



**SONIC
HEALTHCARE
LIMITED**

3 July 2018

Acquisition of Pathologie Trier, Germany

Sonic Healthcare Limited ("Sonic") (ASX: SHL ; ADR: SKHHY) is pleased to announce that it has acquired Pathologie Trier, one of the largest and most respected anatomical pathology practices in Germany.

Pathologie Trier has annual revenue of ~€20 million and employs ~160 staff, including 24 pathologists. The group operates four laboratories in three West German cities, being Trier, Düsseldorf and Düren, with the latter two laboratories strategically located within large hospital facilities.

Pathologie Trier has combined the traditional practice of histo- and cytopathology with cutting-edge ancillary testing, including molecular pathology and tumor genetics services. The group provides services to approximately 30 hospitals, a large number of general practitioners and specialist physician referrers, as well as smaller histopathology practices (in the role of a reference laboratory).

The management team of Pathologie Trier's four pathologist founders will remain unchanged following the transaction. It is led by the group's Medical Director Prof. Jörg Kriegsmann, a key opinion leader in the German anatomical pathology sector and active in the industry association and various other relevant German and European associations.

The initial acquisition price was funded in Euro from Sonic's existing debt facilities. 25% of the total purchase price is subject to a 3 year revenue-based earnout provision. The majority of the purchase price will be tax deductible in Germany over 15 years as goodwill amortisation. The initial return on invested capital (ROIC) exceeds Sonic's cost of capital, and the transaction is earnings per share (EPS) accretive by 1-1.5%. ROIC and EPS accretion will increase as synergies, mainly relating to procurement and logistics, are achieved.

Sonic's CEO, Dr. Colin Goldschmidt said: "We are delighted that Pathologie Trier has joined Sonic Healthcare's expanding global team and I would like to take the opportunity to warmly welcome the Trier doctors and staff to our company. Pathologie Trier's reputation and expertise will complement and add value to Sonic's anatomical pathology services and to our genetic and clinical laboratory testing. This partnership comes at an opportune time, as the disciplines of anatomical pathology, clinical laboratory testing and genetic testing move closer together. We look forward to working with our new colleagues to further strengthen and propagate our Medical Leadership culture, in the interest of our clinicians and their patients."

For further information regarding this announcement, please contact:

Dr Colin Goldschmidt
CEO and Managing Director
Sonic Healthcare

Telephone: +61 2 9855 5333
Email: colgold@msn.com.au

Chris Wilks
CFO and Finance Director
Sonic Healthcare

Telephone: +61 2 9855 5404
Email: cdwilks@bigpond.com