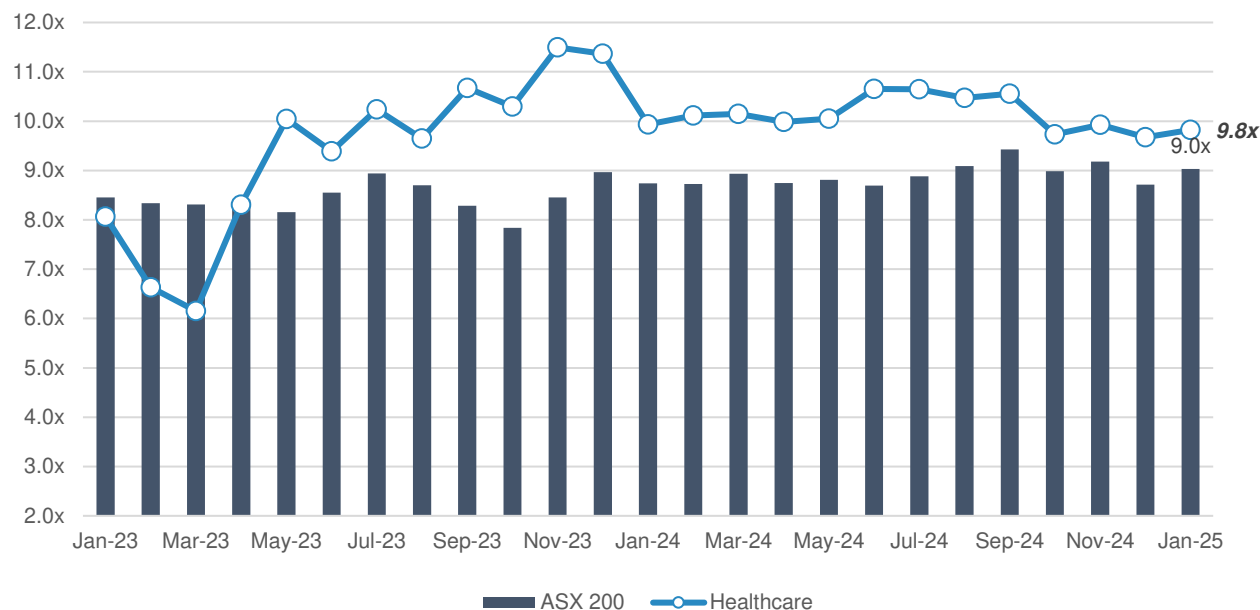


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 31/01/2025) Source: FactSet Research Systems Inc.

Multiples in the Healthcare sector have increased over the period. At the end of January, the sector traded on a forward EV / EBITDA multiple of 9.8x, compared to the ASX200 on 9.0x.



### Average Values and Trading Multiples (monthly to 31/01/2025) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2025	EV/EBIT FY2025	Price / Earnings FY2025
Aged Care	1,956	16.0x	27.2x	40.7x
Biotech	145,678	7.0x	8.8x	25.7x
Hospitals & Clinics	42,609	8.6x	21.0x	23.2x
Medical Devices	18,656	17.9x	21.3x	34.3x
<b>Healthcare</b>	<b>208,899</b>	<b>10.5x</b>	<b>19.4x</b>	<b>27.4x</b>

Note: Multiples are based on the forward year of the reported period, which for the majority of companies in the sector is FY2025. Difference in forward EV/EBITDA multiples between Figure and Table are representative of the timing difference between month-end result, and current day result.

<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:** \$180.47m

Australian radiopharmaceutical company **AdvanCell** has completed a Series C funding round worth \$112m from an investor group comprising of **SV Health Investors LLP**, **Sanofi Ventures**, **Abingworth**, **SymBiosis**, **Morningside**, **Tenmile** and **Brandon Capital**.



**Value:** \$672m

**Mayne Pharma Group Limited** has announced it has entered a scheme implementation deed with US based **Cosette Pharmaceuticals** for a 100% acquisition. The acquisition price of AUD 7.40 per Mayne share implies an equity valuation of AUD 672m, a 37% premium to Mayne Pharma's closing share price as at 20 February 2025.



**Value:** Undisclosed

**Glow Capital Partners**, the growth private equity firm has acquired an undisclosed stake in **Delta Laboratories Pty Ltd**, the Australia based contract manufacturer of consumer products. The terms of the deal were undisclosed.



**Value:** Over \$100m

**Genesis Capital** has invested in **Ochre Health**, an Australian medical practice business. Genesis Capital will operate the business with founder Hamish Meldrum who will retain a major shareholding. Terms of the deal have not been disclosed, however, news articles have suggested that the group has likely been valued at over AUD 100m.



**Value:** \$5.9m

Australian digital health business **Vitura Health Limited** has acquired an Australian medicinal cannabis clinic businesses, **Candor Medical**. Vitura's purchase of Candor Medical for \$5.9 million - including a \$4 million initial cash component - will add to its well-established medicinal cannabis clinic services and add extra depth and more personalised experiences for patients. Candor Medical provides prescription treatments, including access to medicinal cannabis, through its telehealth consultations with patients. It was established in 2022 and provides consultation services to around 15,000 patients, resulting in nearly \$30 million in annual medication purchases via pharmacies.



**WestVETS**



**Value:** Undisclosed

Germany-based **Altano Group**, an international group of leading equine clinics and practices has acquired **WestVETS**, two animal hospitals based west of Brisbane. Founded in 1999 as the Anstead Veterinary Practice, WestVETS has grown into a highly respected multi-veterinarian practice serving a wide variety of animals. In 2012, the practice expanded by opening a second small animal hospital and an Equine Reproduction Centre in Marburg. To reflect its broadened scope, the practice rebranded as WestVETS Animal Hospital.

## UNDER THE MICROSCOPE...

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- Australian medical device business **Device Technologies** has attracted bids from private equity such as **EQT, The Carlyle Group, CVC Capital**, with further interest from **Bain Capital** and **TPG Capital**. Owner **Navis Kapital** is expected to launch the company for auction by the end of March.
- **Pacific Equity Partners (PEP)** is in talks to buy Australian diagnostic imaging provider **Imaging Associates** from **Advent Partners**.
- Australian private hospital operator **Healthscope** is in talks with lenders to renegotiate its AUD1.61bn debt load due June 2027 considering difficulty in meeting upcoming interest payments. A possible solution is divestment of a part of its network of 38 hospitals across Australia.
- Australian diagnostic imaging services operator **Lumus Imaging's** five-year senior secured syndicated loan facility, valued at AUD 515m to fund **Affinity Equity Partner's** proposed purchase of Lumus has been allocated to eight banks and credit funds. The facility was oversubscribed on syndication, with the sale expected to close by the end of June.
- **Liverpool Partners** is gearing up to secure a financial supporter for **Genea**, an Australia-based IVF business. Liverpool, the entity that acquired Genea in 2022, is expected to seek additional capital for Genea and is in search of a new funding collaborator. A key obstacle for IVF providers has been the departure of doctors. Genea generates annual revenue of AUD 810m.
- **TPG Capital** is finalizing the transfer of its clinical trials business, **Novotech**, to its newer USD 8bn Asia Fund VIII, securing additional co-investment from Singapore's sovereign wealth funds, **GIC** and **Temasek**. The interfund transfer, expected to close in the coming weeks, follows unsuccessful attempts to sell a stake to external bidders, including **Bain Capital** and **Kohlberg & Company**. GIC, already a Novotech investor since 2021, has reaffirmed its interest despite sector-wide valuation declines. New investor Temasek adds Novotech to its diverse Australian portfolio, which includes **BetaShares, Real Pet Food Company, Databricks**, and **TEG**.
- **Healius** and **Australian Clinical Labs** are believed to have revived merger talks. The two companies previously entered talks in 2023 after ACL made a hostile takeover bid. At the time, Healius described the bid as opportunistic and fended off the approach. Since then, ACL's previous owner, **Crescent Capital**, has sold its remaining stake in the company, while Healius has divested its diagnostic imaging business. Industry sources believe that consolidation in the space is inevitable as companies seek to maintain strong earnings amid rising operating expenses and declining demand. The report noted that the Australian Competition and Consumer Commission (ACCC) could object to a deal, but asset sales could potentially ease its concerns. Healius has a market capitalisation of AUD 1bn, while ACL is worth AUD 730m.

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