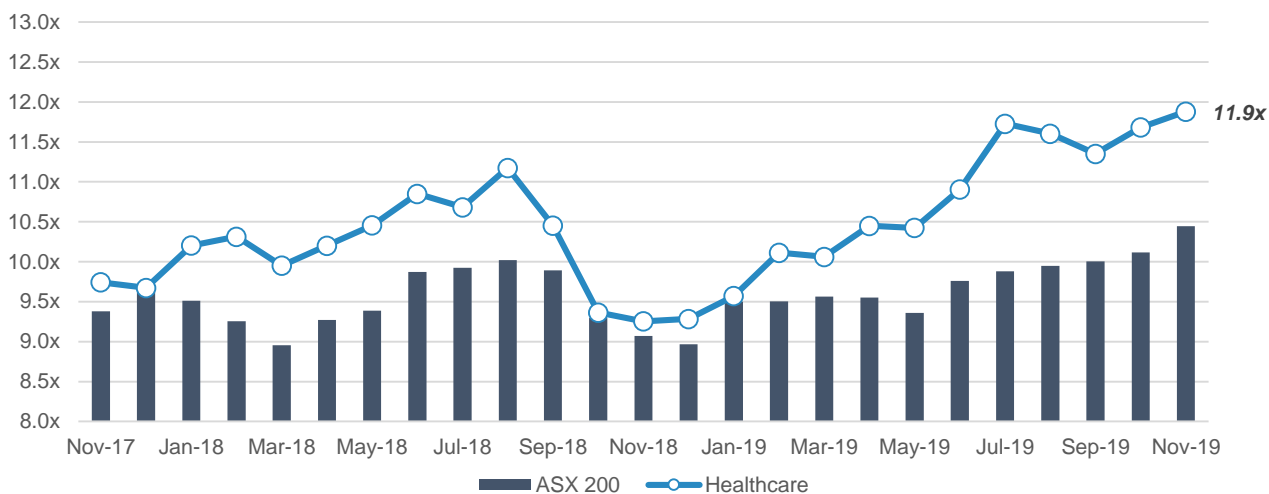


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/11/2019) Source: FactSet Research Systems Inc.

Multiples in the Healthcare sector have increased over the period. At the end of November, the sector traded on a forward EV / EBITDA multiple of 11.9x, compared to the ASX200 on 10.4x.



Average Values and Trading Multiples (values as at 17/12/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Aged Care	3,357	10.5x	15.9x	23.3x
Animal Health	349	12.5x	14.2x	24.2x
Biotech	135,150	28.7x	33.2x	41.8x
Hospitals & Clinics	41,374	10.3x	15.4x	22.6x
Medical Devices	13,470	29.7x	33.1x	44.9x
Healthcare	194,783	12.4x	17.0x	24.3x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2020. 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.

MERGER & ACQUISITION NEWS...

VetPartners



Value: \$326m

ASX-listed **National Veterinary Care** (NVL) has entered into a binding Scheme Implementation Deed with **Australian Veterinary Owners League**, trading as **VetPartners**, under which it is proposed that NVL and VetPartners will come together by VetPartners acquiring 100% of the issued share capital of NVL by way of scheme of arrangement for \$3.70 per share in cash. The Scheme Consideration implies a fully diluted market capitalisation for NVL of approximately \$251.5m and an enterprise valuation of approximately \$325.5m.

InterFinancial is acting as lead financial advisor to National Veterinary Care.

NEXTCAPITAL

InterHealthcare

Value: \$100m

Sydney based PE firm, **Next Capital** has acquired 50.1% stake in **InterHealthcare**, an Australia-based health businesses and service providers. Management team of **InterHealthcare** will retain remaining 49.9% stake. The funds from the investment will be used by the company to grow by strategic acquisitions.



Bethanie

Berrington

Value: Undisclosed

The Bethanie Group, an Australia-based aged care provider, has agreed to acquire **Berrington Care Group**, another Australia-based aged care provider.

QIC

mercury capital
nexus

Value: Undisclosed

Mercury Capital has sold a 75% stake in **Nexus Day Hospitals Holdings**, an Australia-based company engaged in operating day hospitals, to **QIC Limited**. **QIC** has made the investment through its **QIC Global Infrastructure Fund**.

UNDER THE MICROSCOPE...

- **Harrison.ai**, an Australian healthcare artificial intelligence start-up, has raised \$29m. The raising was led by **Blackbird Ventures** and included **Horizons Ventures**, **Skip Capital**, and **Ramsay Health Care**.
- **TPG Capital** and **BGH Capital** are believed to be among buyers interested in **Everlight Radiology**, an Australian teleradiology business. **Everlight** is expected to sell for around \$400m.
- **Australian Pharmaceutical Industries** has sold its entire 13% stake in **Sigma Healthcare Ltd.**, or 137,264,592 Sigma shares.
- **MedicalDirector**, an Australian software business has launched a formal sale process. The business is owned by **Affinity Equity Partners** and generates an annual EBITDA of \$30m and is expected to sell for 15x to 20x earnings.
- **Insense Medical**, an Israel-based medical technology start-up, is considering listing on the ASX by the end of June next year.
- **Ellex Medical Lasers** announced on 28 November that it has requested a trading halt to negotiate and finalise the proposed sale of Ellex's Lasers and Ultrasound business segment, following receipt of an unsolicited non-binding conditional offer.
- **Qscan**, an Australia-based radiology business, is expected to officially launch a sale process in the second quarter of 2020.
- **1300SMILES**, an Australia-based dentistry group, is looking for acquisition opportunities.
- **Paragon Care**, an Australian supplier of healthcare equipment and devices, is thought to attracting takeover interest. **Paragon** has a market value of \$148.7m and could be subject to an on-market takeover bid.
- **Healius**, an Australian healthcare business, is considering the divestment of its medical centres unit, with a formal sale possible next year. **Healius'** medical centres forecasted to generate \$327.4m revenue and EBIT of \$37.6m in FY19.

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