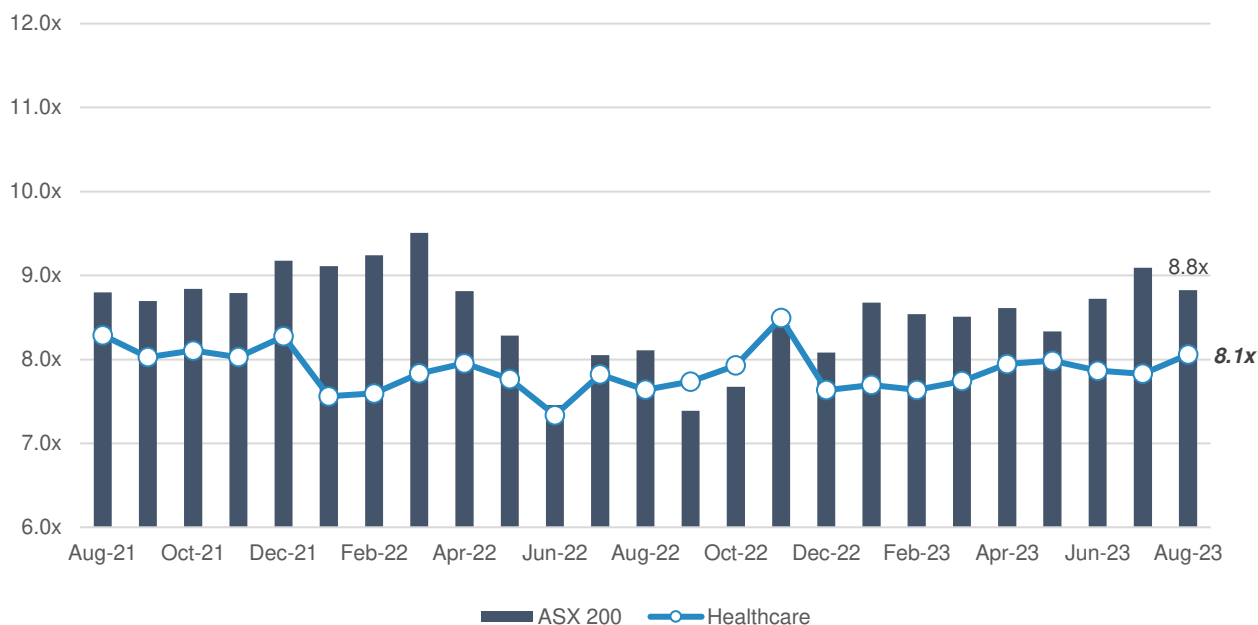


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 30/08/2023) Source: FactSet Research Systems Inc.

Multiples in the Healthcare sector have remained constant over the period. At the end of August, the sector traded on a forward EV / EBITDA multiple of 8.1x, compared to the ASX200 on 8.8x.



### Average Values and Trading Multiples (values as at 30/08/2023) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2023	EV/EBIT FY2023	Price / Earnings FY2023
Aged Care	759	8.2x	15.7x	28.0x
Animal Health	162	NA	NA	NA
Biotech	149,004	19.6x	23.0x	28.6x
Hospitals & Clinics	43,897	9.7x	16.2x	23.0x
Medical Devices	1,296	NA	NA	87.1x
<b>Healthcare</b>	<b>196,416</b>	<b>1.8x</b>	<b>18.3x</b>	<b>35.6x</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...

---



**Value:** AUD 260m

**Pacific Equity Partners**, the private equity and venture capital firm, through its subsidiary **Harold Bidco**, is to acquire **Healthia**, the Australia based operator of podiatry clinics and shoe stores, and provider of physiotherapy services. The consideration is AUD 260m in cash, based on offer price of AUD 1.80 per share and 144,448,379 fully diluted shares of Healthia. The deal value including net debt is AUD 421.435m. The transaction is subject to Healthia shareholders approval, approval by the Court and Foreign Investment Review Board and other customary closing conditions.



**Value:** Undisclosed

**Ontario Teachers Pension Plan**, the Canada based pension Fund is to acquire the remaining stake in **Terra Carbon Pty Ltd**, the Australia based natural resource management and environmental markets consultancy focused on climate change and carbon management strategy from KKR & Co Inc, the global investment firm. The terms of the deal were undisclosed.



**Value:** Undisclosed

**Dennis Bastas** (Private Individual), the Australia based individual interested in pharma sector has acquired **Axe Health**, the United States based engaged in pharmaceutical consulting business. The terms of the deal were undisclosed.

---

## UNDER THE MICROSCOPE...

---

- **Wesfarmers** is considering an acquisition of **Greencross**, the Australian-based pet care business owned by **TPG Capital**. The move came at a time when the private equity owner is mulling strategic options for Greencross, including a stock market listing. TPG Capital acquired the business in 2019 for AUD 675m, and sold a 45% stake in the company last year to AustralianSuper and the Healthcare of Ontario Pension Plan in a deal that valued Greencross at AUD 3.5bn
- Australian private equity firm **Genesis Capital** is among the bidders for **Ekeria Dental**, the Australia-based dentistry business owned by another private equity firm **The Growth Fund**. The operator of 46 dental clinics in the country could be sold for as much as AUD 300m via the sale process managed by **Allier Capital**. Previously, **BGH Capital** was regarded as a buyer candidate, but is not in the sale process anymore
- **Citi** has launched the sale process for **Cura Group**, an Australia-based day hospital business. An information memorandum has been sent to prospective bidders and around 15 to 20 parties have been offered the opportunity to examine the company. Cura is believed to generate annual EBITDA of around AUD 42m.
- **Control Bionics** [ASX:CBL], an Australian assistive technology device developer, could attract takeover attention as it evaluates funding options. The company, which is already generating revenue from its core NeuroNode (EMG) technology to design, make, and sell devices to enable people with complex communication (loss of speech) and physical needs (paralysis) to communicate via a computer using their intention of movement and neural signals, is evaluating funding options to accelerate growth. These could include a capital raising or tapping non-dilutive government funding.
- **Affinity Equity Partners** is believed to be bidding for **VetPartners**, an Australia-based veterinary chain. VetPartners is expected to sell for around AUD 1.4bn. (EQT Partners is also competing for VetPartners along with **Pemira Private Equity**.)
- **EQT** is among buyers interested in **Ramsay Sime Darby Health Care**, the Asian hospital operation jointly owned by **Ramsay Health Care** [ASX:RHC] and **Sime Darby** [KLSE:SIME]. Other buyers include a Japanese party, TPG Capital through its joint venture with Hong Leong Columbia Asia Hospitals, Macquarie Asset Management, Sunway Medical Centre, and Mitra Keluarga Karyasehat.
- The sale process for **Aurora Healthcare**, an Australia-based mental health provider, could be put on hold. Tough conditions in the mental health space and questions over whether there is sufficient competitive tension in the auction could prompt the company's owners to delay the sale until conditions improve and a higher price can be justified. So far, **Pacific Equity Partners (PEP)** is the main contender for the company and no other serious bidders have emerged.
- Australian pain relief brand **Pain Away** and its acquirer **Wellnex Life Ltd** [ASX:WNLX] agreed to reduce upfront payment for the proposed acquisition to AUD 13.95m including inventory target of AUD 1.15m.

## 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	0411 055 666	<a href="mailto:sdoyle@interfinancial.com.au">sdoyle@interfinancial.com.au</a>
Brad Shaw	Chief Executive Officer	0499 058 582	<a href="mailto:bshaw@interfinancial.com.au">bshaw@interfinancial.com.au</a>
Mark Steinhardt	Executive Director – M&A	0403 628 842	<a href="mailto:msteinhardt@interfinancial.com.au">msteinhardt@interfinancial.com.au</a>
David Hassum	Director	0411 132 251	<a href="mailto:dhassum@interfinancial.com.au">dhassum@interfinancial.com.au</a>
Andrew Wheeler	Director	0438 316 716	<a href="mailto:awheeler@interfinancial.com.au">awheeler@interfinancial.com.au</a>
Kalum De Silva	Director	0414 685 903	<a href="mailto:kdesilva@interfinancial.com.au">kdesilva@interfinancial.com.au</a>
Graeme McKellar	Managing Director – IFL Ventures	0416 428 993	<a href="mailto:graeme@iflventures.com">graeme@iflventures.com</a>
Michael Kakanis	Associate Director	0421 212 534	<a href="mailto:mkakanis@interfinancial.com.au">mkakanis@interfinancial.com.au</a>
Anuk Manchanda	Director	0434 087 673	<a href="mailto:amanchanda@interfinancial.com.au">amanchanda@interfinancial.com.au</a>
Nimerta Kumari	Associate Director	0459 165 035	<a href="mailto:nkumari@interfinancial.com.au">nkumari@interfinancial.com.au</a>
Jenny Zeng	Associate Director – IFL Ventures	0452 473 536	<a href="mailto:Jenny@iflventures.com">Jenny@iflventures.com</a>
Lisa McKellar	Associate Director – IFL Ventures	0404 085 342	<a href="mailto:lisa@iflventures.com">lisa@iflventures.com</a>
Maggie Liu	Senior Consultant	0401 459 719	<a href="mailto:mliu@interfinancial.com.au">mliu@interfinancial.com.au</a>
Nasia Christodoulou	Research Assistant	0427 737 493	<a href="mailto:nchristodoulou@interfinancial.com.au">nchristodoulou@interfinancial.com.au</a>

## DISCLAIMER

This information has been sourced from the ASX, Mergermarket.com and various other public information sources. Forecasts are consensus forecasts sourced from FactSet Research Systems Inc.

**Important Disclaimer** – This may affect your legal rights: Because this document has been prepared without consideration of any specific person's financial situation, particular needs and investment objectives, a financial services licensee or investment adviser should be consulted before any investment decision is made. While this document is based on information from sources which are considered reliable, InterFinancial, its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does InterFinancial accept any responsibility to inform you of any matter that subsequently comes to notice, which may affect any of the information contained in this document. This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of InterFinancial. This report does not constitute advice to any person.

**Disclosure.** InterFinancial has no interest in any of the securities mentioned in this publication. However, its directors, executives or consultants may have an interest in some of the securities, directly or indirectly, which are mentioned.

*InterFinancial is a member of Clairfield International, an international corporate finance firm that provides advisory services in crossborder mergers and acquisitions. Clairfield is represented by over 400 people across 22 countries, closing over 100 transactions each year.*

<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>	
---	---