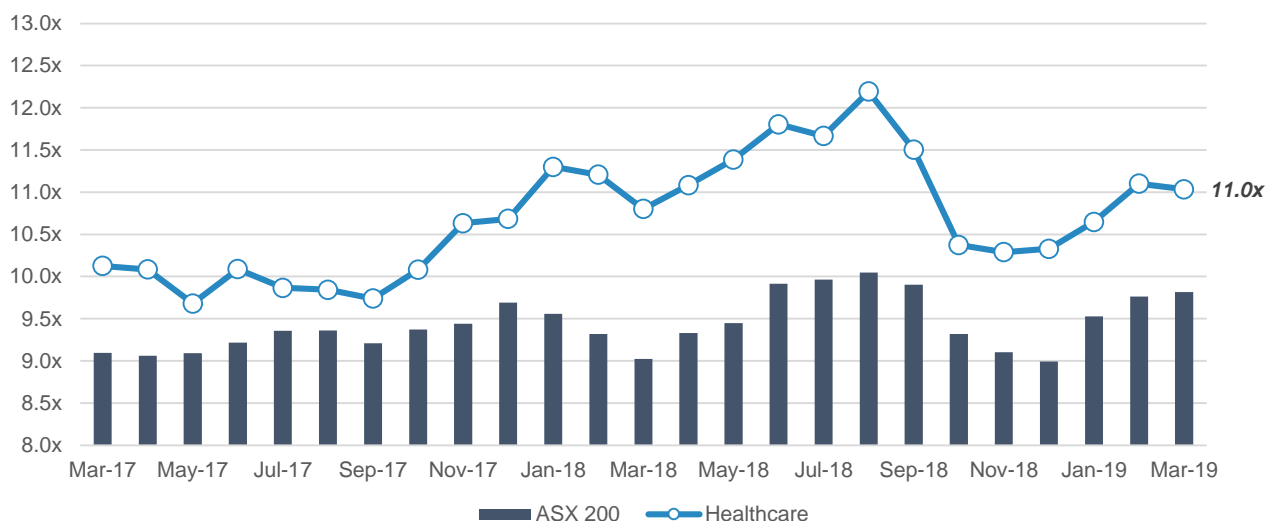


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 31/03/2019) Source: FactSet Research Systems Inc.

Multiples in the Healthcare sector have slightly decreased over the period. At the end of March, 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 18/04/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Aged Care	2,788	10.6x	13.4x	16.8x
Animal Health	226	7.3x	8.9x	11.4x
Biotech	93,132	22.8x	25.8x	33.3x
Hospitals & Clinics	41,396	10.6x	14.5x	18.8x
Medical Devices	9,755	24.1x	26.6x	36.2x
<b>Healthcare</b>	<b>148,287</b>	<b>11.3x</b>	<b>14.5x</b>	<b>18.9x</b>

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...

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- The ongoing auction process for **Aveo Group**, an Australian-based retirement village operator, is still up in the air. **Blackstone** was previously granted preferred bidder status, but it is now unknown if it is still interested. **Brookfield**, **Cerberus**, and **Lone Star** have all been potential contenders, but their involvement is also unclear.
- **ONCALL**, a disability services business, is seeking a new investor to finance its expansion plans. **ONCALL** is expected to have earnings of \$15m to \$20m and an existing employee network of 1,500 people. The business is likely to be pitched to private equity and trade players.
- **NeuroScientific Biopharmaceuticals** (NSB), a Western Australia-based developer of treatments for neurologic disorders including Alzheimer's disease, will seek a licensing or M&A deal ahead of Phase II trials in mid-2020. The company is fully funded to go through Phase I human clinical trials, scheduled to start in the middle of this year. Beyond that, the company will seek to out-license its product, which could lead to a takeover. **NSB** currently has a market cap of \$13m.
- Australia-based disability service organisations **Novita** and **scosa** have announced that they are exploring a potential merger. **Novita** specialises in child development, rehabilitation and disability services for kids and young people, operating from 11 locations. **scosa** provides vital hub-based day programs and community services and supports to nearly 400 adults living with disability across 12 sites. A merged entity would bring these services together to provide a continuum of support for people living with disability at all stages of life.
- **Hayylo**, a private Australian customer experience platform developer for aged, home and disability care services providers, is exploring capital raising options to support rapid global expansion. The Melbourne-based company is yet to finalise specifics for the raise, but is happy to start engaging with potential investors or advisors with interested parties.
- **Micro-X**, a South Australia-based imaging technology company, will be receiving a \$10m convertible bond investment from France-based **Thales**, the world-leading aerospace, defence, transportation, and security technology company.
- A co-operation agreement between **AustralianSuper** and **BGH Capital** for a bid for **Healthscope** has lapsed. The agreement lapsed on 31 March, and the members of the **BGH Capital**-led consortium decided against a further extension of the agreement. The consortium controls a combined 19.13% stake in **Healthscope**.
- **Milstern Health Care**, an Australia-based owner of nursing homes and retirement villages, is selling its Sydney retirement village portfolio **Golden Lifestyles**. **Golden Lifestyles** is expected to sell for about \$50m-\$60m. **Milstern** is eager to sell the portfolio as a whole, but could consider offers for individual villages.
- **Paradigm Pharmaceuticals** has decided to raise a total of \$77.9m in a combination of a share placement for professional investors and an entitlement offer.

## CONTACT DETAILS

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