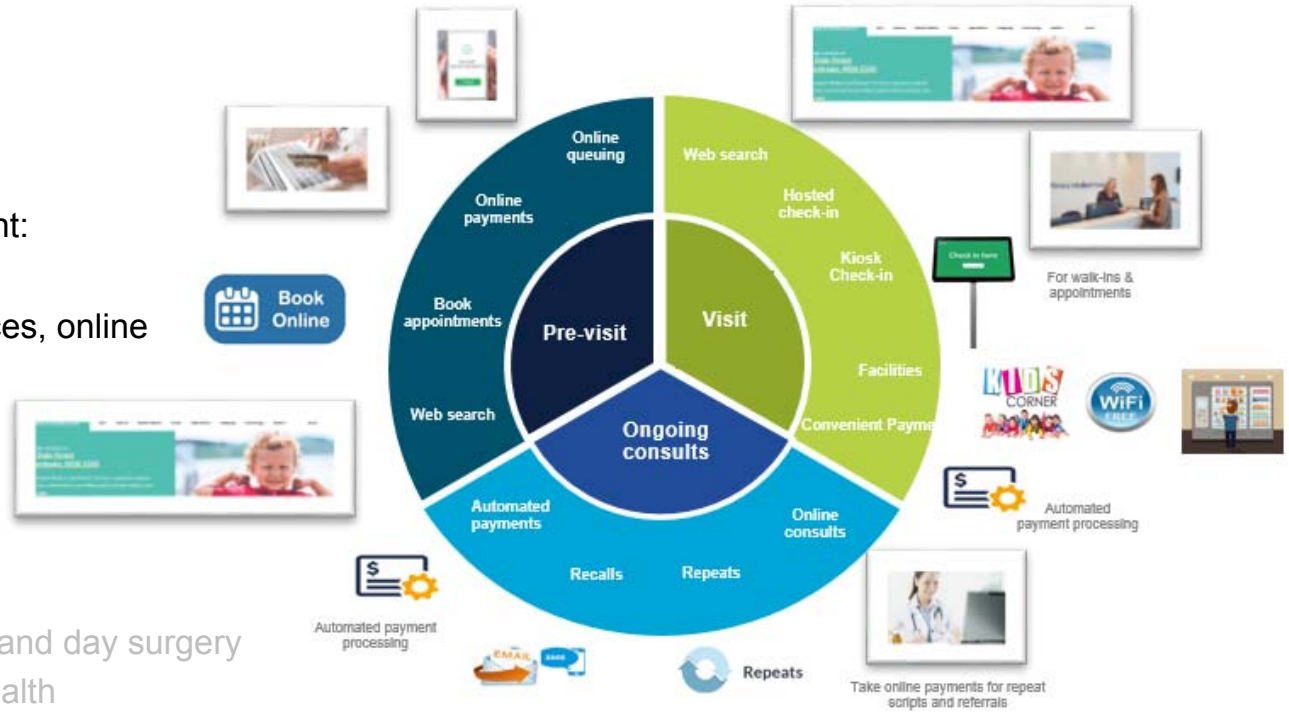
LEAPFROG TO EVOLVE THE OPERATING MODEL

» **Recruitment**
- Simplified contracts – fewer restraints in 'Workplace of Choice' environment
- Locally-based, internal recruitment team
- Right GPs in the right places
- Quality initiatives

» ***Project Leapfrog***
- Giving GPs what they want in the work environment: appointments, selective private billing
- Enhancing consumer experience: increased services, online access and improved facilities
- Driving efficiencies through digitisation and re-engineering workflows

» **Expansion**
- Clinical Institute
- Roll out of 4 new medical centres and Perth IVF and day surgery
- Develop specialties, dental, IVF, occupational health
- Health Care Homes



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OTHER GROWTH INITIATIVES

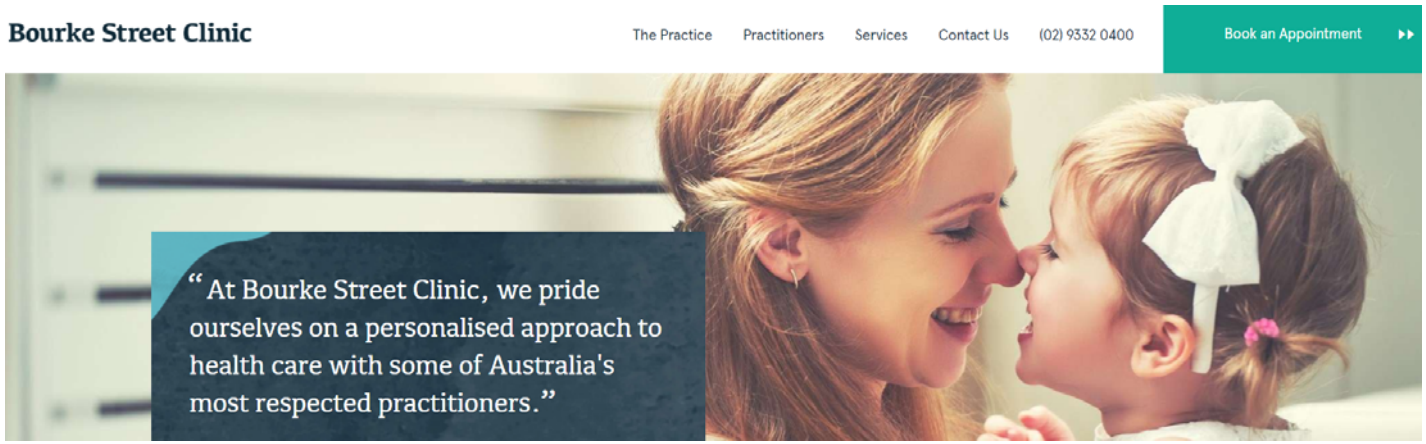
- **Recruitment**
  - Simplified contracts – fewer restraints in 'Workplace of Choice' environment
  - Locally-based, internal recruitment team
  - Right GPs in the right places
  - Quality initiatives
- ***Project Leapfrog***
  - Giving GPs what they want in the work environment: appointments, selective private billing
  - Enhancing consumer experience: increased services, online access and improved facilities
  - Driving efficiencies through digitisation and re-engineering workflows
- **Expansion**
  - Clinical Institute
  - Roll out of 4 new medical centres and Perth IVF and day surgery
  - Develop specialties, dental, IVF, occupational health
  - Health Care Homes

HEALTH & CO:
MORE AMBITIOUS M&A PROGRAM

Underlying	1H 2018 $m	1H 2017 $m	Better/ (worse) %
Revenue	2.7	0.2	
EBITDA	(2.5)	(0.8)	
EBIT	(2.5)	(0.8)	
Capital expenditure	3.1	8.3	62.7

» Existing clinics 100% retention, successful recruitment of new GPs and improved performance

» Increase in loss with ramp-up of capabilities for a more ambitious M&A program to deliver meaningful footprint of clinics



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IMAGING:
GROWTH IN REVENUE AND EBIT

Underlying	1H 2018 $m	1H 2017 $m	Better/ (worse) %
Revenue	**179.3**	162.8	10.1
EBITDA	**28.7**	27.7	3.6
Depreciation	**(7.0)**	(7.8)	10.3
Amortisation	**(5.3)**	(5.6)	5.4
EBIT	**16.4**	14.3	14.7
HCP capital expenditure	**1.8**	2.1	14.3
Capital expenditure	**10.3**	16.8	38.7

- Revenue up 10.1%
  - Above-market growth from hospital segment (up 14%) and PRY Medical Centres (up 10%)
- Continuing strong EBIT expansion reflecting benefits of business portfolio management
  - Focus on higher margin modalities eg MRI and CT
  - Higher labour costs causing some contraction
- On a BaU basis, EBIT up 16.8% on 1H17
- Division self-funding with 38.7% reduction in total capex

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PORTFOLIO ALIGNMENT, OPERATIONAL EXCELLENCE AND TECHNOLOGY UPLIFT

- **Portfolio alignment** to hospital sector, Primary's medical centres and high-end specialised sites
  - Hospital contracts (BPI)
  - Northern Beaches Hospital critical for enhancing reputation (due to open October 18)
  - Primary's new large-scale medical centres
  - High-end specialised sites (Kawana)
  - Sub-scale community site closed in 1H18
- **Operational excellence**
  - Whole-of-Primary approach
  - Improving service levels to optimise referrals
  - iCAR: Move to industry standard with some market leading applications
  - Stakeholder engagement

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WRAP-UP

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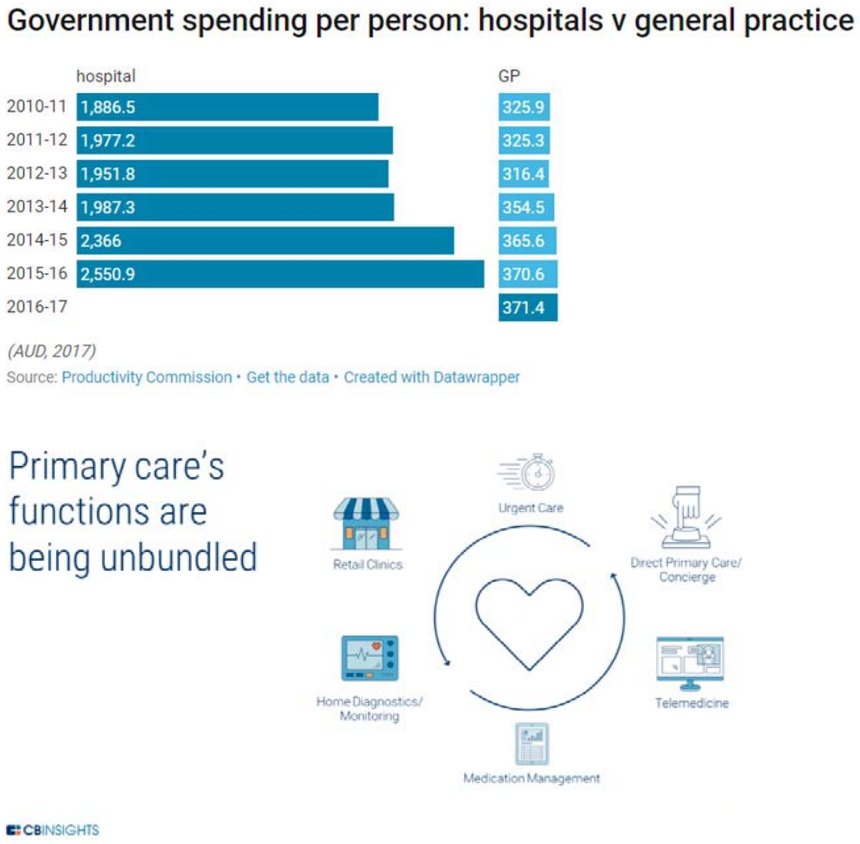
HEALTHCARE DELIVERY IS CHANGING: PRIMARY TO BE AT FOREFRONT

- More positive short-term policy settings but funding pressures remain
- Important juncture in healthcare delivery with cost, convenience and technology shaping future consumer demands
- Care must move out of hospitals into the community with multi-channel retail clinics and in-home services
- Primary has scale, people and drive to lead
- *Project Leapfrog* to put us at the forefront with:
  - 'Workplace of Choice' environment for GPs and staff
  - Enhanced consumer experience
  - Operational efficiencies
- Substantial benefits from outcomes
- Reconfirm guidance range of $92-97m UNPAT for FY18



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APPENDICES

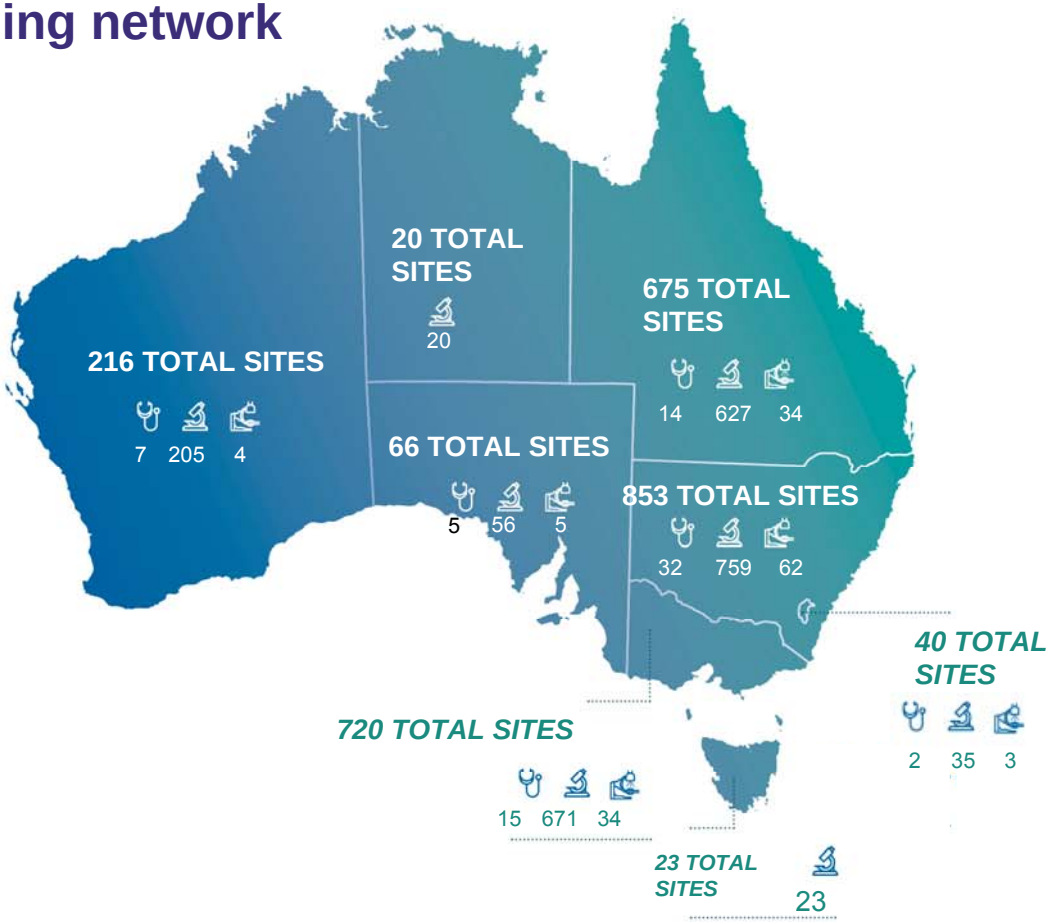
A market leading network

AUSTRALIA-WIDE COVERAGE
2,613 Total sites

75 Centres
- 70 Primary Medical Centres
- 5 Health & Co

2,396 Pathology
- 2,288 ACCs
- 108 Laboratories

142 Diagnostic Imaging
- 28 Hospitals
- 62 Community Centres
- 52 Medical Centres



As at 15 January 2018

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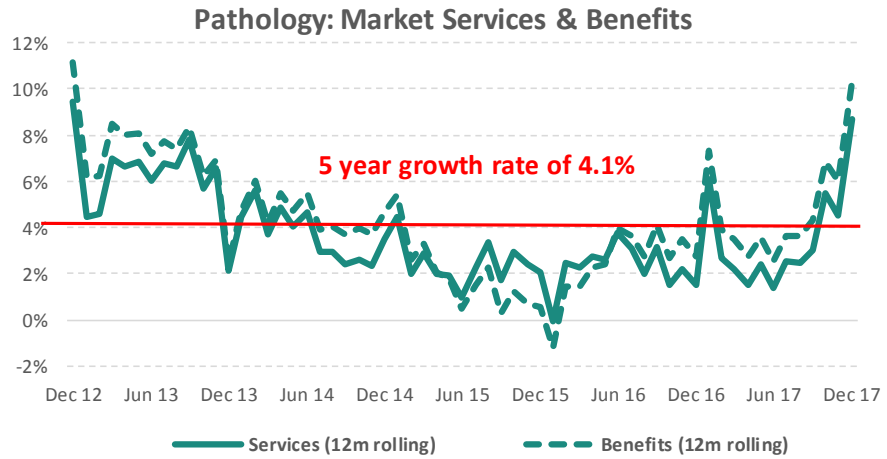
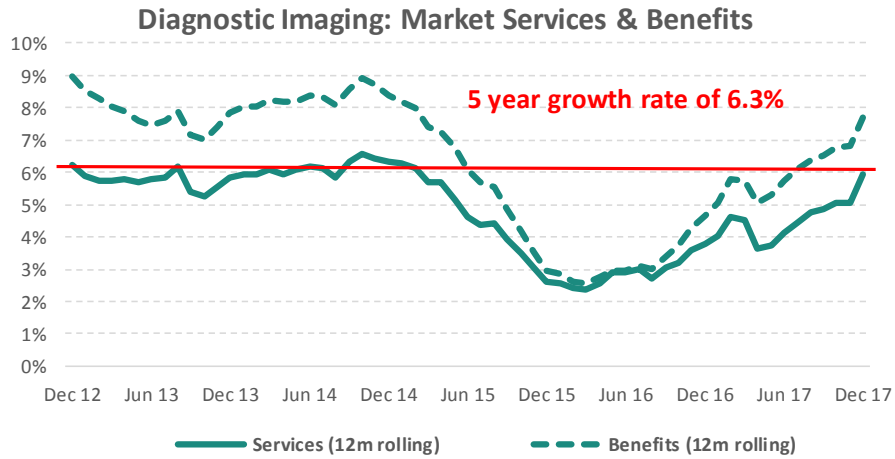
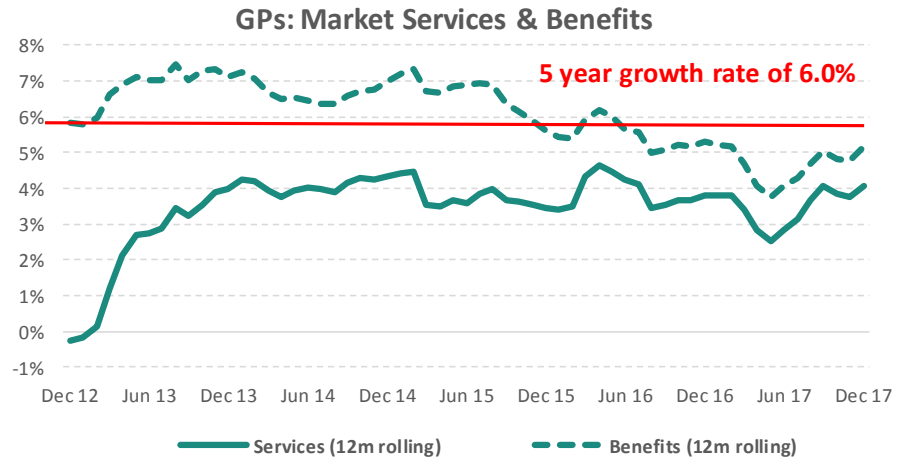
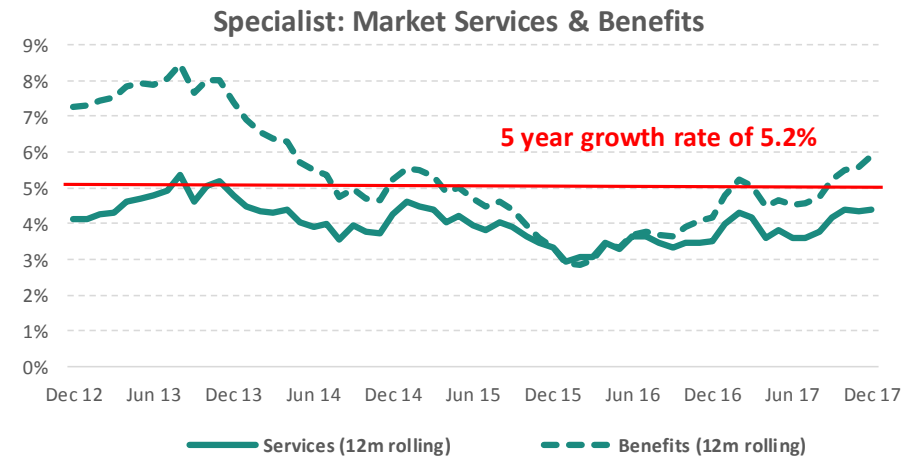
IMPROVING INDUSTRY TRENDS









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DIVISIONAL RECONCILIATION

1H 2018 $m	Pathology	Medical Centres[1]	Imaging	Corporate	Group[2]
Revenue	534.0	162.0	179.3	-	856.5
EBITDA	67.0	51.8	28.7	(5.5)	142.0
Depreciation	(9.7)	(8.7)	(7.0)	(1.3)	(26.7)
Amortisation	(4.4)	(23.6)	(5.3)	(0.7)	(34.0)
EBIT	52.9	19.5	16.4	(7.5)	81.3

1H 2017 $m	Pathology	Medical Centres[1]	Imaging	Corporate	Group[2]
Revenue	504.9	157.2	162.8	0.2	808.7
EBITDA	64.6	64.6	27.7	(7.0)	149.9
Depreciation	(9.5)	(10.7)	(7.8)	(1.4)	(29.4)
Amortisation	(3.8)	(27.8)	(5.6)	(1.4)	(38.6)
EBIT	51.3	26.1	14.3	(9.8)	81.9

[1] Medical centres includes PRY Medical Centres and Health & Co – refer slide 24 for analysis
[2] $18.8m of inter-company revenue/expenses have been eliminated at the Group level (1H 2017 $16.4m)

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MEDICAL CENTRES RECONCILIATION

1H 2018 $m	Primary Medical Centres	Health & Co	Medical Centres
Revenue	159.3	2.7	162.0
EBITDA	54.3	(2.5)	51.8
Depreciation	(8.7)	-	(8.7)
Amortisation	(23.6)	-	(23.6)
EBIT	22.0	(2.5)	19.5

1H 2017 $m	Primary Medical Centres	Health & Co	Medical Centres
Revenue	157.0	0.2	157.2
EBITDA	65.4	(0.8)	64.6
Depreciation	(10.7)	-	(10.7)
Amortisation	(27.8)	-	(27.8)
EBIT	26.9	(0.8)	26.1

PRY MEDICAL CENTRES: GP KEY DRIVERS

GPs	1H 2018	1H 2017	1H 2016	Better/ (worse) % 1H 18-17	Better/ (worse) % 1H 18-16
Headcount	1,055	979	955	7.8	10.5
FTEs[1]	958	922	923	3.9	3.8
Gross billings ($m)	212.2	206.5	207.5	2.8	2.3
Share of revenue (%)	41.3%	44.9%	47.3%	(360) pp	(600) pp
Revenue ($m)[2]	87.7	92.7	98.0	(5.4)	(10.5)
Capital expenditure ($m)	15.3	15.9	33.6	3.8	54.5
HCP[3] capital expenditure ($m)	16.1	17.2	38.1	6.4	57.7
EBITDA-HCP capex ($m)	38.2	48.2	44.6	(20.7)	(14.3)

» Headcount, FTEs and gross billings increased but Primary received lower share of billings, hence lower GP revenue

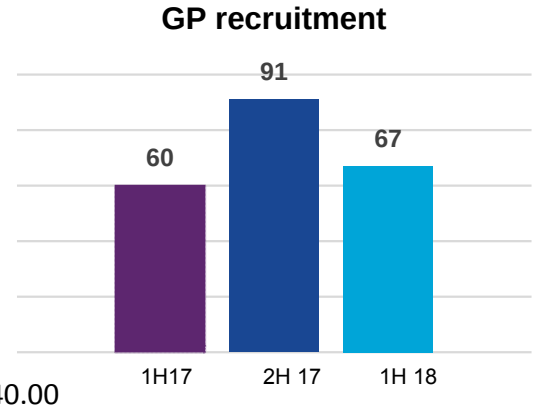
» Capex reduced from 1H16 highs (just after introduction of flexible contracts) releasing capital to fund expansion

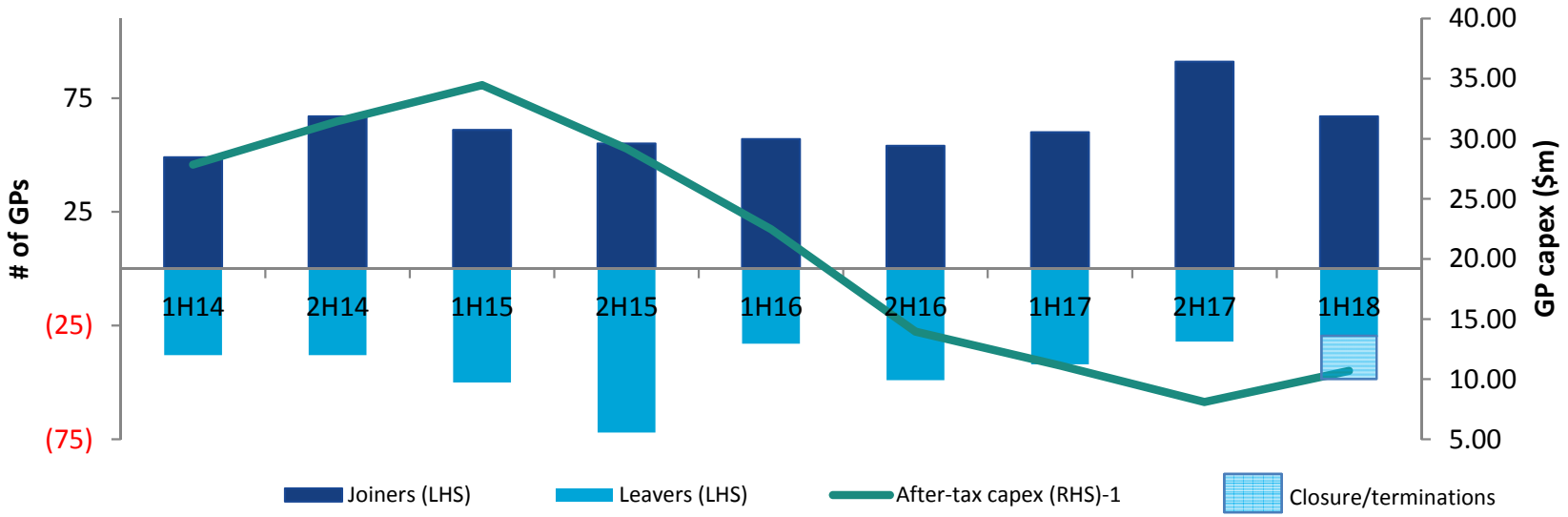
» EBITDA-HCP capex reflects cash impact of new contracts. 1H18 impacted by ramp-up of new centres, plus investment in GP support and patient services

[1] FTEs based on 40-hour week, 47-week year. [2]Revenue includes revenue earned by registrars who are employed rather than under contract (1H18 33, 1H17 23 registrars). [3] HCP capex includes IVF, dentists and other specialists

PRY MEDICAL CENTRES: GP RECRUITMENT

- Recruitment and retention are critical success factors - right GPs in right clinics is paramount
- 67 GPs recruited, 50 leavers of which 20 due to clinic closures and quality reset program
- Retention at 95% across cohort = industry levels
- Strong pipeline of GPs in 2H18 with new initiatives including simpler contracts, localised recruitment teams, *Project Leapfrog*
- $10.7m after-tax GP capex ($15.3m pre-tax), 94% of new GPs electing for 'no-upfront' contracts





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HCP ACQUISITIONS: TAX IMPLICATIONS

» Healthcare Practitioners contracted on or after 1 July 2015:
  – Deferred tax liability (DTL) to be recognised at the time of the acquisition of healthcare practices and capitalisation of contractual relationship intangible assets
  – Equal movement in DTL will ensure an effective tax rate of 30%

» Healthcare Practitioners contracted prior to 30 June 2015:
  – No DTL has been recognised regarding the acquisition of healthcare practices and capitalisation of contractual relationship intangible assets to-date
  – Therefore there is a non-deductible (permanent) difference which will increase the notional effective tax rate above 30%. This will progressively decrease as the associated amortisation expense is recognised and runs off
  – The additional accounting tax expense is as follows:

$m	1H 2018	2H 2018	2019	2020
Additional Accounting Tax Expense	4.2	3.6	5.1	2.3

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