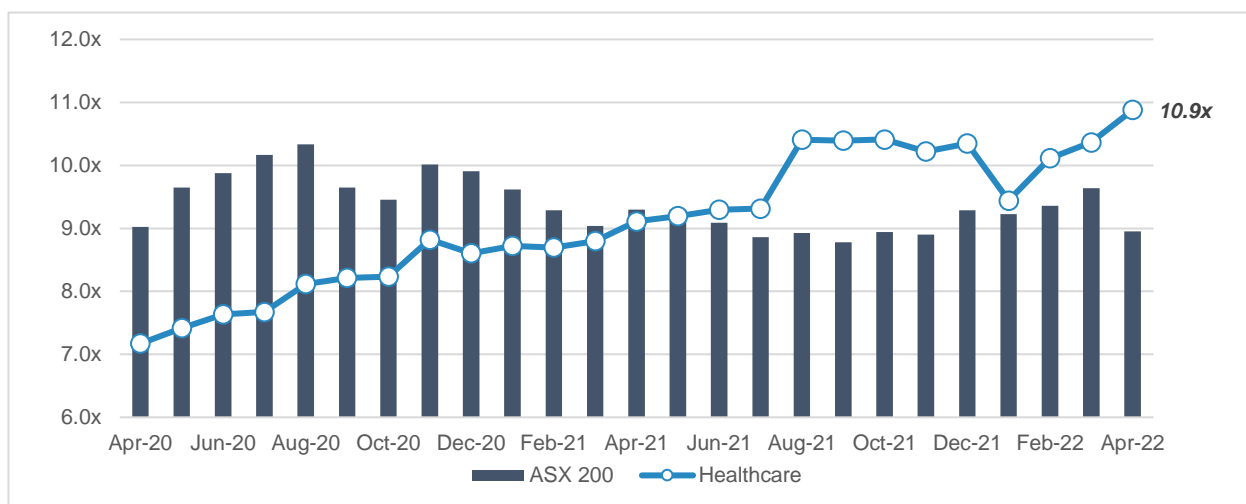


## VALUATION MULTIPLES

**Forward EV / EBITDA Multiples** (monthly to 30/04/2022) 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 10.9x, compared to the ASX200 on 9.0x.



**Average Values and Trading Multiples** (values as at 25/05/2022) Source: FactSet Research Systems Inc.

| Subsector           | Enterprise Value (\$ m) | EV/EBITDA FY2022 | EV/EBIT FY2022 | Price / Earnings FY2022 |
|---------------------|-------------------------|------------------|----------------|-------------------------|
| Aged Care           | 1,424                   | 8.5x             | 21.3x          | 124.2x                  |
| Animal Health       | 185                     | 9.9x             | 17.0x          | 15.4x                   |
| Biotech             | 124,691                 | 26.9x            | 37.9x          | 46.3x                   |
| Hospitals & Clinics | 55,716                  | 10.8x            | 14.7x          | 20.5x                   |
| Medical Devices     | 14,155                  | 18.5x            | 22.3x          | 32.5x                   |
| <b>Healthcare</b>   | <b>196,419</b>          | <b>13.0x</b>     | <b>19.0x</b>   | <b>36.4x</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: April 2022.

## MERGER & ACQUISITION NEWS...

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# KKR



Value: AUD 28.3 bn

**KKR & Co**, a private equity firm, has made a binding offer to acquire **Ramsay Health Care**, the listed Australia-based operator of hospitals and clinics.

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Value: AUD 37.5 m

**Integral Diagnostics Limited** have agreed to acquire Australia-based **Exact Radiology**, which is in Brisbane, Ipswich and surrounding areas. The acquisition provides IDX the opportunity to build and expand its business in South-East QLD.

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Value: AUD 201.8 m

**Liverpool Partners**, a mid-market private equity firm, has entered into an agreement to acquire **Genea Limited**, the third-largest provider of in-vitro fertilization in Australia.

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Value: AUD 40.0 m

**City Fertility** has entered into an agreement to acquire **Fertility Specialists of Western Australia**, an Australia-based IVF business. The acquisition provides City Fertility with access to expanded services, research and specialist fertility and health expertise for couples and individuals in Western Australia.

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Value: AUD 13.8 m

**Apiam Animal Health Limited** has entered into an agreement to acquire the assets of **Victorian Equine Group** and **Romsey Veterinary Surgery**. The deal should form a basis for accelerated expansion of equine services in Victoria.

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## UNDER THE MICROSCOPE...

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- **Kazia Therapeutics**, an Australian oncology company, may use the proceeds of a USD 35m equity program for potential acquisitions.
- **Crescent Capital** is working hard on the potential acquisition of **GenesisCare's** cardiology spin-off **CardiologyCo**. CardiologyCo reported revenue of AUD 128m in FY21 and is believed to be generating EBITDA of around AUD 30m per year.
- **MyDNA**, a Melbourne-based Australian genomics company, is gearing for a stock exchange listing, most likely in the US, in the next 12 months.
- **Virtus Health Ltd** bidder **BGH Capital** has extended the offer period for its off-market takeover offer until 27 May.
- **Charter Hall** and **AustralianSuper** are among buyers for a potential spin-off of **Ramsay Health Care's** medical property assets. **KKR** is considering splitting the company into an operating entity and a property holding company.
- **Wesfarmers** could buy **Ramsay Health Care's** pharmacy unit. Ramsay's private equity suitor **KKR** could sell various parts of the business should its AUD 20bn takeover offer succeed.
- **Nuheara**, an Australia-based hearing device maker is exploring options to list in the US. Nuheara's hearing device market presence in the US has been developing since the Company's inception.
- **Prota herapeutics**, an Australian biotechnology company developing a novel treatment for peanut allergy, expects to raise up to USD 80m to build a US management team and conduct late-stage clinical trials.
- **Australian Unity** is in talks with **KKR** to buy properties owned by **Ramsay Health Care**, an Australia-based health care business. The properties are expected to be worth around AUD 8bn to AUD 9bn.
- **Healius** hires **Gresham** to sell **Montserrat** day surgery business. Gresham is preparing documents for the sale process with **Medibank (ASX:MPL)** being a potential buyer.
- **GenesisCare's** cardiology sale process is now narrowed to three bidders; **BGH Capital**, **Pacific Equity Partners**, **Adamentum Capital**, and **Permira** could be among the final contenders. Final bids were due last week and an sale could be imminent.

## 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>         |
| Anne-Marie Birkill | Non-Executive Director  | (07) 3218 9100 |  |
| Rhyll Gardner      | Non-Executive Director  | (07) 3218 9100 |  |
| Brad Shaw          | Chief Executive Officer | (07) 3218 9100 | <a href="mailto:bshaw@interfinancial.com.au">bshaw@interfinancial.com.au</a>             |
| Mark Steinhardt    | Director – M&A          | (07) 3218 9105 | <a href="mailto:msteinhardt@interfinancial.com.au">msteinhardt@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>       |
| Simon Brodie       | Director                | (07) 3218 9100 | <a href="mailto:sbrodie@interfinancial.com.au">sbrodie@interfinancial.com.au</a>         |
| Les Jones          | Director                | (07) 3218 9100 | <a href="mailto:ljones@interfinancial.com.au">ljones@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>   |
| Maggie Liu         | Associate               | (07) 3218 9100 | <a href="mailto:mliu@interfinancial.com.au">mliu@interfinancial.com.au</a>               |
| Kaitlin Whitaker   | Analyst                 | (07) 3218 9100 | <a href="mailto:kwhitaker@interfinancial.com.au">kwhitaker@interfinancial.com.au</a>     |

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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

