

FEBRUARY 2020 – HEALTHCARE

Executive Summary

The **Integrated Healthcare Services** closed down 5.7%, **Healthcare Supplies** fell 15.7% and **Ancillary Services** fell 8.8%. Meanwhile, the **Pharmacy** sector closed down 2.5%

Across all sectors, the largest decrease was from **Paragon Care Limited** closing down 52.4%. The largest gain was from **Capitol Health Limited**, closing up 15.4%

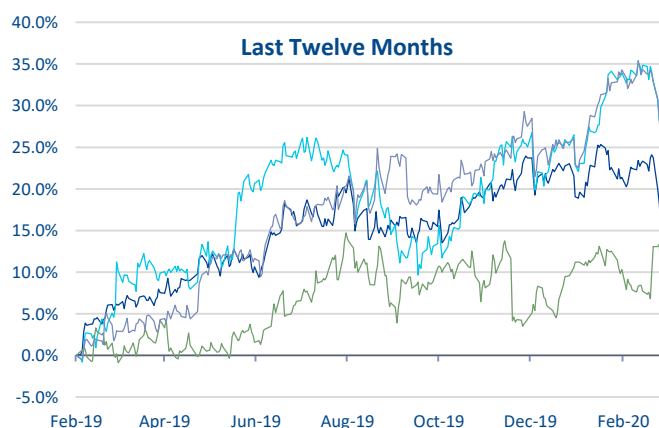
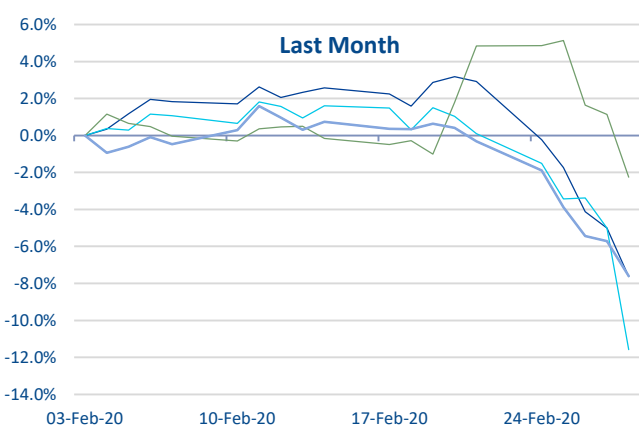
LTM EV/EBITDA multiples were 13.7x, 29.2x, 9.6x and 11.6x for **Integrated Healthcare Services, Healthcare Supplies, Pharmacy** and **Ancillary Services** respectively

Average NTM EV/EBITDA multiples for the four sectors were 10.4x, 28.3x, 9.9x and 10.5x respectively

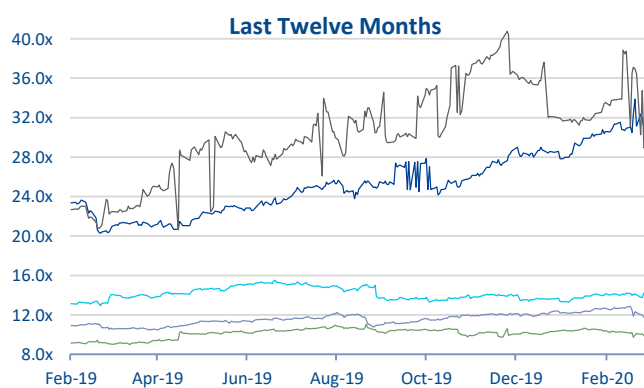
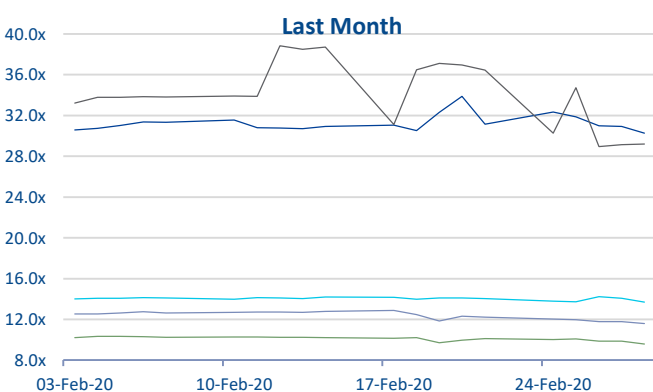
Key Developments

- Partners Group Holding AG made a non-binding indicative offer to acquire the remaining 84.12% stake in **Healius Limited**
- Nyxoah S.A. announced that it has raised €25 million in a private financing round

INDEXED SHARE PRICE PERFORMANCE



VALUATION PERSPECTIVES (LTM EV/EBITDA)



EAC Partners has constructed a market capitalisation weighted index for the Integrated Healthcare, Pharmacy and Ancillary services coverage groups: The charts shown are the indexed share price performance for the constituent companies of the EAC coverage group and the ASX200 Industrials Index.

ASX 200 Health Index
 Integrated healthcare services
 Healthcare supplies/medical equipment
 Pharmacy
 Ancillary services

CONSTITUENTS

Integrated healthcare services	Ticker	Closing Price	Monthly Movement	Market Cap (AUD)	EV (AUD)	EV / EBITDA (LTM)	EV / EBITDA (NTM)	P / E (Trailing)	P / E (Forward)	ND / EBITDA (Trailing)	Div Yield (Trailing)
Healius Limited	HLS	3.04	2.7% ▲	1,893.1	4,011.3	14.6x	9.7x	18.7x	18.7x	3.9x	1.7%
Ramsay Health Care Limited	RHC	68.01	(14.1%) ▼	13,658.3	23,085.9	12.8x	11.1x	26.4x	23.6x	3.2x	2.3%
Average			(5.7%)			13.7x	10.4x	22.5x	21.1x	3.6x	2.0%
Healthcare supplies/medical equipment											
Compumedics Limited	CMP	0.68	1.5% ▲	120.5	117.5	20.7x	16.1x	30.0x	22.7x	NM	NM
Cochlear Limited	COH	207.59	(13.9%) ▼	12,004.9	12,337.9	31.6x	25.9x	39.2x	40.6x	0.3x	1.6%
CSL Limited	CSL	309.44	(0.8%) ▼	140,449.4	147,477.3	35.3x	28.3x	49.2x	40.5x	1.4x	0.9%
Cyclopharm Limited	CYC	0.97	(19.2%) ▼	75.9	68.2	NM	23.1x	NM	45.2x	NM	1.0%
Ellex Medical Lasers Limited	ELX	0.70	(17.6%) ▼	100.5	101.7	NM	22.6x	NM	NM	NM	NM
ImpediMed Limited	IPD	0.08	(38.5%) ▼	40.9	28.7	NM	NM	NM	NM	NM	NM
Mesoblast Limited	MSB	2.24	(25.3%) ▼	1,195.3	1,213.8	NM	NM	NM	NM	NM	NM
Nanosonics Limited	NAN	6.70	(3.5%) ▼	2,013.2	1,933.6	NM	73.1x	166.7x	112.4x	NM	NM
Paragon Care Limited	PGC	0.20	(52.4%) ▼	65.9	166.9	9.0x	5.5x	13.1x	3.8x	3.5x	NM
Resonance Health Limited	RHT	0.15	(21.1%) ▼	64.6	61.4	NM	NM	NM	NM	NM	NM
SomnoMed Limited	SOM	3.00	(7.1%) ▼	188.4	190.0	35.8x	25.3x	214.0x	45.1x	NM	NM
Fisher & Paykel Healthcare Corp Ltd	FPH	24.72	9.9% ▲	14,201.3	14,239.7	41.6x	34.0x	64.1x	51.9x	NM	0.9%
Average			(15.7%)			29.0x	28.2x	82.3x	45.3x	1.7x	1.1%
Pharmacy											
Australian Pharmaceutical Industries Ltd	API	1.20	(9.1%) ▼	588.7	798.5	7.8x	6.8x	10.8x	12.5x	2.0x	6.5%
EBOS Group Limited	EBO	22.33	(3.0%) ▼	3,592.8	4,232.0	14.2x	13.1x	23.2x	21.1x	1.5x	3.1%
Green Cross Health Limited	NZSE:GXH	1.08	(14.3%) ▼	155.1	285.6	6.7x	NM	10.8x	NM	0.9x	6.2%
Average			(8.8%)			9.6x	9.9x	14.9x	16.8x	1.5x	5.2%
Ancillary services											
Capitol Health Limited	CAJ	0.30	15.4% ▲	232.6	330.1	10.4x	11.5x	13.2x	21.1x	1.5x	3.3%
Integral Diagnostics Limited	IDX	3.95	(2.9%) ▼	768.5	997.1	16.9x	13.2x	31.4x	21.4x	2.3x	2.8%
Monash IVF Group Limited	MVF	0.91	(9.0%) ▼	214.6	329.8	9.2x	8.2x	11.7x	10.8x	2.3x	6.6%
1300SMILES Limited	ONT	6.00	(4.9%) ▼	142.1	161.4	12.1x	8.9x	17.7x	15.1x	0.7x	4.4%
Pacific Smiles Group Limited	PSQ	1.76	(3.3%) ▼	267.5	342.5	8.9x	12.2x	31.6x	27.0x	0.5x	3.3%
Sonic Healthcare Limited	SHL	28.80	(9.1%) ▼	13,681.3	17,318.0	14.4x	11.5x	23.5x	23.3x	2.4x	2.9%
Virtus Health Limited	VRT	4.15	(3.9%) ▼	331.6	597.1	9.2x	7.9x	11.7x	12.5x	2.8x	5.8%
Average			(2.5%)			11.6x	10.5x	20.1x	18.7x	1.8x	4.2%
Coverage Group Average						15.7x	16.3x	36.4x	26.9x	1.9x	3.6%

KEY DEVELOPMENTS

Activity

- Partners Group Holding AG (SWX:PGHN) made a non-binding indicative offer to acquire the remaining 84.12% stake in **Healius Limited (ASX:HLS)** for AUD \$1.8 billion. Under the terms of the transaction, Partners Group Holding AG will pay AUD \$3.4 cash per share to acquire the remaining shares in Healius
- Nyxoah S.A. announced that it has raised €25 million in a private financing round from ResMed Inc. (NYSE:RMD), **Cochlear Limited (ASX:COH)**, and several historical shareholders. The proceeds will enable Nyxoah to further advance in developing long-term clinical evidence on the Genio system, prepare for the IDE pivotal trial in the United States and accelerate the ongoing market access and commercialisation activities in Europe, Australia and New Zealand

EAC PARTNERS

EAC Partners is an independent corporate advisory firm based in Sydney. Our services include Mergers and Acquisitions, Divestments, Corporate Finance and Capital Raisings. Below is a brief snapshot of our recent experience:

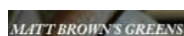
Transaction Experience



Batchfire: Advised in relation to a \$25m equity rights issue



Safe Direction: Completed a strategic and capital structure review



Matt Brown's Greens: Advised on its sale to MorCo Fresh



Running Bare: Completed a strategic review



Smollen Group: Advised Australia's largest real estate franchise on its \$70m sale to McGrath Limited



Yello: Advised in relation to its series A capital raising



APSEZ: Advised on acquisition of Abbot Point Bulkcoal from Glencore
Advised on its inaugural USD650m investment grade bond offer



ATL: Advised on its USD500m investment grade bond offer
Advised on their finance plan, which included rating advice



Sibelco: Advised on the acquisition of an industrial minerals producer



Holcim: Strategic review of two non-core assets



EnviroPacific Services: Advised on the divestment of 44% of the shares to Adexum Capital



Freemantle Media: Advised on the takeover of a listed media business



Adani: Advised on the AUD1.25Bn refinance of Adani Abbot Point Terminal
Advised on its USD150m maiden USPP issue
Advised on its AUD100m 6 year AMTN issue



Moko: Advised in relation to an acquisition and capital raise

Awards



EAC Partners received the 2018 award for "Best M&A Advisory Firm – Australia"



EAC Partners received the 2018 award for "Most Client-Focused Corporate Advisory Firm – NSW"

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