



29 April 2021

Infratil announces agreement to acquire stake in Pacific Radiology Group

Infratil Limited (“Infratil”) announces that it has executed a conditional agreement to acquire between 50.1% and 60% of Pacific Radiology Group Limited (“Pacific Radiology”), a comprehensive Diagnostic Imaging business in New Zealand, from existing Doctor shareholders, for total consideration of up to NZ\$350 million.

Pacific Radiology is the largest private diagnostic imaging service provider in New Zealand, operating 46 clinics in the South Island and lower North Island and employing 90 radiologists throughout New Zealand.

Completion of the Pacific Radiology acquisition is conditional on counterparty consents to change of control in relation to a small number of material contracts. Assuming those consents are given, completion is expected by 31 May 2021.

Upon completion, the existing Doctor shareholders and Management will hold between 40% and 49.9% of Pacific Radiology. As the majority investor, Infratil will have governance rights consistent with its shareholding and, together with the doctor shareholders, will be able to drive the continued development and growth of the business.

The acquisition Enterprise Value of NZ\$867 million implies an EV/EBITDA multiple of 12.6-13.3x and is subject to usual completion adjustments for net debt, net working capital and capital expenditure.

Infratil CEO Jason Boyes said, “the Pacific Radiology acquisition, if completed, sits well with Infratil’s other high performing, high quality assets, and builds on its investment last year in Qscan Group, a leading diagnostic imaging business in Australia”.

“When we outlined the company’s strategic direction in February, healthcare was identified as a sector of considerable opportunity”.

“Diagnostic imaging is an essential services industry, offering a combination of defensive characteristics and structural long-term growth. Pacific Radiology is New Zealand’s largest private provider of diagnostic imaging and has a proven track record for delivering long-term growth, both organically and via acquisition”.

“We also see this as an opportunity to scale Infratil’s investment in Qscan Group and create a meaningful Australasian healthcare platform with potential synergies and adjacent opportunities”.

“The purchase also confirms our continuing confidence in the New Zealand market and the thematic which are driving our capital allocation in communications and digital infrastructure, decarbonisation, and aging populations”.

Chairman of Pacific Radiology Group, Dr Adrian Balasingam, said:

"The Doctor shareholders in Pacific Radiology are delighted to partner with such a capable long term investor as Infratil, who will add real value as Pacific Radiology continues to grow and expand our high quality services to patients, referrers and funders across New Zealand."

Further details of the acquisition process and terms are set out in the Investor Presentation also provided to the NZX and ASX today.

Investor enquiries should be directed to:

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