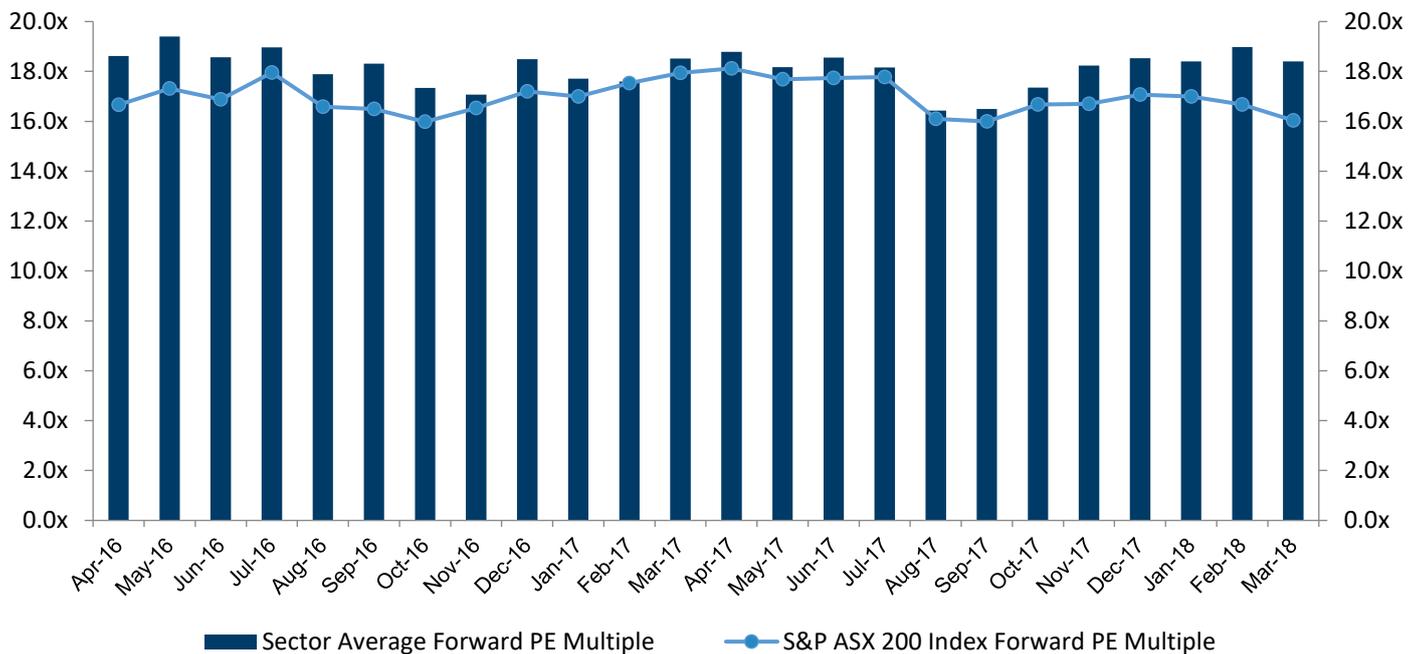


Health & Medical

Pricing Multiples

Forward Price Earnings Multiples (monthly to 31.03.18)¹ Source: FactSet Research Systems Inc.

Multiples in the Health & Medical sector have decreased over the period. At the end of March, the sector traded on a forward PE of 18.4x, compared to the ASX200 on 16.0x.



Average Values and Trading Multiples (as at 16.04.18) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2018	EV/EBIT FY2018	Price / Earnings FY2018
Healthcare Facilities	28,193	11.4x	14.1x	19.9x
Healthcare Equipment	10,931	15.1x	18.0x	17.8x
Healthcare Providers & Services	19,649	9.6x	11.9x	17.0x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2018. The constituents have been refreshed this month to ensure the sector groups and companies included are current.

¹ The InterFinancial Health & Medical Index set is an unweighted index comprising Health & Medical sector related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

Merger & Acquisition News...

JAPARA



Value: ~\$39.0m

ASX-listed **Japara Healthcare** has executed contracts for the acquisition of the **Riviera Health** residential aged care portfolio for about \$39m. This is building on Japara's strategy to grow through selective acquisitions that meet its strict investment criteria and identifiable improvement opportunities. The acquisition includes four aged care facilities and 507 bed licenses (265 currently operational). The acquisition will be funded by **Japara's** existing debt facility and cash reserves. It is expected to provide an operating EBITDA uplift of between \$3.5m and \$4.0m in fiscal 2019 following its integration into Japara's care model.



WORK HEALTH GROUP



Value: Not disclosed

The Riverside Company has sold **Work Health Group**, the Australia-based employment services, occupational rehabilitation, and disability support business, to US-based **ExamWorks**. The value of the deal was not disclosed. **Work Health Group** brings together 750 health, employment and support services professionals across 80 locations in Australia.

douglas



Value: N/A

New Zealand-based **Douglas Pharmaceuticals** and Australia-based **Arrow Pharmaceuticals** have formed a joint venture. The new JV, named **MyPak Solutions**, will be selling automated drugs compliance systems to the aged care and Australian pharmacy markets. The JV has purchased **Douglas Pharmaceuticals' Medico** and **Arrow Pharmaceuticals' Practicare**.



NATIONAL PATIENT TRANSPORT



Value: \$30.0m

National Patient Transport, an Australian provider of non-emergency transport services, has been acquired by **ComfortDelGro** for \$30m. **National Patient Transport** is one of the largest private providers of non-emergency patient transport services in Australia, and offers a range of healthcare transport services to major metropolitan hospital networks. **NPT** also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia. The value of the deal was reportedly 5.4x FY17 EBITDA. The acquisition is subject to regulatory approval.

Nature's Care



CHINA JIANYIN
INVESTMENT

Value: ~\$800.0m (rumoured)

China Jianyin Investment, **JIC Huawen Investment**, and **Tamar Alliance Partners Fund I** have entered into a binding agreement to acquire a majority stake in **Australia Nature's Care Biotech**. The deal value wasn't disclosed, however was rumoured to be worth about \$800m. The transaction, subject to regulatory approvals, is expected to close in the second half of 2018. **ANCB** is a leading vitamins, supplements, skin care, child care products manufacturer based in Sydney.

Under the Microscope...

- Frankfurt Stock Exchange-listed **SYGNIS** announced the launch of a private placement of up to 4.74 million new shares to institutional investors. The price per share was set to EUR 1.40. **SYGNIS** plans to use the proceeds from the transaction for the acquisition of the Australian research reagents company, **TGR Biosciences**. The target offers a strong complementary technology portfolio, with patented best-in-class technology in protein capture.
- **House With No Steps** (HWNS), an Australian disability services provider, will continue to keep an eye out for opportunities following the completion of its merger with **The Tipping Foundation**. The merged entity will have some 5,000 employees in 400 locations in New South Wales, Victoria, Queensland and ACT, with annualised turnover of \$320m and net assets of \$66m.
- **Exact Radiology**, the Australia-based radiology clinics operator, is seeking buyers. The operator has already received some interest from private equity groups and trade buyers. **Exact's** doctor owners are eager to bring in a strategic partner to help grow the operation. **Exact**, which has nine clinics in Queensland, could be worth up to \$100m.
- The sale process of Australia IVF group **Genea** will drag on for "another month or two" before the firm's board picks a final winner. **Genea** collected second-round bids from three bidders last month.
- **TeleMedC**, the California-based medical device business, is planning to list on the ASX in the next three to six months to raise \$10m.
- **Capitol Health's** takeover offer for **Integral Diagnostics** (both ASX-listed) has lapsed as of the 28th March. A number of defeating conditions, including minimum relevant interest, had not been fulfilled. As a result, all contracts resulting in the acceptance of the offer are automatically void.
- ASX-listed **Zoono**, a New Zealand-based anti-microbial product group, is considering a possible dual listing on the New Zealand Stock Exchange (NZX). The group recently raised \$10m from a back-door listing on the Australian Stock Exchange in 2017. The dual listing is also being considered on the Hong Kong stock exchange.
- **Five Good Friends**, a private Australian digital peer-to-peer aged care home support services company, has been in takeover talks with third parties, but is focused on growth for the foreseeable future. The company, which is currently focused on growing its customer base largely by securing partnerships with complementary strategics like retirement village operators, insurance companies, and medication packaging companies, could be an ideal target for these types of companies.
- ASX-listed **Volpara Health Technologies**, a Wellington, New Zealand-based digital health and cancer screening Software as a Service provider, is looking to acquire two UK-based companies in the breast screening sector. The company, which has a market capitalisation of about \$67.7m, seeks targets that have great technology but very little market capability.

If you are interested in specific information regarding mergers and acquisitions in the Health & Medical sector, please contact Sharon Doyle or David Hassum.

Contact Details

Name	Position	Phone	Email
Sharon Doyle	Managing Director	(07) 3218 9122	sdoyle@interfinancial.com.au
Chris Munday	Partner	(07) 3218 9100	cmunday@interfinancial.com.au
Mark Steinhardt	Director	(07) 3218 9105	msteinhardt@interfinancial.com.au
Cathy Montesin	Director	(07) 3218 9100	cmontesin@interfinancial.com.au
David Hassum	Director	(07) 3218 9108	dhassum@interfinancial.com.au
Andrew Wheeler	Director	(07) 3218 9107	awheeler@interfinancial.com.au
John Crossland	Director	(07) 3218 9100	jcrossland@interfinancial.com.au
Kalan Douglas	Director	(07) 3218 9100	kdouglas@interfinancial.com.au
Simon Douglas	Director	(07) 3218 9100	sdouglas@interfinancial.com.au
Eva Puente	Associate Director	(07) 3218 9113	epuente@interfinancial.com.au
Jake Moyle	Associate	(07) 3218 9113	jmoyle@interfinancial.com.au
Michael Kakanis	Analyst	(07) 3218 9106	mkakanis@interfinancial.com.au

This information has been sourced from the ASX, Mergermarket.com and various other public information sources. Forecasts are consensus forecasts sourced from FactSet Research Systems Inc.

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