

MEDIA RELEASE



10 December 2024

Integral Diagnostics' proposed acquisition of Capitol Health not opposed, subject to divestiture

The ACCC will not oppose Integral Diagnostics' (ASX:IDX) proposed acquisition of Capitol Health (ASX:CAJ) after accepting a court-enforceable undertaking.

The undertaking requires Integral Diagnostics to divest Capitol Health's radiology clinic in the Melton region of Victoria.

Integral Diagnostics and Capitol Health both supply diagnostic imaging services across metropolitan and regional locations in Victoria and Western Australia.

Integral Diagnostics and Capitol Health's clinics typically provide general diagnostic imaging services, including ultrasound, CT, and X-Ray scans. Some clinics also providing magnetic resonance imaging services and nuclear medicine services.

As part of the proposed acquisition, Integral Diagnostics will acquire 60 radiology sites across Victoria, Western Australia, Tasmania, and South Australia.

"Without the divestment, the proposed acquisition would bring together two of three providers of general diagnostic imaging services in the Melton region," ACCC Commissioner Dr Philip Williams said.

"This could have resulted in increased prices, reduced bulk-billing rates or reduced quality for patients in the local area."

The ACCC's investigation found that alternative general diagnostic imaging providers and the threat of new entry or expansion would be unlikely to provide an effective competitive constraint on Integral Diagnostics in the Melton region.

The court-enforceable undertaking the ACCC accepted requires Integral Diagnostics to divest the Capitol Health clinic in Melton to a purchaser approved by the ACCC.

"We consider that the divestiture will allow for a viable and effective competitor in general diagnostic imaging services in the Melton region."

The ACCC is also satisfied that the proposed acquisition is unlikely to raise substantial competition concerns in other areas. This includes markets for the supply of general diagnostic imaging in Busselton and Bunbury, both in Western Australia, where the ACCC considers new and existing alternative providers will sufficiently constrain Integral Diagnostics.

Further information, including the undertaking accepted by the ACCC, can be found on the ACCC's public register: [Integral Diagnostics - Capitol Health](#).

Notes to editors

In considering the proposed merger, the ACCC applies the legal test set out in section 50 of the Competition and Consumer Act.

In general terms, section 50 prohibits acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in any market.

Background

Integral Diagnostics is an ASX-listed company that provides general diagnostic imaging, MRI, and nuclear medicine services across Australia and New Zealand (trading as Apex Radiology in Western Australia and Lake Imaging and the X-Ray Group in Victoria). Integral Diagnostics operates 70 sites across New South Wales, Queensland, Victoria, and Western Australia, including 21 sites in Victoria and 6 sites in Western Australia.

Capitol Health is an ASX-listed company that provides general diagnostic imaging, MRI, and nuclear medicine services in Australia (trading as Capital Radiology in Western Australia and Capital Radiology, Direct Radiology, Future Medical Imaging Group (FMIG), Lime Avenue Radiology, and Imaging @ Olympic Park in Victoria). Capitol Health operates 61 sites across South Australia, Tasmania, Victoria, and Western Australia, including 46 sites in Victoria and 8 sites in Western Australia.

The Capitol Health clinic being divested is located at Westcare Medical Centre Building, Unit 3, 211 Barries Road, Melton West, Victoria 3337.

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