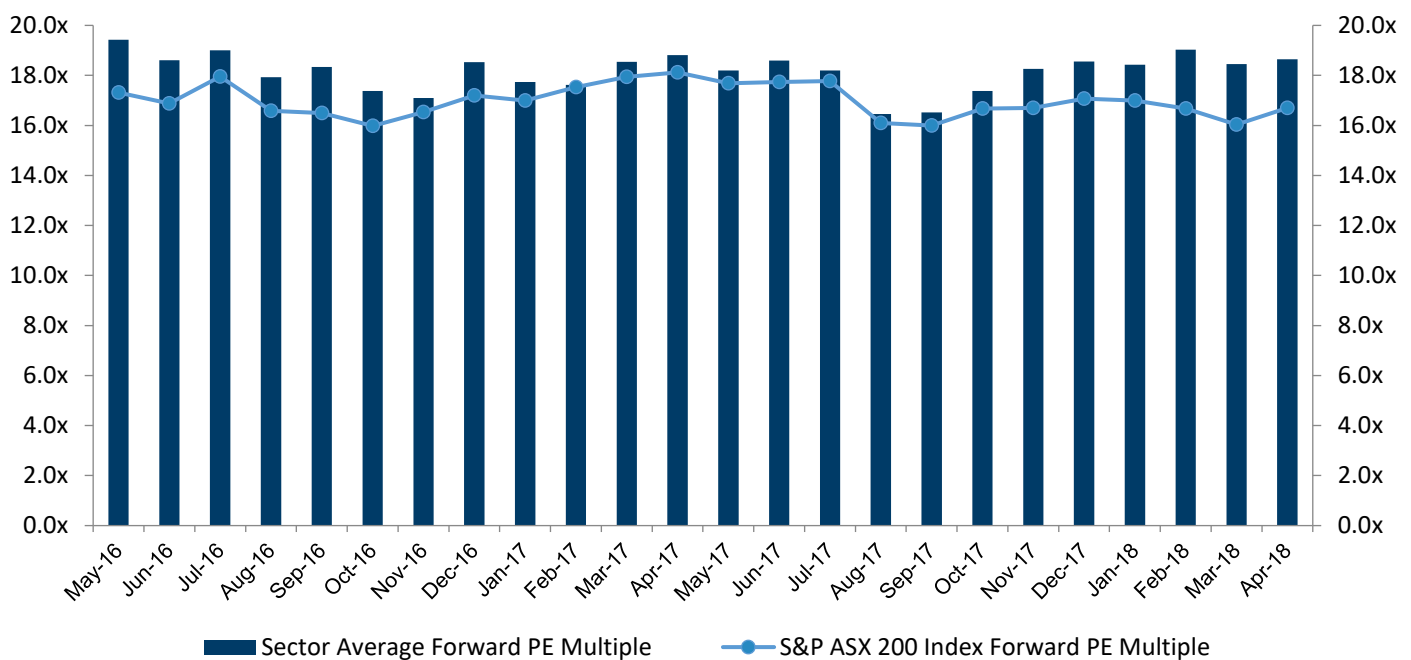


Health & Medical

Pricing Multiples

Forward Price Earnings Multiples (monthly to 30.04.18)¹ Source: FactSet Research Systems Inc.

Multiples in the Health & Medical sector have increased slightly over the period. At the end of April, the sector traded on a forward PE of 18.6x, compared to the ASX200 on 16.7x.



Average Values and Trading Multiples (as at 21.05.18) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2018	EV/EBIT FY2018	Price / Earnings FY2018
Healthcare Facilities	29,253	11.6x	16.1x	20.5x
Healthcare Equipment	11,053	15.4x	18.7x	18.6x
Healthcare Providers & Services	19,841	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...



Value: \$18.0m

Chinese agricultural producer, **Dongfang Modern Agriculture Holding Group**, will acquire a 70% stake in Australia-based complementary health care, personal care and skin care product manufacturer **Bio Health Pharmaceuticals** for \$18m. The acquisition represents a strategic move to broaden the group's revenue base outside China into the high margin, high growth health supplement market that complements its agricultural business. Bio Health manufactures complementary medicines, health and skin care products, and expects to report net sales for calendar year 2018 of \$9.6m. The company anticipates earnings before interest and tax (EBIT) of \$2.0m for 2018.



Value: \$43.2m

ASX-listed **Blackmores**, the Australian natural health company, has agreed to the purchase of **Catalent Australia Holding**, owner of a high quality complementary medicine manufacturing facility in Australia, for \$43.2m. Completion is expected to occur on or before 31 October 2019 and is expected to be fully debt-funded. The 18-month completion period will enable a transition for both parties, enabling **Catalent Inc.** to migrate third-party customers to its other facilities while **Blackmores** moves more products into the Braeside facility.



Value: \$12.0m

ASX-listed **Alcidion**, a South Australia-based health informatics company, has entered into agreements to acquire **MKM Health** and **Patientrack Holdings** for \$12m. The transformative acquisitions create a market leading, international specialist health informatics company focused on decision intelligence and analytics technology for improved health care.



Value: Not disclosed

I-Med Radiology, the Australia-based radiology group, is acquiring **InSight Clinical Imaging**, the Australia-based medical imaging business. The groups are aiming to complete the transaction in June. **InSight** has 120 employees. In February, **I-Med** was sold to **Permira** for \$1.25bn. It is understood **InSight** will remain a separate brand under **I-MED**, which has more than 200 clinics across NSW, Victoria and the ACT but until now has lacked WA representation.



Under the Microscope...

- **Prota Therapeutics**, a privately held Australian allergy immunotherapy company, is preparing for a \$30m-\$40m capital raise to fund Phase III trials for its peanut allergy treatment.
- ASX-listed **Micro-X**, an Adelaide-based imaging technology company, is actively seeking partners that will also take equity stakes in the company. The \$58m market capitalisation company, which has developed and commercialised an ultra-lightweight mobile medical X-ray system, is now seeking partners to accelerate the development of other products, particularly for the security sector.
- **DoseMe**, a privately held Australian medicine dosing software company, is keen to hear from strategic investors or partners, especially from China. The Queensland-based company, which is selling its software in global markets including Australia, the US, South Africa, and Europe, is now looking to enter China and would need a strategic investor or partner to do so.
- **Neuroscientific Biopharmaceuticals**, the Australia-based developer of treatments for neurological disorders, has filed for an IPO to raise up to \$6m. The company will issue 25m shares at \$0.20 per share to raise \$5m and will accept oversubscriptions for a further 5m shares.
- **Brookfield Asset Management** and a consortium of financial investors collectively called **BGH-AustralianSuper Consortium** have separately made offers to take over ASX-listed **Healthscope**. **Brookfield's** indicative offer price of \$2.50 per share is greater than the offer **Healthscope** received last month from **BGH-AustralianSuper Consortium**, at \$2.36 per share. In response to the offers, **Healthscope** has decided not to provide due diligence access to either group, as it deemed that both proposals undervalue **Healthscope**, and is not in the best interest of the shareholders.

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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