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PRESENTATION

Operator

Good morning. My name is Lara (phon), and I will be your conference Operator today. At this time, I would like to welcome everyone to Akumin Inc.'s 2023 First Quarter Results Research Analyst Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press *, then the number 1 on your telephone keypad. If you would like to withdraw your question, please press *, followed by the number 2. Thank you.

Mr. Zine, you may begin your conference.

Riadh Zine — Chairman and Chief Executive Officer, Akumin Inc.

Thank you. Good morning, everyone, and thank you for joining us for today's presentation. My name is Riadh Zine, and I'm the Chairman and CEO of Akumin. I'm joined today by David Kretschmer, our Chief Financial Officer. I want to thank all of you for taking the time to join us on this call.

In today's call, I will provide an overview of Akumin's Q1 results and discuss some of the factors that impacted our results in the first quarter. I will also review our recent progress regarding our key transformation and growth initiatives. David will go over some of our key operating and financial metrics. I will then conclude the presentation, and then we will proceed to Q&A.

There's a slide deck that is meant to go along with our presentation today. A copy of it is available for download from the Investor Relations section of our website at akumin.com under Events, Presentations.

Before we begin, let me remind you that certain matters discussed in today's conference call or answers that may be given to questions asked could constitute forward-looking statements or information

that are subject to risks or uncertainties relating to Akumin's future financial and business performance. Actual results could differ materially from those anticipated in these forward-looking statements.

Please refer to the disclaimer at Slide 2 of our presentation, as well as the forward-looking statement section of our earnings press release. The risk factors that may affect results and these forward-looking statements are detailed in Akumin's periodic results and public disclosure. These documents can be accessed under our public disclosure at sec.gov and SEDAR.com.

We may also refer to certain non-GAAP measures during this conference call, such as EBITDA, adjusted EBITDA, and adjusted EBITDA margin. You can find information regarding these non-GAAP measures, including definitions, again, on Slide 2 of our presentation, as well as the Non-GAAP Measures section of our earnings release.

A reconciliation of EBITDA and adjusted EBITDA to net loss, the most comparable GAAP measure, is included in the presentation as an appendix. We have not provided a reconciliation for any forward-looking non-GAAP measure referred to in this presentation, as we would not be able to produce such a reconciliation without unreasonable efforts.

Turning to our Q1 results. On Slide 3, you can see the same-store consolidated volume growth in our key radiology services and our patient starts in our Oncology segment versus our results in Q1 2022.

Specifically, our MRI volumes were up 4 percent, which reflected strong demand for MRI procedures and an alleviation of some of the clinical staff shortages that persisted in prior quarters.

Our PET/CT volumes were up an impressive 16.1 percent as strong demand, particularly from our hospital partners, continued for that modality. Total Oncology patient starts were up 7.6 percent as momentum continues to build in this segment after repositioning efforts in 2022.

Q1 revenue of $187.6 million was up 0.7 percent from $186.3 million in the first quarter of last year. Adjusted EBITDA of $33.1 million was up $1.1 million, a 3.4 percent increase from $32 million in the first quarter of last year.

Adjusted EBITDA margin of 17.7 percent is also up 0.5 percent from the first quarter of 2022 levels.

Recall that Q1 is our seasonally slowest quarter and, given our higher operating leverage, lower volumes in the first quarter typically put downward pressure on margins in that period.

On a consolidated basis, accounts receivable at quarter-end were $114.7 million versus $114.2 million at the end of Q4 2022. This equates to 56 days of sales outstanding, near record-low levels.

Turning to Slide 4. We were pleased to see renewed growth in volumes within our Radiology segment. We experienced a return to normal growth in our MRI volume because of reduced impact from the constraints we faced in the second half of 2022. More specifically, clinical labour shortages were less impactful, as the labour market pressures are moderating, and our initiatives to address them began to pay off.

Our PET/CT volumes continue to demonstrate very robust growth as demand for that modality remains strong, particularly from our hospital partners. This impressive growth in our PET/CT volume is driven by an expansion of clinical applications and the development of new tracers. However, in the first quarter, this organic growth in our Radiology segment was negatively impacted by a revenue loss from certain Florida facilities closed for renovations in the period.

In our Oncology segment, our focus is now firmly on organic growth, following the repositioning efforts we undertook in 2022. We were pleased to see growth continues in patient starts.

As you also know, we embarked on a significant organizational transformation in 2022 to align and streamline all areas of our business. These initiatives resulted in the realization of approximately $23 million in synergies, although, last year, they were somewhat offset by inflationary pressures and other cost increases during the year.

We continue to implement initiatives related to rationalizing business processes, consolidating systems, and optimizing our procurement by leveraging our enhanced scale. As we indicated in our Q4 call, we expect to realize an additional $25 million in synergies from these efforts on a run-rate basis by the end of 2023.

As we have highlighted in the past, there is significant operating leverage in Akumin's business model. As such, we are very focused on increasing our capacity utilization and drive additional volumes through existing sites. On that front, we continue to focus on improving scans and treatments per labour hour, especially in an environment where clinical labour shortage is an important consideration.

We have also enhanced our scheduling and call centre capabilities, and we are starting to see the benefit of these measures in reduced abandon rates and improved utilization. We also continue to evaluate our fixed-site footprint to identify opportunities for further operational improvements related to underperforming sites.

As you know, another key element of Akumin's strategy is to digitize the business to streamline operations in order to enhance patient care and the patient experience. The investments we've made in the patient journey and our remote technologies capabilities are examples of the initiatives we have underway.

Part of the strategic rationale for the Alliance acquisition in 2021 was to better position Akumin to service hospitals and health systems partners in their ever-growing needs for outpatient service

delivery, functionality, and capability. With the extensive suite of services and facilities we have in place, including network density in key markets, we are an attractive outpatient partner for hospitals and health systems.

While these relationships will take time to formalize, we continue to explore potential opportunities to leverage our capabilities for the mutual benefit of Akumin and its hospital partners.

I will now turn the presentation over to David, who will walk us through some of our key operating and financial metrics.

David Kretschmer — Chief Financial Officer, Akumin Inc.

Thank you, Riadh, and good morning, everyone. As Riadh mentioned at the outset, I will review some key operating and financial metrics of our business for the first quarter.

Starting with Slide 6, we illustrate that, while Akumin's platform offers a diverse suite of services, we are very focused on areas of high growth and high value-added modalities.

As you can see, 54 percent of our Radiology revenue is derived from MRI procedures, making MRI volumes a key driver of that segment.

Akumin is also a significant player in cancer diagnosis and treatment, with 26 percent of our Radiology revenues from PET/CT and 16 percent of our total revenues coming from our Oncology division.

These modalities are critical to the delivery of quality patient care and are utilized by a variety of physician specialties across the care continuum, from screening through diagnosis to treatment.

As we have highlighted previously, we undertook an initiative in 2022 to consolidate our fixed-site radiology footprint to eliminate underperforming sites. We now operate 180 radiology fixed sites and continue to evaluate off-sites to identify opportunities to optimize our fixed-site footprint and improve operations.

As you know, Akumin is clearly well positioned to benefit from the ongoing shift to outpatient service delivery as we partner with hospitals and hospital systems to transition care to lower cost sites of delivery.

We continue to generate over 95 percent of our revenues from outpatient procedures, as you can see on Slide 7. We have a balanced revenue mix between third-party payors for outpatient services and hospitals, with no one customer representing more than 4 percent of our consolidated pro forma revenues.

As preferred outpatient solution provider to hospitals, half of our revenues come from our hospital customers. Balance of revenues are reimbursement for our patient procedures, paid by third-party and government payors. We expect our revenue share with hospitals to continue to grow as both existing and new hospital customers and partners search for outpatient solutions in both radiology and oncology.

Our financial performance is primarily driven by procedure volumes. Given that the current mix of our business includes both hospitals and independent sites, we track actual scans by modality across our radiology platform. Previously noted, MRI and PET/CT scan procedure volumes are the biggest contributors to the performance in our Radiology segment. These volumes, together with the radiology procedures as a percent of revenues, as illustrated on Slide 6, are the key metrics we use to track our operating and financial performance in Radiology.

On Slide 8, you can see the MRI, PET/CT procedure volumes over the last four quarters in 2022 and the percentage of same-store changes in those periods. As we noted in our last call, growth in MRI volumes in the second half 2022 were negatively impacted by labour constraints, particularly a shortage

of clinical staff. We took measures in late 2022 to mitigate these pressures and have started to see some benefits, augmenting our ability to perform more MRI procedures.

It's important to note that, as the market leader in PET/CT, we have seen strong growth in that modality in recent years, as pharmaceutical industry continues to develop improved tracers which can allow for early detection of diseases. As we previously mentioned, labour constraints are less of a factor in PET/CT, given the highly specialized skill sets of clinical personnel for this modality, and we are better able to capitalize on the strong demand for these services.

In the Oncology segment, we track activity level by patient start volume. As you can see, patient starts grew in Q4, as we completed the review and repositioning of that business in Q2 and Q3 of last year. We expect our Oncology division to continue this improving growth trajectory over time, given the compelling value proposition in radiation therapy we bring to our hospital partners in this modality, including our mobile fleet, which keeps programs treating patients while replacing equipment, and our significant experience with Varian's Halcyon, a new treatment platform which provides faster and more cost-effective treatments.

On Slide 9, we present the quarterly revenue and adjusted EBITDA trends for our Radiology and Oncology segments. As you can see, the contribution from our Radiology and Oncology segments has been consistent over the past five quarters, with Radiology ranging between 83 percent and 84 percent of total revenues, and Oncology making up the balance of the 16 percent to 17 percent.

For the Radiology segment, our first quarter adjusted EBITDA margin was 19.3 percent before allocation of corporate services. Our Oncology segment is higher margin, with an adjusted EBITDA margin of 32.6 percent before the allocation of those corporate services. Note, as Riadh's already mentioned, that

first quarter's typically our seasonally weakest quarter, as annual benefit plans roll over, and winter weather in some regions results in lower volumes.

As you can see on the chart on the left, the seasonality impact was less pronounced in 2022, partly because of the impact of Hurricane Ian in Q3 and the clinical labour shortage we discussed in our Radiology segment, which impacted us negatively in the second half of 2022.

In addition, our Oncology segment revenues were essentially flat in 2022 as we undertook repositioning of that business. As we have previously stated, our Oncology segment is typically a high-growth activity, and we expect to see stronger growth for this segment in future years as business development efforts are now a renewed focus.

The chart on the right illustrates the quarterly adjusted EBITDA and EBITDA margin over the past five quarters. The impact of seasonality in our business can be seen more clearly in this chart. Given the high operating leverage in our business, (unintelligible) the Q1 higher labour costs put a bit of downward pressure on margins for the period. That noted, we did see some modest year-over-year growth in both revenue and adjusted EBITDA in Q1 2023, and we believe we have established a solid foundation on which to build.

Turning to Slide 10, you see the annual and last trailing-12 months' financial performance in our Radiology and Oncology segments and the consolidated adjusted EBITDA. Note that the 2021 results are pro forma results, assuming the legacy Akumin and Alliance businesses, the combination of which was completed in September 2021, were combined through the entire period, as well as the adjusted for the fourth quarter 2021 divestiture of Alliance Oncology of Arizona.

As you'll see in the chart on the left, the Radiology segment contributed $627 million in revenue for the trailing 12-month period, while representing approximately 83 percent of total revenues. And Oncology segment contributed $124 million in revenue or approximately 17 percent of the total.

As we have mentioned on prior calls, growth of consolidated adjusted EBITDA has been muted in recent periods. And we have focused on internal integration and transformation initiatives and to address labour constraints in 2022. Going forward, we're confident that we'll continue to see volume growth driving revenue and EBITDA, given the demand for our services and the operational improvements we have made in improving labour market conditions.

Slide 11 is a bridge from our adjusted EBITDA to our free cash flow in the first quarter. As you can see from the slide, our cash position decreased by approximately $14 million in the quarter. When you look at our balance sheet, you will note that our accounts payable fell by $11 million, as we accelerated payments at the end of the quarter in anticipation of our migration to a single general ledger platform on April 1st. This is the largest driver of the change in working capital.

As in past quarters, debt service and finance lease payments continue to have meaningful impact on free cash flow. As you know, the cash minority interest primarily relates to oncology joint ventures with hospital partners and is a function of performance of these centres, not a fixed obligation. As these partnerships become more profitable and generate more cash, our cash distributions to our minority partners increase as well.

It should be noted that we incurred over $7.1 million of cash costs in Q1, which were related to site repairs at our Port Charlotte facility, which was particularly hard hit by Hurricane Ian, as well as our ongoing restructuring efforts. We received partial reimbursement from insurers on the Port Charlotte repairs and will be recovering more.

In 2023, we continue to expect the reduced burden of restructuring charges, together with the additional synergy capture Riadh discussed earlier, which will benefit our free cash flow. This will be offset somewhat by additional cash interest payments related to the Stonepeak subordinated notes, which go cash pay in the later part of the year.

Turning to Slide 12, we present an overview of our 2023 guidance announced in the Q4 call. As a reminder, for 2023, we expect consolidated revenues to be in the range of $765 million to $775 million and adjusted EBITDA to be in the range of $150 million to $160 million. Our 2023 guidance reflects the fact that some ongoing labour constraints and cost inflation persist in some markets, although we have seen some improvement on these fronts thus far this year.

Turning to CapEx. As we did in 2022, we continue to refine our capital expenditure plans to ensure the most efficient deployment of equipment, better aligned with our strategic priorities. We continuously evaluate our markets and prioritize those based on our criteria that have the greatest near-term potential for growth.

We continue to expect total CapEx to be in the range of $55 million to $65 million, with approximately 50 percent allocated to growth CapEx for new customers and new sites, and the balance for maintenance CapEx.

Recall that we define maintenance CapEx as spend for existing customers and existing sites, while growth CapEx is primarily oriented towards new hospital customer partner acquisition, as well as capacity expansion.

Our investments in new customers and sites continue to be high return, typically with a four-year payback on that growth capital. We anticipate total CapEx will be funded by approximately 20 percent

in cash and the balance to be financed by a combination of OEMs, equipment finance companies, and local banks. Higher financing costs may be a bit of a headwind in coming quarters.

Turning to Slide 13, we depict our capital structure at the end of Q1 2023. As you can see, Akumin's secured leverage is 5.6 times; for unsecured leverage, is now 2.8 times. As an organization, we are focused on reducing this leverage over time.

Near-term drivers to lever reduction will come from increasing EBITDA as a result of synergy capture, network rationalization, technology-driven standardization, and the streamlining of service delivery, as we outlined in our Q4 call.

Note that as significant shareholders, we are highly incentivized to prudently optimize the capital structure, and we'll continue to evaluate options to do so as the market conditions permit.

I'll now turn it back over to Riadh to wrap up before we take questions.

Riadh Zine

Thanks, David. That concludes the prepared remarks portion of the presentation. I hope that it provided more colour on the performance of the first quarter.

We would now ask the Operator to start the question-and-answer period.

Q&A

Operator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press *, followed by the number 1 on your touch-tone phone. Again, that's *, followed by the number 1 on your touch-tone phone. If you would like to withdraw your request, please press *, followed by the number 2.

Please stand by while we compile the Q&A roster.

Your first question comes from the line of Noel Atkinson from Clarus Securities. Please go ahead.

Noel Atkinson — Clarus Securities

Hi. Good morning, Riadh and David. Well done in Q1. Thanks for taking our question this morning. First off, I was wondering if you could provide, give us a sense of what the impact was in Q1 in terms of revenue and adjusted EBITDA, if you can, from those centre closures that are ongoing in Florida?

And then when you think they might be back online?

Riadh Zine

Sure. Thanks. Good morning, Noel, and thanks for the question. We'll give you the impact on the top line. So in the first quarter of 2023, that would be a couple of millions just in the first quarter, and I think you know the operating leverage of the business so, well, you know the impact that would have as well on EBITDA.

One has already reopened in the second quarter of 2023, and the others are later this year. And some of that was the reason for the closures. There were obviously other closures that we did, as you know, last year, but those are permanent closures, where it was part of what David discussed, a rationalization of the network.

But these are actually closures that have nothing to do with rationalization. Some are related to just a much bigger opportunity in the markets, and we've upgraded the equipment and was planned long time ago. Others were actually outside our control, and it was related to the hurricane and the weather issues we had.

Noel Atkinson

Okay.

David Kretschmer

Noel, I'll jump in real quick. Yeah. The bulk of what Riadh mentioned in terms of closures were the ones that are temporarily closed due to the hurricane. Those sites that we proactively closed/consolidated, really, as you can imagine, were closed because they weren't generating a lot of revenue or weren't generating a lot of EBITDA. So the good news is the bulk of what is closed right now is coming back online.

Noel Atkinson

Okay. Great. Then, I guess, can we talk a little bit about the PET/CT? So your same-store volume growth accelerated pretty sharply in Q1. Yeah. Is this kind of level of growth rate, is it sustainable over an extended period of time? Or do you start running into capacity utilization issues?

Riadh Zine

Again, thanks. Another good question here. What we know—obviously, this is a new trend, as you've outlined, Noel. But what we know is there's no reason to believe that it will slow down. We're still experiencing that type of organic growth, but it's recent shift. So we're not going to sit here and say this is going to keep going for the next five years. To be honest with you, we don't know yet. But what we know is it's not slowing down.

And we know that the demand is not a pent-up demand. It's not COVID-related. It's actually fundamental demand from growing applications and huge development of new tracers. And in terms of utilization, in markets with customers where the volume is picking up, we already have plan as part of normal CapEx upgrades in our PET/CT. And the new digital PET/CT equipment comes with much better throughput that is 2x to 3x.

So we don't foresee utilization or capacity constraints as you outline. So we are excited about this fundamental shift. And as it continues and we grab higher share, it's a very—it's a high-margin, very profitable business for us.

Noel Atkinson

Wow. Okay. Interesting. Okay. And then lastly, could you just maybe remind us again kind of what you're expecting for this next round of cost savings? So you say that it's now more than $25 million that you're hoping to get out of this sort of next couple of phases of cost savings and integration efforts. Can you remind us again how you see that rolling out over the next few quarters?

Riadh Zine

I'll give you just one example, and I'll let David build on that. But I just want to illustrate it. So the $23 million of last year was duplication of functions, as you know. And unfortunately, a significant portion was offset with the inflation that hit us in both labour and medical supplies. The $25 million that we're working on is a run rate by the end of the year. It does require more work, and there is significant overlap.

So give you an example of a business process, your HR delivery, from recruiting all the way to the end, from the two legacy systems that were around to do the whole workflow, we had in excess of seven or eight different systems and applications.

So what we've done there is we went to an ERP platform that does it all from end to end. So it's a new business process. It's more contained. But in the meantime, you're paying for, still, all the legacy systems as you come out of those, and you're paying for the new one that you brought in place, and you're paying for some consulting and third-party cost for implementation.

So it does—that's why it takes time for this, actually, type of synergies to be in place. And that's why we said our goal is to get there by the end of the year. So just want to provide that example, what we mean by business process. It sounds like a fancy concept, but it's not really that fancy. I just gave you a real example of what we're doing.

Noel Atkinson

Okay. Great. All right. I'll get back in the queue. Thanks very much.

Operator

Thank you. Your next question comes from the line of Endri Leno from National Bank. Please go ahead.

Andre Bodo — National Bank

Hi. Good morning. It's Andre Bodo sitting in for Endri. My first question is related to CapEx. Maybe some colour on why it was lower on the quarter?

And how do you expect it to evolve over the year?

David Kretschmer

Yeah. Riadh, you want me to jump in on that?

Riadh Zine

Yes, please, David.

David Kretschmer

Andre, thank you for the question. I think we started discussing this a little bit in Q3 last year and in Q4, about trying to be, I don't want to call it more disciplined, but more intentional with how we deploy CapEx. And we did close a couple facilities. That does free up a little bit of equipment. We've put a focus on EBITDA generation and IRR, not on preserving revenue.

So I think I've made—I have a bunch of examples from past years where that maintenance CapEx, which is the CapEx which we spend to maintain existing customers, maybe some of that CapEx was generated maintaining customers that weren't all that profitable for us, so. Whereas, if we kind of refocus to say, well, let's just really focus on profitability, whether it's growth CapEx or maintenance CapEx or even thinking about de novos at some point, let's just make sure we're optimizing every dollar we put out there getting an appropriate IRR and free cash flow.

So towards that end, there's been a couple things that we may have anticipated and predicted in the maintenance CapEx side that we anticipated to invest in some new equipment. And then, in hindsight or upon evaluation, we thought, well, not really generating the return that we need to get on that. So that's why it looked, perhaps, a little bit muted in Q1. Also, keep in mind that you pay for the equipment as you take delivery. So some things—and Riadh is going to talk about the Oncology side of the business.

Well, we brought a new leader in, in mid-2022. Well, you can imagine, we appropriately put projects on hold because we want to give that new leader a chance to see whether he wanted to go forward or not with some of those projects. Now as things get moving again, those projects, which might have come online in Q1, (unintelligible) come online in Q2 and Q3. So the cash comes out more at (phon) the time we take equipment delivery, not so much at the time of the order. So I think we're still on track, as we said, for the target but, maybe, just deferred to a little bit later in the year.

Andre Bodo

Okay. Great. Thank you. NCI was higher, year on year. Maybe you could share some colour on that?

And how do we look at that for the rest of 2023?

David Kretschmer

Yeah. I think you could look at that as a positive. I know you see the negative side of it, those payments go out to minority partners. But what that means is that the actual joint ventures are very profitable, a little bit more than anticipated. And therefore, you kind of then pay out more to your minority partners.

So we've had, particularly in the Oncology side, a handful of partnerships which just performed exceptionally well in Q1. And the good news is they performed exceptionally well. The flipside is we then have to pay out distributions to those minority partners. We'd like to think that they continue to perform—they continue to perform with those higher cash distributions, but it doesn't mean there was more cash generation for the Company as a whole.

Andre Bodo

Okay. And some of these like—

David Kretschmer

And, Riadh, I don't know if you'd like to jump in, but like I said, it's not a fixed obligation. It's only if it's—

Riadh Zine

No. Well said.

David Kretschmer

—distributions.

Riadh Zine

No. Totally agree, David.

Andre Bodo

Okay. And then for my last question, any updates on evaluating options for the PIK note?

Riadh Zine

Yeah. I think it's the same we said before. Stonepeak has always been supportive. We're having a constructive dialogue. And we're obviously aware of September 1st, and we will address accordingly. So it's the same update as last quarter.

Andre Bodo

Okay. Thank you.

Operator

Thank you. Just a reminder, should you have a question, please press *, followed by the number 1 on your touch-tone phone.

Your next question comes from the line of Rishi Parekh from J.P. Morgan. Please go ahead.

Rishi Parekh — JP Morgan

Hi. Thanks for taking my questions. First, on the top line, so your volumes were pretty strong, the MRI up 4 percent, PET scans up 16 percent and, obviously, your oncology starts up 7.6 percent. These are high-dollar RVUs, but your revenue is flattish, year over year, and just up slightly, sequentially.

So I'm just trying to reconcile—and given the strong volumes, and given the fact that it sounded to me that Florida was only a couple of million dollars in terms of impact—what drove this lower? Were you just getting paid less on the hospital side on a per-RVU basis? Were you seeing a squeeze on the commercial side? What was driving that revenue number lower, relative to the volumes that you're showing?

Riadh Zine

Yeah. I think—and I'll let David also build on this so—and good morning again, Rishi. So on your question, there are really three—I mentioned it in my script. There are really three things that we're still working one. Right? One, like you mentioned, a couple of millions from sites that, in the comparison, obviously, you don't see.

The other thing is we're really not done with rationalization yet. Like we are still—like I said in my script, we're still working on underperforming regions that have done somewhat better in the prior period. And then we've made changes, and we haven't seen the impact of the changes yet. So there is some overlap.

And I think also, David, you mentioned in your comments, like last year, last quarter—the first quarter of 2022 was not actually, really, a horrible quarter from a seasonality perspective, relative to 2022. So I think missing some of that revenues from what we closed and from some turnaround that we're still working on would have made a much bigger impact in the same—in the first quarter.

David Kretschmer

No. And real quick, Riadh, I think you're exactly right. Well put. I think we tend to focus a little bit on the Radiology side; that kind of gets shut down. We also did have a couple partnerships which we had [audio gap] oncology partners. And that also impacts the revenues—not maybe as much the bottom line, but does impact the revenues as well.

Rishi Parekh

Just on that, can you just quantify what that impact was? So it seems to me that your nonconsolidated volumes were down pretty significantly. And that's what's probably driving the total revenue number lower. Is that safe, isn't it? And I just want to make sure that this is not a rate situation, and that it's these underperforming sites that are materially bringing down your total volumes.

David Kretschmer

No. That’s very well put. It’s not what’s happening—

Riadh Zine

That’s exactly—well said. Yeah.

Rishi Parekh

Okay. And then on the cost side, I can see that it’s come down. I apologize. I’m in between a few calls. But I know you’ve highlighted challenges around the med tech cost and bonuses that you’ve had to pay out to drivers. Can you just update us on where you stand? What are rates today on med techs? Are you fully staffed?

What’s your capacity utilization within your facilities as it relates to clearing out some of these MRIs?

Riadh Zine

We’re not fully staffed yet, and we’re definitely not back to normal. But I think, like we said in our remarks, the pressure is moderating, which is why you start to see 4 percent in MRI. The cost is stable, but it’s not back to where it was. But we’re addressing it as the year goes on, and we’re bringing more and more labour full-time versus contracted labour. So we’re hoping, as we go throughout the year, if a positive trend continues, we’ll see more and more improvement on that front.

But you have all what you’ve seen in Q1. It’s some stability and some relief. It doesn’t matter what measure you look at, Q1 is not a return to normal environment.

Rishi Parekh

And then just the last question and one ask is, in the future, if you could provide total volumes as well, just so we could better understand or follow the trend, and especially as you may lap some of

those challenges? And then, just lastly, can you just provide us with your incremental secured debt capacity? And that's it for me. Thanks.

Riadh Zine

Yeah. I'll talk about the total volume and let David talk about the second one. I think with the total volume, we dropped it because, actually, its fluctuation has no impact on revenues. That's why we dropped it because MRI and PET/CT really drives, as you know, 75 percent, 80 percent of our revenues. And the rest, you could have much higher volume but, really, it means nothing to revenues because it's X-rays that could make a big difference. And that's not a modality that we're going to grow in every single facility. It's—will be the opposite. So that's why we really don't provide the total volume, because it's not going to really help you understand any trend. It's the opposite. It's just noise.

Rishi Parekh

Sorry. Just to be clear, what I was referring to was—and I apologize for this—not necessarily—the non-same-store volumes for MRI and PET/CT.

Riadh Zine

Okay. Got it.

Rishi Parekh

Yeah.

Riadh Zine

I thought you mentioned the volume of procedures. Yeah.

Rishi Parekh

Yeah. I apologize.

Riadh Zine

And, David, maybe the second part of the question for…

David Kretschmer

Yeah. Real quick, we do have a $55 million line of credit, the revolver. And that is actually fully available to us. Not only have we not drawn upon it, but we could draw on it still some—with meeting all of our leverage constraints, we could draw the entire amount.

Riadh Zine

Thanks, David.

Operator

Thank you. There are no further questions at this time. I'd now like to turn the call back over to Mr. Zine for any closing remarks.

Riadh Zine

Thank you very much again. Thanks, everyone, for your participation today. Again, I hope we provided more colour on the first quarter. And we want to again thank all of our stakeholders, thank all our staff and team members for their continued effort and support in transforming Akumin.

And hopefully, the platform that we're building will only see a return, as we witnessed in the first quarter, to more organic growth, which will further position the Company as we streamline our service delivery for more hospital partnerships—which really is the ultimate goal, is more partnerships on both Radiology and Oncology side. Thank you again and have a wonderful day.

Operator

Thank you, sir. Ladies and gentlemen, this concludes your conference call for today. We thank you for participating and ask that you please disconnect your lines. Have a lovely day.