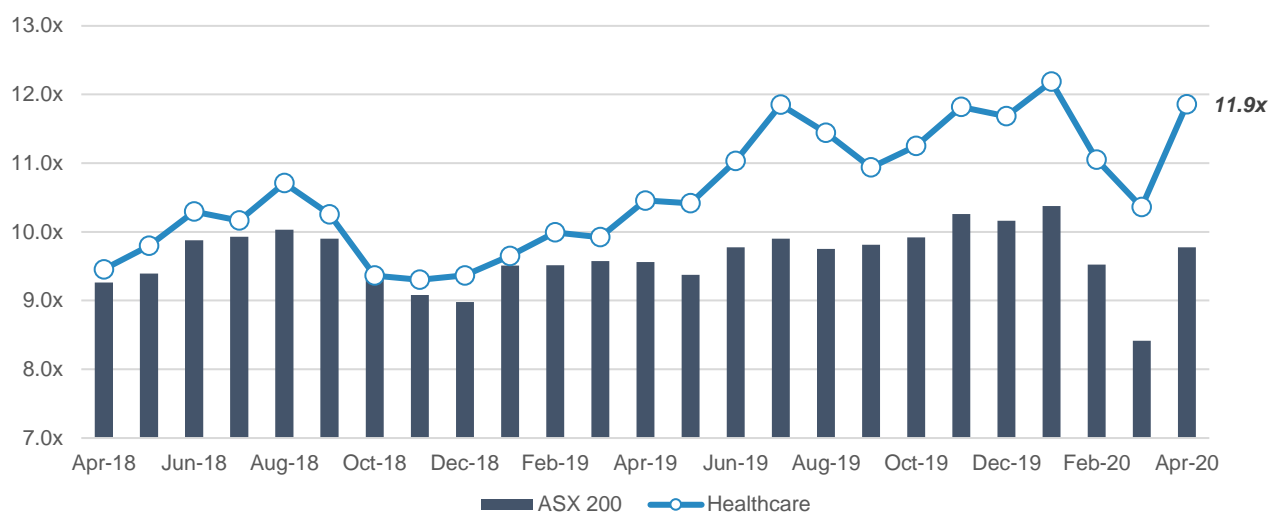


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/4/2020) 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 11.7x, compared to the ASX200 on 9.8x.



Average Values and Trading Multiples (values as at 20/05/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Aged Care	1,607	6.9x	13.0x	17.2x
Biotech	146,566	29.8x	34.3x	43.0x
Hospitals & Clinics	47,010	12.0x	21.1x	23.9x
Medical Devices	11,351	46.3x	64.5x	85.7x
Healthcare	208,022	15.0x	23.5x	25.4x

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. Composition of companies in Sector Dashboards are updated every 6 months. Most recent update: February 2020.

UNDER THE MICROSCOPE...

- **Lanka Graphite Ltd** [ASX:LGR] has terminated the non-binding agreement, initially announced on 18 February, to acquire 100% of the issued share capital of **Oculus Biomed Pty Ltd**.
- **PRP Diagnostic Imaging**, an Australia-based radiology business, is believed to have entered detailed talks to be acquired by a private equity group. **Allegro Funds Management** was thought to be considering the acquisition of PRP Diagnostics, but it is believed to have walked away. **BGH Capital** has also been named a potential buyer, but it is unclear whether it is still interested.
- **Pacific Equity Partners (PEP)** is considering an offer for **Healthscope's New Zealand pathology operations**. PEP is thought to be offering around AUD 500m for the business. Binding offers are due to Healthscope's owner **Brookfield** at the end of June. **NZSuper** and **Morgan Stanley Infrastructure Management** could also be interested in the asset.
- **Crescent Capital** is said to be among buyers interested in **Healius' [ASX:HLS] medical centres business**, in order to enhance its own pathology revenue through referrals from health practitioners at Healius's medical centres. Crescent may offer a price of less than AUD 400m for the business, which is well below earlier price expectations of AUD 500m to AUD 600m. **Permira** is believed to have withdrawn from the auction for Healius' medical centres. **BGH Capital** and **Brookfield** are also thought to be eyeing the assets.
- **EBOS** [ASX:EBO], an Australia/New Zealand-based distributor of medical and pharmaceutical products, plans to pursue bolt-on acquisitions in the aftermath of the COVID-19 crisis. EBOS will target acquisitions in Australia and New Zealand and has not ruled out pursuing targets in Asia. The company is not interested in buying its smaller listed rival **Paragon Care** [ASX:PGC], which has been subject to rumours of takeover interest.
- **Independent Living Specialists (ILS)**, an Australian mobility and homecare products business backed by global private equity firm **The Riverside Company**, is in talks with potential acquisition targets to consolidate the sector. The Sydney-based company is eyeing peers in both metropolitan and regional areas in order to become a national player.
- The Australian Competition and Consumer Commission will commence a public review of the proposed AUD 100m acquisition of **Ellex Medical Lasers Ltd's** [ASX: ELX] **Ellex Lasers & Ultrasound business** by **Lumibird Group SA** [EPA: LBIRD].
- **Monash IVF Group Ltd** [ASX: MVF] will raise as much as AUD 39.8m via an institutional placement, and up to additional AUD 40.2m via a 1-for-3.05 accelerated pro rata non-renounceable entitlement offer.
- **Icon Group**, an Australia-based cancer care provider, is considered a likely acquisition target for **Ramsay Health Care** [ASX:RHC]. Icon is thought to be attractive to Ramsay, due to its compound pharmacy operations, which sell drugs not readily available over the counter. Icon is worth around AUD 2bn.
- Australian retinal implant innovator **Bionic Vision Technologies'** (BVT) administrator is seeking expressions of interest. In 2019, BVT was considering an ASX listing with a potential post-IPO value of AUD 120m to AUD 170m.

CONTACT DETAILS

If you are interested in specific information regarding mergers and acquisitions in the Healthcare sector, please contact David Hassum or Michael Kakanis.

Name	Position	Phone	Email
Sharon Doyle	Managing Director	(07) 3218 9122	sdoyle@interfinancial.com.au
Paul Keehan	Chairman	(07) 3218 9100	pkeehan@interfinancial.com.au
Mark Steinhardt	Head of M&A	(07) 3218 9105	msteinhardt@interfinancial.com.au
Brad Shaw	Chief Operating Officer	(07) 3218 9100	bshaw@interfinancial.com.au
David Hassum	Director	(07) 3218 9108	dhassum@interfinancial.com.au
Andrew Wheeler	Director	(07) 3218 9107	awheeler@interfinancial.com.au
Ted Marchant	Director	(07) 3218 9100	tmarchant@interfinancial.com.au
Brent Wall	Associate Director	(07) 3218 9102	bwall@interfinancial.com.au
Michael Kakanis	Associate	(07) 3218 9106	mkakanis@interfinancial.com.au
Lachlan O'Rourke	Analyst	(07) 3218 9104	lorourke@interfinancial.com.au

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InterFinancial
Corporate Finance Limited
ABN: 49 136 962 966
AFSL: 341675
Level 2, 201 Charlotte Street
GPO Box 975
Brisbane Queensland 4001
(07) 3218 9100
admin@interfinancial.com.au
www.interfinancial.com.au

