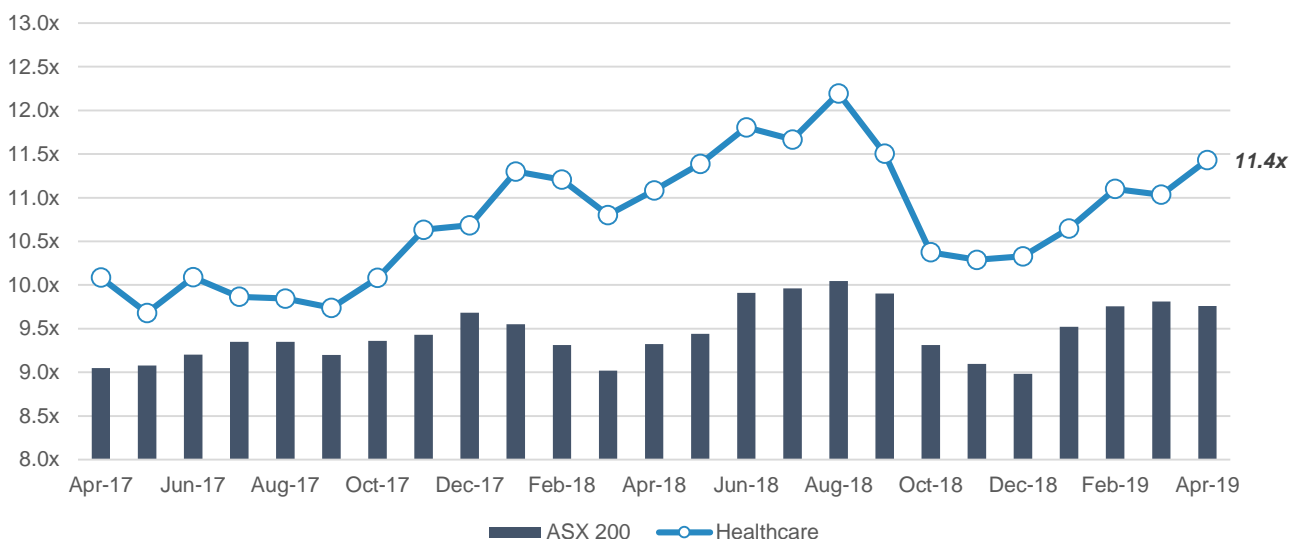


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/04/2019) Source: FactSet Research Systems Inc.

Multiples in the Healthcare sector have increased over the period. At the end of April, the sector traded on a forward EV / EBITDA multiple of 11.4x, compared to the ASX200 on 9.8x.



Average Values and Trading Multiples (values as at 16/05/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Aged Care	2,803	10.9x	13.6x	17.0x
Animal Health	238	7.9x	9.6x	12.4x
Biotech	93,907	22.4x	25.4x	32.7x
Hospitals & Clinics	42,549	11.1x	15.2x	20.0x
Medical Devices	11,396	28.1x	31.0x	42.2x
Healthcare	151,799	11.8x	15.1x	19.8x

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.

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

UNDER THE MICROSCOPE...

- **Admedus Vaccines**, a medical technology company, has gone into voluntary administration following the termination of its share sale agreement with **Constellation Therapeutics**.
- **Ellume**, an Australia-based medical diagnostic device business, is preparing to list on the ASX later this year. **Ellume** has started pitching a pre-IPO fund raising to institutional investors where they are seeking to raise \$5m. **Ellume** has told potential investors that it will seek another \$25m in its IPO.
- A consortium of private equity players is thought to be working on a rival offer for **Healius**. The private equity consortium is believed to be discussing a proposal that would result in **Healius** being split and sold to different groups. **Healius** is also expected to receive a second takeover offer from its existing suitor **Jangho** after the federal election. **Jangho** already owns a 15.93% stake in **Healius**. It is believed that the company could be valued at nearly \$2.4bn if it were split up and sold to potential suitors.
- Preferred suitors of **Aveo Group**, an Australian-based retirement village business, are conducting due diligence in the second stage of the sale process. These include Hong Kong-based **Gaw Capital Partners**.
- **Australian Pharmaceutical Industries** is not in a rush to sell its 13% stake in **Sigma Healthcare**. **API** is taking a long-term view of the situation.
- **AirXpanders**, a medical device company focused on the design, manufacture, sale and distribution of the AeroForm® Tissue Expander System, is exploring financial and strategic alternatives. The company will continue to evaluate opportunities including a potential capital raise.

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