

CASE STUDY

Capitol Health and Integral Diagnostic's Billion-Dollar Merger via Scheme



Automic partnered with Capitol Health Limited (CAJ) to implement a shareholder engagement program in the lead-up to their merger with Integral Diagnostics Limited (IDX). This engagement involved navigating a complex institutional shareholder base, delivering targeted, tailored outreach, and managing high-stakes communications. Automic's dedicated team, including campaign manager, call team, and analytics team, executed an 8-week campaign, enhancing shareholder alignment and streamlining communications to support the merger's success.

Highlights

Supported a merger expected to create a \$1bn entity with approximately 10,000 shareholders upon completion.

Engaged a complex, institution-heavy share register, including management of local and international Arbitrage/Hedge-fund calls.

Provided real-time daily reporting to key deal partners, including Citi Group, Maddocks, Barrenjoey, Jeffreys and Herbert Smith Freehills.

Managed high-net-worth, retail and institutional outreach through inbound and outbound channels, adapting to the ACCC's extended review period.

Automic services

- ↪ Dedicated Professional Services Team
- ↪ Inbound Investor Line
- ↪ Outbound Campaigns
- ↪ Shareholder Mapping and Segmentation
- ↪ Vote Tracking

Company overview

Ticker: CAJ, IDX | **Industry:** Medical Diagnostic Imaging

Market Cap: Approximately \$1bn (merged entity)

Capitol Health Limited (CAJ) is a provider of diagnostic imaging modalities and related services to the Australian healthcare market.

Internal Diagnostics Limited (IDX) is a provider of medical imaging services across Australia and New Zealand. IDX employs leading radiologists and diagnostic imaging specialists in a unique medical leadership model that ensures quality patient care.

The opportunity

The announced merger between Capitol Health and Integral Diagnostics presented the opportunity to create a larger, more competitive radiography entity.

However, Capitol faced the challenge of engaging a diverse shareholder base, particularly a complex institutional register that included hedge funds and high-net-worth investors.

To address these challenges, Automic was appointed for its expertise in shareholder communications and vote tracking, an appointment independent of Capitol's regular share register.



Automic was a critical partner in our merger process. Their transparent reporting, daily communications, and ability to manage our third-party register enabled us to drive shareholder value effectively. Through their communications, planning, and execution, we successfully advanced our merger.

Justin Walter
Managing Director

CAPITOL HEALTH
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Challenges

- 01 Complex institutional share register, with multiple high-stakes stakeholders.
- 02 Managing ongoing inbound investor questions during an extended ACCC deliberation.
- 03 Daily coordination with Capitol's legal and financial advisors to ensure seamless reporting.



Stages

- Conducted beneficial holder analysis to identify voting rights across institutional investors.
- Hosted kickoff calls with the deal team to align on daily deliverables.
- Launched inbound line for queries, publicised through scheme documents.
- Scripted and approved outbound call scripts, ensuring compliance.
- Conducted institutional and high-net-worth outreach, beginning 15 days before the vote to align with proxy advisors voting recommendations.
- Provided daily reporting on call campaign outcomes and voting patterns.
- Coordinated with hedge funds and financial managers on shareholder queries.
- Managed ongoing calls during ACCC's due diligence, extending support through deliberation.

How Automic helped and addressed the problem

01

Strategic Call Campaign Design

Analysed and segmented Capitol's share register, tailoring engagement and scripting to resonate with the individual shareholder constitutes.

02

Daily Reporting and Transparency

Provided secure, real-time reports through an ISO27001, ISO9001 & ISO37031 Compliance Management certification

03

Complex Shareholder Management

Handled complex calls from hedge funds and arbitrage investors, offering specialised support.

04

Responsive Communications

Rapidly addressed inbound queries from investors, supporting the merger despite ACCC delays





Outcomes

Automic's engagement enabled a successful shareholder vote, advancing the merger to create a billion-dollar entity.

Capitol Health Limited has announced that its shareholders have overwhelmingly approved the proposed scheme of arrangement for its merger with Integral Diagnostics Limited. The resolution was passed with strong support, meeting the required majorities to proceed with the next steps of the merger process.

This positive outcome marks a significant milestone in advancing the merger, subject to remaining conditions being satisfied.

Strong voting numbers and support

- **94.86% of Capitol Shareholders present and voting** (in person or by proxy, attorney, or corporate representative) were in favour of the resolution.
- **99.92% of the votes cast** by Capitol Shareholders were in favour of the resolution.

Enhanced Shareholder Communication:

Automic's targeted campaign reached Capitol's shareholder base, increasing engagement and meeting Scheme of Arrangement voting thresholds.

Comprehensive Vote Tracking: Provided transparent, early insights into shareholder voting trends, who has voted, how they voted and who is yet to vote.

Specialised Stakeholder Management: Managed a complex, institution-heavy register, addressing queries from highly engaged investors.

Merger Facilitation: Enabled Capitol to achieve shareholder alignment crucial to advancing the merger.



Get in touch today

Contact us to learn how Automic can support your organisation's registry, governance or compliance needs.

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