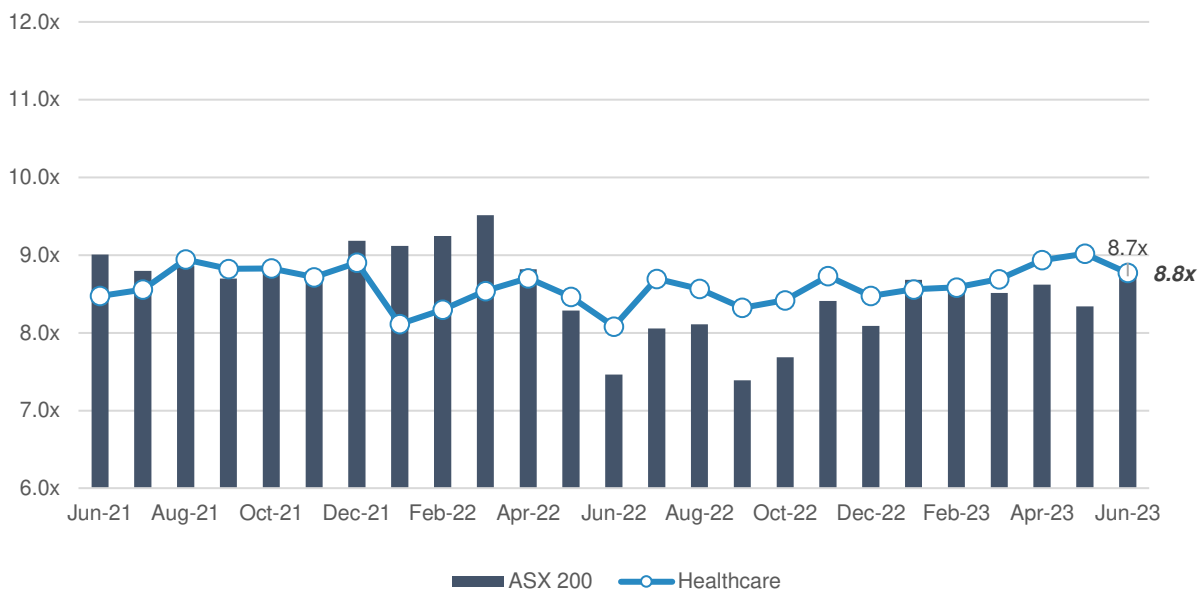


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 30/06/2023) Source: FactSet Research Systems Inc.

Multiples in the Healthcare sector have increased over the period. At the end of June, the sector traded on a forward EV / EBITDA multiple of 8.8x, compared to the ASX200 on 8.7x.



### Average Values and Trading Multiples (values as at 30/06/2023) Source: FactSet Research Systems Inc.

| Subsector           | Enterprise Value (\$m) | EV/EBITDA FY2023 | EV/EBIT FY2023 | Price / Earnings FY2023 |
|---------------------|------------------------|------------------|----------------|-------------------------|
| Aged Care           | 673                    | 6.5x             | 11.4x          | 23.4x                   |
| Animal Health       | 161                    | 6.2x             | 9.6x           | 12.2x                   |
| Biotech             | 128,641                | 18.7x            | 22.5x          | 33.3x                   |
| Hospitals & Clinics | 45,013                 | 9.3x             | 17.4x          | 21.3x                   |
| Medical Devices     | 1,226                  | 79.4x            | N/A            | N/A                     |
| <b>Healthcare</b>   | <b>175,956</b>         | <b>15.2x</b>     | <b>13.3x</b>   | <b>20.9x</b>            |

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2023. 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.

<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...

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**Value:** Not Disclosed

**Gauge Capital LLC**, the private equity firm has acquired an undisclosed stake in **Loving Tan**, the company specializing in tanning products. The terms of the deal were undisclosed.

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**Value:** Not Disclosed

**NIB Holdings Ltd**, the Australia based health insurance provider, has acquired **Kynd Group**, the local a digital marketplace for people who use Australia's National Disability Insurance Scheme. The terms of the deal were undisclosed.

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**Value:** \$200m

**Hillhouse Investment Management Ltd**, the venture capital firm confirmed acquisition of a majority stake in **George Clinical Pty Ltd**, the Australia based provider of trial management services, pharmaceutical, medical device and biotech clinical research services.

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**Value:** Not Disclosed

Genesis Capital, the healthcare specialist has bought a stake in Australian Clinical trials site management organization AusTrials, for an undisclosed amount

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## UNDER THE MICROSCOPE...

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- Clinical dermatology company, **Botanix Pharmaceuticals** [ASX:BOT] is eyeing potential M&A following an AUD 12.5m (USD 8.5m) institutional placement. Proceeds from the placement are expected to be primarily used to extinguish the future milestone and royalty payments due to **Fresh Tracks Therapeutics Inc**, the company that Botanix acquired in early 2022. The buyout is particularly attractive to Botanix, not only because of the relatively modest payment made to Fresh Tracks in respect of extinguishing the potential future financial obligations to Fresh Tracks, but also because the buyout will consolidate the control and financial benefits of SB gel to Botanix, which is expected to make it much more attractive to potential M&A or other partners in the future.
- **Bupa** could have a hard time finding buyers for its Australian dental business as it may be difficult to find a party willing to meet Bupa's price expectations. While some believe dental operations could generate synergies by combining with a health insurer, others believe that their incentives do not align. It is understood that dentists are looking to increase prices and volume, while insurers have the opposite agenda. **BGH Capital**, which owns **1300smiles** and **Abano**, is considered an obvious buyer for Bupa Dental, while **Crescent Capital**, which owns **National Dental Care**, may also be interested. However, the article said that Crescent may be planning to scale back its healthcare exposure.
- Potential buyers are likely to hold off on pursuing **Regis Healthcare** [ASX:REG], an Australia-based aged care business, for now. Regis is considered an obvious takeover target, but some analysts believe that its share price may need to fall before it receives interest. Ord Minnett analysts noted this Regis is a quality business working in an improving operating environment, but with its share price up over 50% since March there is limited near-term upside. The company has a market value of AUD 660m (USD 442m). Regis rejected an AUD 556m takeover offer from **Washington H Soul Pattinson** and **Skip Capital** in 2020, while **TPG Capital** and David di Pilla's aged care group **Aurum** have also considered bids.
- **Pacific Equity Partners** (PEP) is preparing to bid for **Aurora Healthcare**, an Australia-based healthcare business. PEP could look to bring Aurora Healthcare back together with **Healthe Care**.
- Australia's **Medibank** [ASX: MPL] will pursue opportunities in targeted high growth markets, including virtual health, primary and community care, and short stay hospitals, to expand its health segment, a company spokesperson said. The spokesperson said the company does not comment on market speculation, when asked by this news service whether the AUD 9.8bn (USD 6.5bn) market cap health insurance company would be interested in **Aurora Healthcare**, an Australia-based mental health and rehabilitation provider. The spokesperson said Medibank will pursue opportunities to "grow in areas such as preventative health and our integrated care solutions across virtual health, primary and community care, and short stay settings. We are clear on what these markets are and how we will invest within them," the spokesperson said. "We are also clear on who we will partner with, and we will continue to remain disciplined in our expansion in health."

## CONTACT DETAILS

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