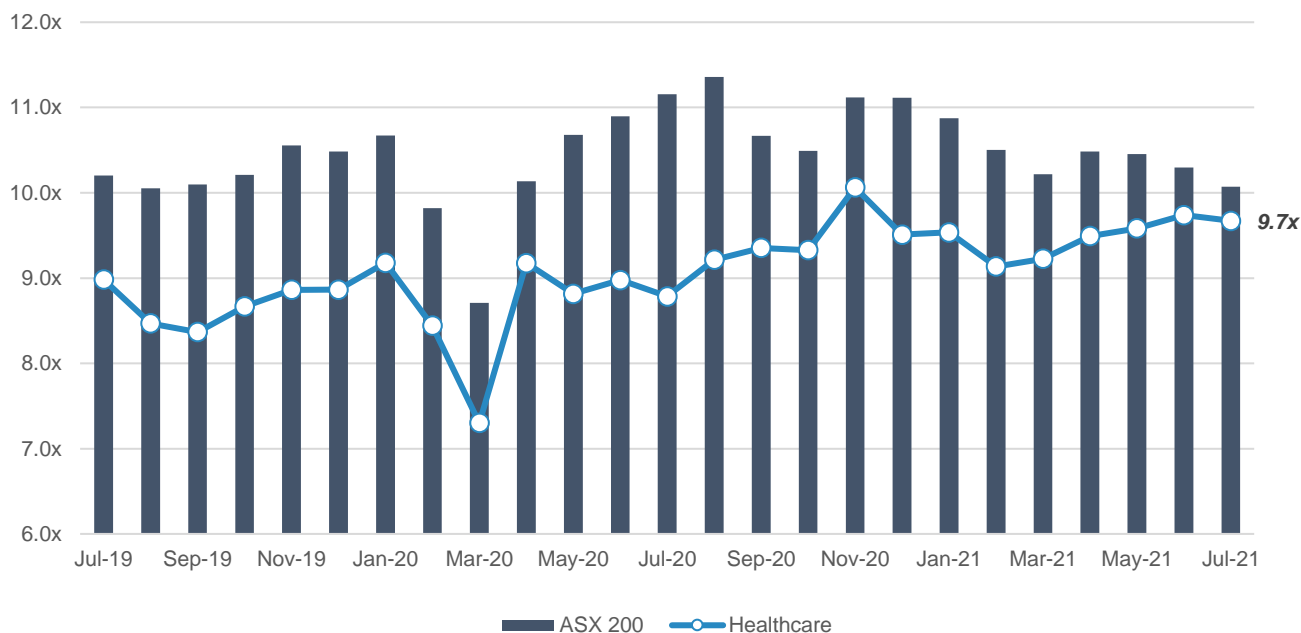


## VALUATION MULTIPLES

**Forward EV / EBITDA Multiples (monthly to 31/08/2021)** Source: FactSet Research Systems Inc.

Multiples in the Healthcare sector has decreased over the period. At the end of August, the sector traded on a forward EV / EBITDA multiple of 9.7x, compared to the ASX200 on 10.3x.



**Average Values and Trading Multiples (values as at 16/09/2021)** Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2022	EV/EBIT FY2022	Price / Earnings FY2022
Aged Care	744	7.5x	11.8x	34.5x
Animal Health	160	10.6x	18.2x	19.6x
Biotech	140,608	28.4x	32.7x	42.4x
Hospitals & Clinics	50,371	10.9x	16.5x	22.7x
<b>Healthcare</b>	<b>195,928</b>	<b>11.5x</b>	<b>17.1x</b>	<b>24.6x</b>

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2021. 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: May 2021.

<sup>1</sup> 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...



Value: AUD 89.63m



**1300Smiles** [ASX:ONT], an Australia-based dentistry business, has entered a scheme implementation agreement to have **Abano Healthcare Group**, which is owned by BGH Capital and **Ontario Teachers' Pension Plan**, acquire up to an 84% stake via a scheme of arrangement. The transaction will support Abano in expanding its footprint in Australia's dental market




Value: AUD 45m



Australian healthcare company Healius Limited [ASX: HLS] has entered into an agreement to sell **Adora Fertility** and three day hospitals to fertility healthcare provider **Virtus Health** [ASX: VRT] for AUD 45m (USD 33m), the two companies said in separate stock exchange statements



Value: AUD 11 m



UK-based telehealth company **Doctor Care Anywhere** has entered into an agreement to acquire **GP2U Telehealth**, an Australian telehealth group. The acquisition provides Doctor Care Anywhere with entry into the Australian market and provides a platform to build a market leading telehealth by increasing its existing base of clinicians consisting of 10 GPs, 28 psychiatrists and 22 psychologists.



Value: Not disclosed



**Keystone Dental Inc**, the biggest independent dental implant company in North America, has entered into an agreement to acquire **Osteon Medical**, an Australia-based company focused on providing digital solutions for clinicians and dental laboratories. The transaction significantly increases Keystone's global visibility in the dental market and immediately provides it with the opportunity to market a full-arch implant portfolio through dedicated production facilities in Melbourne and Osaka.

### UNDER THE MICROSCOPE...

- **Avet Health**, an Australian veterinary pharmaceutical business, is planning to list in the 2022 financial year. The IPO is likely to raise around AUD 8m which values the company at AUD 30m.
- **City Fertility**, the Australia IVF and fertility services group, is in the final stage of an acquisition to expand into Western Australia according to an announcement from **Singapore Medical Group** [SGX: 5OT], a Singapore-based healthcare provider.
- **Hektas Ticaret**, a Turkish investment company, has announced that it has started working on taking over **Oyak Sermaye Yatirimlari**'s 51% stake in the Australian agricultural seed production company **AgriVentis Technologies Limited**. The deal will be based on a USD 6.5m valuation for the target.
- **Ramsay Health Care** [ASX: RHC], an Australia-based hospital operator, could become a takeover target. Ramsay has AUD 4bn (USD 2.9bn) worth of real estate which could make it attractive to risk adverse investors seeking to put funds to work.
- **Australian Pharmaceutical Industries** [ASX: API] decided to reject **Wesfarmers** [ASX: WES] indicative proposal for a full acquisition after concluding that the offer undervalues the company.
- **PolyNovo** [ASX: PNV], **Telix Pharmaceuticals** [ASX: TLX], **Pacific Edge** [NZX: PEB], **Dimerix** [ASX: DXB] and **AdAlta** [ASX: 1AD] could be candidates to raise equity.

## UNDER THE MICROSCOPE...

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- **Seer**, an Australian medtech diagnostics business, has raised AUD 34m (USD 24m) from a consortium of investors. **Cochlear** [ASX:COH], **EWM Group**, **SG Hiscock**, and **Giant Leap** were involved in the fundraise.
- **Ramsay Healthcare** [ASX: RHC], an Australian medical company, is eyeing growth into new and adjacent services through acquisitions. The company currently has a market capitalisation of USD 11bn.
- **Australian Clinical Labs** [ASX: ACL], an Australia-based pathology group, is eyeing strategic acquisitions in specialist and general pathology.
- **Capitol Health** [ASX: CAJ], an Australia-based diagnostic imaging business, has significant headroom for growth, particularly via acquisitions.
- **Integral Diagnostics** [ASX: IDX], an Australia-based healthcare services company, is continuing to investigate acquisition and partnership opportunities.
- **Paragon Care** [ASX: PCG], an Australian supplier of healthcare equipment and devices, is planning to resume exploring acquisitions following the renegotiation of its banking facilities.
- US-based biotech company **Triad Life Sciences** has successfully completed an AUD 25m funding round which saw strong support from major Australian institutional investors.
- **Australian Pharmaceutical Industries** [ASX: API] and **Wesfarmers** [ASX: WES] are maintaining dialogue over Wesfarmer's indicative AUD 1.38 per share takeover proposal that API has rejected as opportunistic and undervalued.
- **Healius Limited** [ASX: HLS] is seeking opportunities for bolt-on acquisitions in pathology, imaging and day hospital businesses. The company is capable of spending approximately AUD 500m (USD 367m) on asset purchases and acquisition over the next few years.
- **Regis Healthcare** [ASX: REG], an Australia-based aged-care business, is eyeing aged care portfolio acquisition opportunities.
- **Carina Biotech** announced that it has raised AUD 5.4m to take its LG5-targeted CAR-T cell into the clinic which is an exciting step towards its vision of creating a future that defeats cancer.
- **EQT** and **Morrison & Co** have been shortlisted in the final stages of the contest to acquire **Icon Group**, an Australia-based cancer care business.
- **Cosmetique**, a privately held Australian cosmetic surgery clinic chain, is considering raising up to AUD 5m (USD 3.7m) to fund its domestic expansion in 2022.
- **BioCina**, an Adelaide-based multi-product biologics contract development and manufacturing organization, will consider acquisitions of complementary life science businesses.
- **RxMx**, an Australia-based provider of specialty medicine management systems, is seeking global acquisitions after selling a majority stake to Australian private equity investor **Pemba Capital Partners** earlier this year.
- **XING Technologies**, a private Brisbane-based Australian Point of Care (POC) nanotechnologies diagnostic company, is seeking capital for its newly created rapid response diagnostic special purpose vehicle. The company is seeking up to AUD 5m (USD 3.7m).
- **WuXi AppTec** [HKG: 2359], a Chinese contract research organization, is among buyers eyeing **Nucleus Network**, an Australia-based clinical research business.
- **Nanoveu** [ASX: NVU], a Singapore-headquartered nanotechnology company, is gearing for offshore growth in existing and new markets for its antiviral technology which has been shown to be effective against COVID-19.
- **Device Technologies**, an Australian medical device supplier owned by **Navis Capital Partners**, would seek more bolt-on acquisitions to propel its expansion in Australia and Southeast Asia regions.

## 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	Executive Chair	(07) 3218 9122	<a href="mailto:sdoyle@interfinancial.com.au">sdoyle@interfinancial.com.au</a>
Paul Keehan	Non-Executive Director	(07) 3218 9100	<a href="mailto:pkeehan@interfinancial.com.au">pkeehan@interfinancial.com.au</a>
Ted Marchant	Non-Executive Director	(07) 3218 9100	<a href="mailto:tmarchant@interfinancial.com.au">tmarchant@interfinancial.com.au</a>
Mark Steinhardt	Head of M&A	(07) 3218 9105	<a href="mailto:msteinhardt@interfinancial.com.au">msteinhardt@interfinancial.com.au</a>
Brad Shaw	Director – M&A	(07) 3218 9100	<a href="mailto:bshaw@interfinancial.com.au">bshaw@interfinancial.com.au</a>
David Hassum	Director	(07) 3218 9108	<a href="mailto:dhassum@interfinancial.com.au">dhassum@interfinancial.com.au</a>
Andrew Wheeler	Director	(07) 3218 9107	<a href="mailto:awheeler@interfinancial.com.au">awheeler@interfinancial.com.au</a>
Michael Kakanis	Associate Director	(07) 3218 9106	<a href="mailto:mkakanis@interfinancial.com.au">mkakanis@interfinancial.com.au</a>
Anuk Manchanda	Associate Director	(07) 3218 9100	<a href="mailto:amanchanda@interfinancial.com.au">amanchanda@interfinancial.com.au</a>
Lachlan O'Rourke	Associate	(07) 3218 9104	<a href="mailto:lorourke@interfinancial.com.au">lorourke@interfinancial.com.au</a>

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<p><b>InterFinancial</b> 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</p>	
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