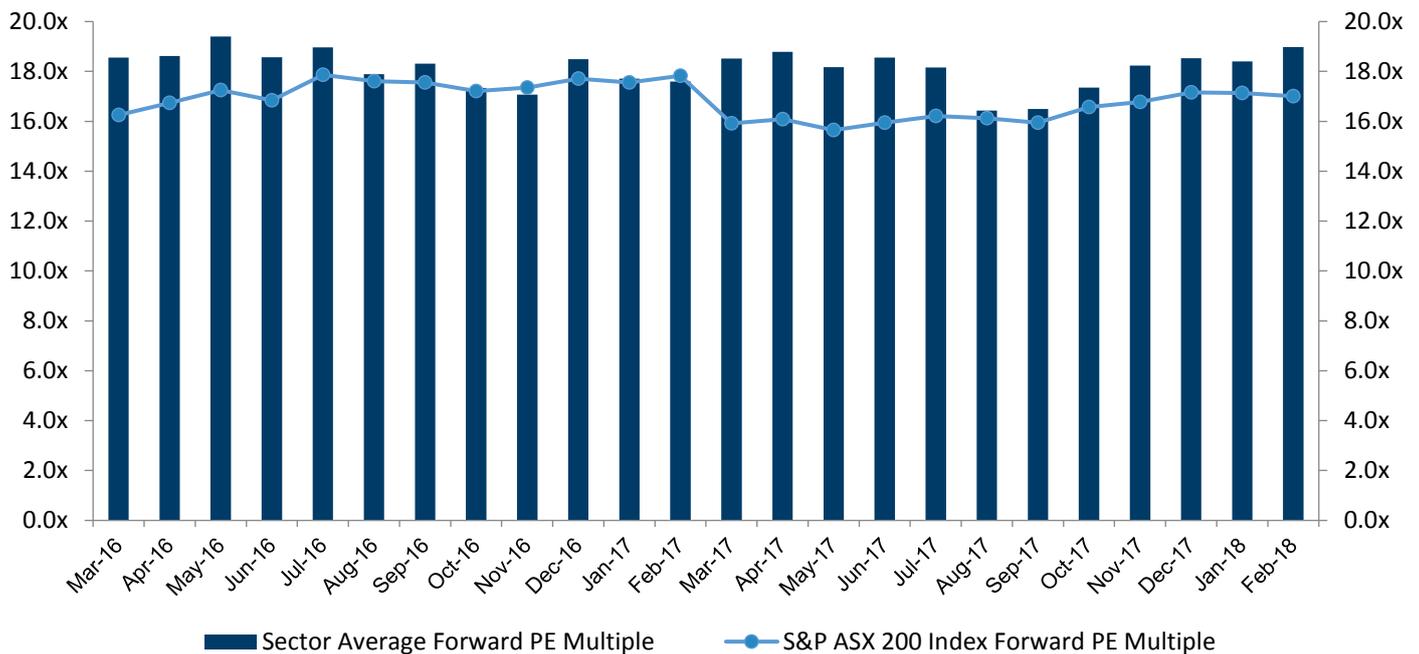


Health & Medical

Pricing Multiples

Forward Price Earnings Multiples (monthly to 28.02.18)¹ Source: FactSet Research Systems Inc.

Multiples in the Health & Medical sector have increased slightly over the period. At the end of February, the sector traded on a forward PE of 19.0x, compared to the ASX200 on 17.0x.



Average Values and Trading Multiples (as at 19.03.18) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2018	EV/EBIT FY2018	Price / Earnings FY2018
Healthcare Facilities	28,085	11.4x	15.7x	19.7x
Healthcare Equipment	10,874	14.8x	17.6x	17.6x
Healthcare Providers & Services	20,013	9.8x	12.2x	17.6x

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...



Value: \$32.4m

Paragon Care, the listed Australia-based integrated service provider of health and aged care, has agreed to acquire **Surgical Specialties Group**, an Australia-based distributor of surgical medical devices, for a total consideration of \$32.4m. The acquisition will be funded by **Paragon's** recent capital raising of \$69.8m and is expected to be EPS accretive in FY18 and beyond. The acquisition is in line with **Paragon's** growth strategy to expand its offerings and geographical reach.



Value: \$19.0m

Qscan Services, the Australia-based radiology company, has agreed to acquire **Universal Medical Imaging**, an Australia-based provider of diagnostic imaging service, for a consideration of \$19m. **Qscan Radiology Clinics** is a comprehensive Diagnostic Medical Imaging & Interventional practice with multiple clinics in South-East Queensland and additional **Qscan Group** partner clinics elsewhere in Australia.



Value: \$9.0m

Virtus Health Group has agreed to acquire 90% of **Complete Fertility Limited** on a debt-free cash-free basis. **Virtus**, the listed Australia-based company headquartered in Greenwich, is the medical services company engaged in in-vitro fertilization business which provides a network of fertility doctors, scientists, nurses, counselors and support staff, for clinical, scientific, diagnostic and day surgery services. **Complete Fertility** is a UK-based company specializing in fertility treatments headquartered in Alton.



Value: \$23.0m

PerkinElmer, Inc., has agreed to acquire **RHS Limited**. PerkinElmer, Inc., the listed US-based company, headquartered in Waltham, Massachusetts, is focused on life and analytical sciences, optoelectronics and fluid sciences businesses. RHS Limited, the listed Australia-based company, headquartered in South Australia, is engaged in development of advanced single cell genomic technologies.

Under the Microscope...

- **Roc Partners** is looking for a buyer for its stake in **Evolution Healthcare**, the Australian private hospital owner. It is reported that **Roc** has held meetings with potential suitors after fielding approaches for the stake, which may be worth as much as \$150m.
- **Capitol Health** will not increase the offer price for its takeover proposal for all the issued shares in **Integral Diagnostics** and will not extend the offer period. In November, **Capitol** made an unsolicited, hostile offer to buy the fellow ASX-listed diagnostic imaging company for a value of \$406m.
- **Telix Pharmaceuticals**, **Opthea**, **Anatara Lifesciences**, and **Oncosil Medical** could be potential takeover targets in the life sciences space, according to industry reports. This circulating interest is in the wake of the **Viralytics** takeover by **Merck** last month.
- **Smiles**, an Australian dental clinic operator, is seeking to raise \$35m in its planned initial public offering in April.
- **SUDA Pharmaceuticals**, the ASX-listed drug delivery technology company, is planning to divest its **Westcoast Surgical and Medical Supplies** to **Medical Sales & Service**.
- **Clanwilliam Group**, an Irish healthcare technology solutions provider, is to embark on an ambitious spree of acquisitions worth approximately \$400m before the end of next year. The company will continue its M&A activity in the coming months with four acquisitions set to be announced in the first half of this year.

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

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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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