

27 June 2023

ACQUISITION OF SYNLAB SUISSE, SWITZERLAND

Sonic Healthcare Limited ("Sonic") (ASX: SHL ; ADR: SKHHY) is pleased to announce that it has signed binding agreements to acquire SYNLAB Suisse SA ("SYNLAB Suisse"), the Swiss laboratory network of SYNLAB Group, following a strategic decision of the SYNLAB Group to divest its Swiss operations.

SYNLAB Suisse is expected to generate annual revenues of ~ CHF100 million and employs around 600 staff across 19 laboratories. It is one of the few laboratory groups with coverage of all three Swiss language regions and provides services to GP, specialist and hospital clients across the full range of routine and specialty laboratory medicine, including anatomical pathology and human genetics.

The integration of SYNLAB Suisse with Sonic will be led by Sonic's existing Swiss leadership team together with the management team of SYNLAB Suisse.

The purchase price of CHF150 million (cash and debt free) will be funded in Swiss francs from Sonic's existing cash and debt facilities. The transaction will be earnings per share (EPS) accretive from CY 2024 and the return on invested capital (ROIC) will exceed Sonic's cost of capital within two years of acquisition. EPS and ROIC accretion will increase substantially as significant synergies in multiple areas of infrastructure and operations (including procurement) are achieved. Swiss merger control clearance has been obtained and the transaction is expected to close on 3 July 2023.

Sonic's CEO, Dr Colin Goldschmidt said: "The partnership with SYNLAB Suisse is an important step for Sonic as it significantly expands our presence in Switzerland. I take this opportunity to warmly welcome the pathologists and staff of SYNLAB Suisse into our Swiss and worldwide team of colleagues at Sonic Healthcare and we look forward to working together with this highly experienced and respected team. The combination with SYNLAB Suisse across all three Swiss language regions will serve to enhance and strengthen our service offering to clinicians and their patients."

Whilst an important strategic step for Sonic Healthcare in Switzerland, the transaction is not considered to be material for Sonic Healthcare Limited. This announcement has been authorised by Sonic's Managing Director. For further information regarding this announcement, please contact:

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