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SONIC HEALTHCARE TO ACQUIRE CANBERRA IMAGING GROUP

Sonic Healthcare (ASX: SHL; ADR: SKHHY) is pleased to announce that it has signed a binding agreement to acquire 100% of Canberra Imaging Group ('CIG'). The acquisition of CIG is a significant and positive step in the development of Sonic's Imaging division in Australia, broadening its footprint, deepening its talent pool, increasing the revenue of the division by ~10%, and offering potential opportunity for synergy benefits.

CIG, with annual revenues of ~A\$60 million, is the leading radiology practice in Canberra, Australia's capital city, with branches also located in Goulburn and Queanbeyan in New South Wales. The practice, with a history going back more than 50 years, employs 15 radiologists and ~200 other staff and operates 10 service sites across 9 locations. CIG operates one fully-funded (via Medicare), two partially-funded and two unlicensed MRI scanners and also operates one of two private PET CT scanners in Canberra. It is the only private operator of an angiography and interventional day suite in the area.

Settlement of the transaction is expected in the first quarter of FY 2022 and is subject to customary conditions. The acquisition will be funded from cash and/or available debt lines and will be immediately earnings per share accretive. The return on capital invested is expected to exceed Sonic's cost of capital in the first year.

Sonic Healthcare's CEO, Dr Colin Goldschmidt said: "Canberra Imaging Group is a high-quality imaging practice, with outstanding radiologists, management and staff, and with a culture that is strongly aligned with Sonic's Medical Leadership model. CIG has a proven track record in the greater Canberra market, with a history of strong organic growth based on personalised and excellent customer service. I am delighted to welcome warmly all CIG staff to the Sonic Healthcare group."

CIG was advised by Chevalier Capital.

The transaction is not considered to be material for Sonic. This announcement has been authorised by Sonic's Managing Director. For further information regarding this announcement, please contact:

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