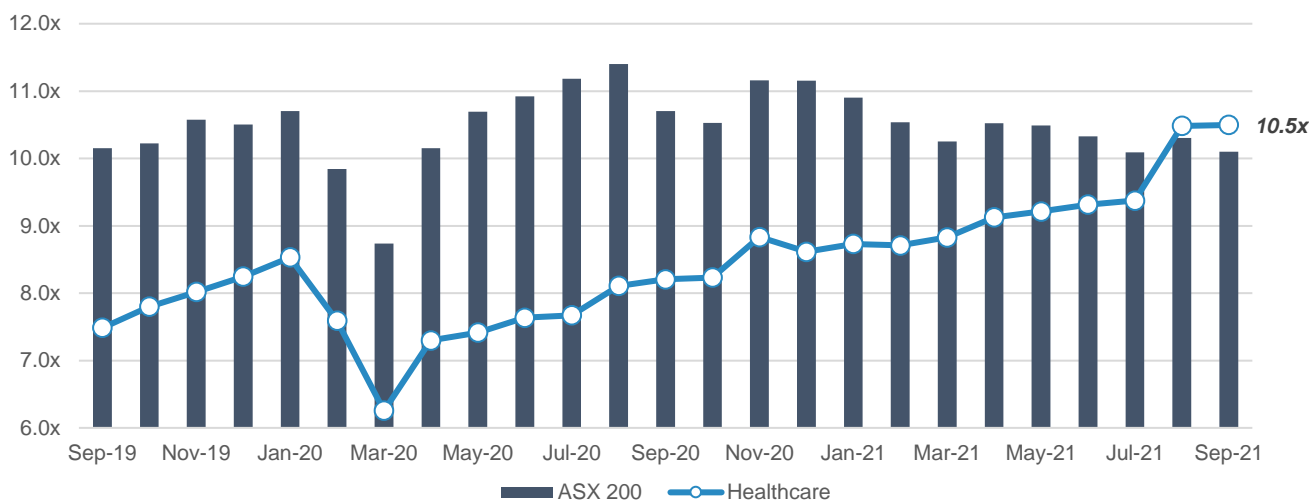


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 30/09/2021) Source: FactSet Research Systems Inc.

Multiples in the Healthcare sector have remained steady over the period. At the end of September, the sector traded on a forward EV / EBITDA multiple of 10.5x, compared to the ASX200 on 10.1x.



### Average Values and Trading Multiples (values as at 25/10/2021) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2022	EV/EBIT FY2022	Price / Earnings FY2022
Aged Care	757	5.9x	8.1x	25.7x
Animal Health	167	8.3x	12.6x	14.7x
Biotech	140,248	30.7x	35.5x	44.9x
Hospitals & Clinics	49,645	11.6x	24.9x	34.2x
<b>Healthcare</b>	<b>194,920</b>	<b>12.5x</b>	<b>41.4x</b>	<b>30.3x</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 88.4 m

Australia-based healthcare services provider **Healthia Limited** [ASX: HLA] has entered into a binding agreement to acquire physiotherapy clinic operator **Back In Motion Health Group**. The acquisition positions Healthia as the number one provider of physiotherapy services in Australia with a total of 122 physiotherapy clinics. The acquisition also offers geographic diversification including a 'step change' presence in Victoria and entry into the Western Australia and New Zealand markets.



Value: AUD 37.5 m

**Integral Diagnostics** [ASX:IDX], an Australia-based healthcare services company, announced on 30 September the acquisition of **The X-Ray Group**, an Australian radiology clinic, for an upfront consideration of AUD 37.5m (USD 27m)



Value: Not disclosed

Belgium-based **Ectosome** has been acquired by **ResMed** [NYSE:RMD, ASX:RMD]. The acquisition will support ResMed's desire to commercially target the sleeping disorder market, and therapeutically support individuals suffering from sleep apnea and other conditions



Value: USD 71.5 m

**EBOS** [ASX:EBO], an Australasian distributor of medical and pharmaceutical products, has acquired **MD Solutions**, an Australian distributor of medical devices. Both medical device distribution and medical consumables are important components to the EBOS' growth and diversification plan



## UNDER THE MICROSCOPE...

- **Seer Medical**, a private Melbourne-based Australian remote diagnostics company, expects to complete an AUD 50m (USD 36m) Series B raise by year end after closing a bridging round in August.
- **HaemaLogix**, an Australian immuno-oncology drug development company in the blood cancer space, is actively seeking a deal to advance its Phase 2b lead monoclonal antibody KappaMab for the treatment of multiple myeloma.
- **Wesfarmers** [ASX: WES] is eyeing additional acquisition opportunities to add to its current takeover target **Australian Pharmaceutical Industries** [ASX: API].
- **EQT** and **Morrison & Co** have been shortlisted in the final stages of the contest to acquire **Icon Group**, an Australia-based cancer care business.
- **Japara Healthcare** [ASX: JHC], will hold a shareholders meeting in October to have shareholders vote on the proposed scheme of **Little Company of Mary Health Care** to acquire the company.
- **Tamaki Health**, a New Zealand healthcare provider backed by private equity firm **Mercury Capital**, is set to collect first-round bids from private equity players
- **Alecon's** private equity team has invested in **Specialist Medical Services** (SMS Healthcare), an Australia-based ophthalmology and short stay hospital business

## UNDER THE MICROSCOPE...

- **Atmo Biosciences**, an Australia-based gut health monitoring technology business, is planning to list next year.
- **Tissue Repair**, an Australia-based regenerative medical business, is preparing to list on the ASX in November.
- **Quantum Health Group** [ASX: QTM], an Australia-based medical device distributor, is eyeing new acquisition opportunities across Asia.
- **Green Cross Health** [NZX: GHX] has confirmed that it is working with **Pacific Equity Partners** (PEP) regarding a potential bid to acquire **Tamaki Health**, a New Zealand primary healthcare business.
- **Race Oncology** [ASX:RAC], a Sydney-based Australian precision oncology company, could be a candidate for deal activity following its breakthrough in epigenetics
- **Biome**, an Australia-based probiotics business, is preparing to list on the ASX. The company is planning to raise AUD 8m (USD 5.8m) at AUD 0.20 a share to finance its growth efforts
- **HotDoc**, an Australia-based medical appointment booking business, is seeking AUD 30m (USD 22m) in a Series D funding round
- Australia's major supermarket chains **Woolworths** [ASX:WOW] and **Coles** [ASX:COL] are anticipated to consider offers for **Greencross**, an Australian pets and vets business. **Wesfarmers** [ASX:WES], **KKR** [NYSE:KKR], **EQT**, **Bain Capital**, **Blackstone** [NYSE:BX], **CVC**, **Partners Group**, and others with operations in Australia are also likely to look at Greencross.
- **Nabenet**, an Australia-based occupational rehab and injury management business, has been acquired by The Riverside Company
- **Australian Pharmaceutical Industries** [ASX:API] has been locked out of a data room by acquirer **Sigma Healthcare** [ASX:SIG]
- **Radiopharm Theranostics**, an Australia-based radiopharmaceuticals business, is preparing to send out terms for an initial public offering (IPO) to raise AUD 50m (USD 36m)
- **Tamaki Health**, a New Zealand-based primary health care business, has received a joint indicative and non-binding bid from **Pacific Equity Partners** (PEP) and **Green Cross Health** [NZE:GHX]. Other potential suitors include **BGH Capital**, which purchased the medical clinics business Healius [ASX:HLS] last year, and **Crescent Capital Partners**.
- **Perx Health**, a Sydney, Australia-based digital therapeutic treatment management, on 15 October announced that it has raised AUD 3m in (USD 2.2m) seed funding, led by **AirTree Ventures**.
- **Race Oncology** [ASX: RAC], a Sydney-based Australian precision oncology company, could be a candidate for deal activity following its breakthrough in epigenetics, an emerging area of science refuting the old belief that genes cannot be changed.
- **Artrya**, an Australia-based cardiac imaging technology business, is preparing to list on the ASX. The company is planning to raise AUD 40m (USD 29m).
- **Radiopharm Theranostics**, an Australia-based radiopharmaceuticals business, is preparing to send out terms for an IPO to raise AUD 50m (USD 36m). The company is expected to list with a market capitalisation of AUD 152m.
- **ResearchSat**, an Australian provider of satellites for conducting life sciences and pharmaceutical research in microgravity, is aiming to raise AUD 2m (USD 1,5m) early next year and is actively seeking strategic partners in the pharma industry.
- **Topelia Australia**, a biotech company established to commercialise a novel ATT treatment for Australians in quarantine, has launched an investment program designed to keep the invention Australian owned while rolling out treatment to the world.
- **Quality Mind Global**, an Australian mental wellbeing licensing and training company, is planning a Series A raise to accelerate global sales.
- **I-MED Radiology Network**, an Australia-based radiology business, could be put up for sale next year. I-MED is owned by **Permira** which paid AUD 1.3bn (USD 963m) to buy it in 2018. The group could sell for around 14x earnings.
- **Menarock Life**, an Australia-based residential aged care business is seeking offers from interest buyers. The company could be valued at over AUD 200m (USD 149.6m) and operates 12 residential aged care facilities with 709 beds.
- **Medibio** [ASX: MEB], an Australia-based mental health technology company, will assess capital raising requirements in early 2022 as it prepares for a year of significant growth.

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