

VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 28/02/2019) Source: FactSet Research Systems Inc.

Multiples in the Healthcare sector have increased over the period. At the end of February, the sector traded on a forward EV / EBITDA multiple of 11.0x, compared to the ASX200 on 9.8x.



Average Values and Trading Multiples (values as at 20/03/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Aged Care	2,643	10.3x	13.0x	16.0x
Animal Health	1,196	7.5x	9.0x	11.6x
Biotech	93,702	22.7x	25.7x	33.1x
Hospitals & Clinics	41,441	9.8x	13.4x	17.7x
Medical Devices	10,626	26.1x	28.8x	39.3x
Healthcare	150,569	10.9x	13.9x	18.2x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2019. Difference in forward EV/EBITDA multiples between Figure and Table are representative of the timing difference between month-end result, and current day result.

UNDER THE MICROSCOPE...

- **ScreenPoint Medical**, a Dutch company producing software that automatically categorises mammograms more likely to have cancerous lesions, is exploring options to raise EUR 10m for a minority stake this summer. The potential investor should preferably be a European fund and have connections in the health care industry, primarily with private clinic chains, where **ScreenPoint's** software could be used. Core shareholders plan to merge **ScreenPoint** with another medical imaging company, ASX-listed **Volpara**, before selling it possibly to a big mammography machine manufacturer such as **Siemens**.
- **Sigma Health** has rejected **Australian Pharmaceuticals Industries'** indicative takeover proposal, saying the offer is not in the best interest of **Sigma** shareholders.
- **Imagion Biosystems**, a Melbourne-headquartered medical device company, will need to raise capital in the second half of 2019 to fund a pivotal in-human study for its **MagSense** bio-imaging technology.
- **Helfie**, a privately held Australia-based mobile medical diagnosis company, is looking to raise \$15m, which it will use to grow further.
- **Ansell** will remain active in evaluating M&A opportunities against both strategic fit and value creation criteria, after the recent acquisition of **Digitcare** and **Ringers Gloves**.
- ASX- and NASDAQ-listed **Immutep**, an Australian biotech developing immunotherapy treatments for cancer and autoimmune diseases, is hoping to be acquired by big pharma.
- The sale process for **Perth Radiological Clinic**, the medical imaging business, could be called off due to friction among its shareholders. **Perth Radiological** has received offers for 40% of the business and for the company as a whole and shareholders are not believed to be in agreement on how to proceed. The business could be valued at around \$400m.
- Australian hospitals operator **Ramsay Health Care** has the capacity to finance future acquisitions. **Ramsay's** balance sheet strength remains sound following the acquisition of **Capio**, and strong cash flow generation continues to provide flexibility to finance the continuing demand for brownfield capacity expansion, future acquisitions and ongoing working capital needs.
- Australian pharma manufacturer and distributor **Probiotec** is considering potential strategic acquisitions.
- ASX-listed **Integral Diagnostics**, the healthcare services company, is evaluating strategic acquisitions
- **Thorney Investments Group**, **Perennial Value**, **Regal Funds Management**, and **Ellerston Capital** have made cornerstone investments in the IPO of **Next Science**, an Australia-based biotech company. Interest in the IPO has caused the raising to be increased from \$30m to \$35m, which will give the company a market capitalisation of around \$179m when it lists in April.

CONTACT DETAILS

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