



Infratil to partner with Auckland Radiology Group

Infratil Limited (“Infratil”) and Pacific Radiology Group (“Pacific Radiology”) have executed a conditional agreement to partner with Auckland Radiology Group (“Auckland Radiology”), creating a national diagnostic imaging business.

Auckland Radiology is the largest private radiology provider in Auckland, operating 15 strategically located clinics in the greater Auckland area, and employing 32 radiologists.

Infratil will own at least 50.1% of the combined platform, contributing between \$30m-\$60m for this acquisition, with the balance held by Pacific Radiology and Auckland Radiology doctors and management. The Auckland Radiology doctors will roll approximately a third of their sales proceeds into the equity of the combined entity, similar to the process followed by the doctors in the Pacific Radiology transaction earlier this year.

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

As the majority investor, Infratil will have governance rights consistent with its shareholding and, together with the Auckland Radiology and Pacific Radiology doctors, will be able to drive the continued development and growth of the combined business.

Infratil CEO Jason Boyes said, “Inorganic growth was a key pillar of the investment thesis for Infratil’s acquisition of Pacific Radiology, and we are pleased to see that thesis demonstrated early on in our ownership journey with the addition of an outstanding practice like Auckland Radiology. Pre-synergies, the acquisition is return accretive to the Pacific Radiology investment case.

Alongside Infratil’s investments in Pacific Radiology and Qscan Group, a leading diagnostic imaging business in Australia, we are continuing to build a meaningful Australasian healthcare platform.”

“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”.

Chairperson of Pacific Radiology Group, Peter Coman, said: “Auckland Radiology is a strong cultural and clinical fit with Pacific Radiology, and we are excited by the opportunity to partner with them to continue delivering high-quality services to patients, referrers and funders in the Auckland region.

Chairperson of Auckland Radiology Group, Dr Kate O’Connor said: “Auckland Radiology Group regards Infratil as a financial partner of the highest standard, and Pacific Radiology as a clinical partner of the highest standard. We expect the partnership between our three organisations will, over time, translate into enhanced offerings to patients and referrers across New Zealand, including access to a larger pool of sub-specialty radiologists, potential for improved after-hours services, and the introduction of new services”.

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