

ASX Announcement (ASX: HLS)

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ACCC Statement of Issues

Healius Limited (“Healius”) (ASX:HLS) today acknowledges that the Australian Competition & Consumer Commission (ACCC) released a Statement of Issues (SOI)¹ in relation to the proposed takeover made by Australian Clinical Labs Limited (ACL) for Healius. Healius believes that it is unlikely that the ACCC Clearance Condition will be met² on the basis of the ACCC’s concerns set out below.

The ACCC has stated that it has “significant preliminary competition concerns” with ACL’s proposed acquisition of Healius and that its preliminary view is that the proposed acquisition would be likely to substantially lessen competition in Australian pathology services markets.³ The ACCC’s SOI contains three ‘red lights’ (issues of concern) and one ‘amber light’ (issues that may raise concerns). The ACCC’s preliminary views in relation to the three ‘red light’ issues are that the proposed acquisition would lead to a substantial lessening of competition:

- in the supply of community pathology services in all states and territories (except Tasmania, where ACL does not operate);
- in the supply of community pathology services through an increased risk of coordinated conduct; and
- in the supply of pathology to public hospitals and public health services in Victoria.

The ACCC has invited market participants to submit information to assist in their assessment of the issues identified in the SOI. The closing date for submissions related to the SOI is 10 August 2023. The ACCC has indicated it expects to announce its final decision on 12 October 2023⁴.

Healius continues to recommend that Healius shareholders reject the ACL Offer.

ENDS

The release of this announcement has been authorised by the Chair.

¹ The SOI is a preliminary view by the ACCC of its investigations into the proposed transaction and is a summary of the potential competition concerns that the ACCC has following its market inquiries which commenced on 12th April 2023.

² See section 11.9(c) of ACL’s Bidder’s Statement.

³ ACCC media release 20 July 2023.

⁴ In light of the revised decision date, ACL has announced today that it has determined to extend the end of the offer period (being the period during which ACL’s offer will remain open for acceptance) until 7:00pm (Sydney time) on Friday, 17 November 2023. As a consequence of this extension, Healius shareholders who have accepted ACL’s offer on or before the date of the extension notice will have the right to withdraw their acceptance of the offer (as required by section 650E of the Corporations Act).

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For over 30 years Healius has been one of Australia's leading healthcare companies, committed to supporting quality, affordable and accessible healthcare for all Australians. Today, Healius has two core diagnostics businesses, pathology and imaging. Through its unique footprint of centres and its 10,500 employees, Healius provides Australia-wide specialty diagnostic services to consumers and their referring practitioners.