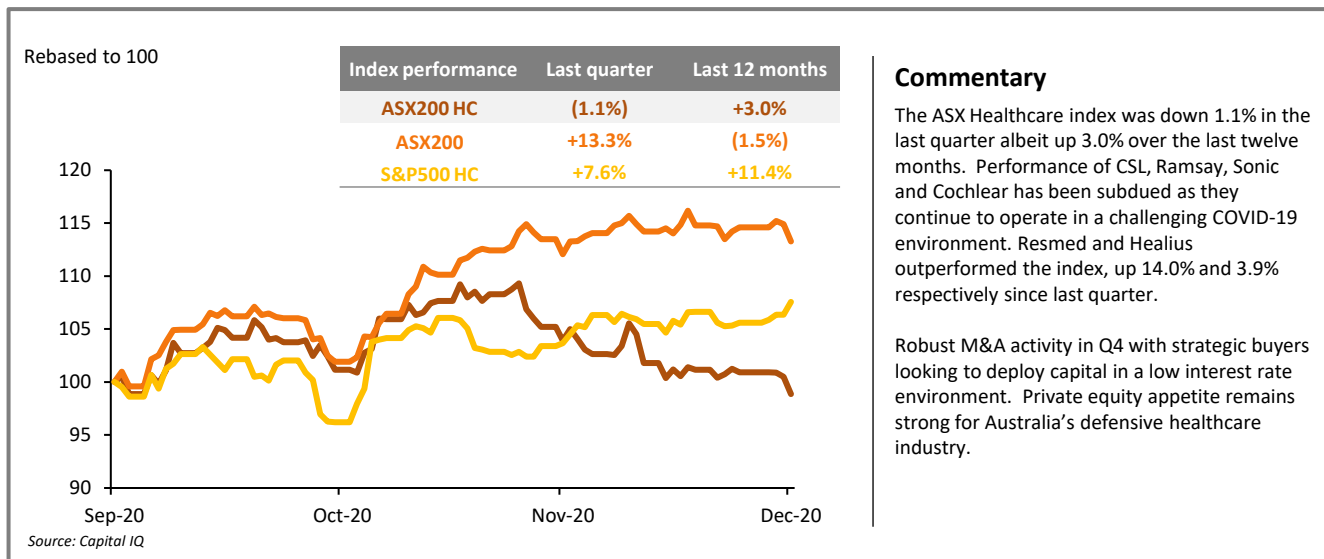


Quarterly performance



Commentary

The ASX Healthcare index was down 1.1% in the last quarter albeit up 3.0% over the last twelve months. Performance of CSL, Ramsay, Sonic and Cochlear has been subdued as they continue to operate in a challenging COVID-19 environment. Resmed and Healius outperformed the index, up 14.0% and 3.9% respectively since last quarter.

Robust M&A activity in Q4 with strategic buyers looking to deploy capital in a low interest rate environment. Private equity appetite remains strong for Australia's defensive healthcare industry.

Quarterly M&A & other news

Date	Description
18-Dec-20	The Riverside Company has emerged as a leading contender to buy AUB Group's 56.9% stake in Altius Group
18-Dec-20	Capitol Health rumoured to be a potential takeover candidate with a market value of A\$282m and has been trading at ~9x EBITDA. Integral Diagnostics (ASX:IDX) , Pernira and Ramsay Health Care (ASX:RHC) could be potential buyers
18-Dec-20	Trajan Scientific Australia is planning to list on the ASX and could be valued up to A\$500m
16-Dec-20	Livingbridge acquired Better Medical and SmartClinics and will combine the groups to form Australia's fifth largest medical practice platform
15-Dec-20	PowerHealth Solutions has been running an auction process to secure a new investor and could be valued up to A\$200m
14-Dec-20	Myhealth Medical suitor Medibank (ASX:MPL) thought to be competing against at least one family office. Myhealth, which is owned by Crescent Capital , is believed to generate between A\$25-30m of EBITDA
8-Dec-20	Healthmatch has raised A\$18m in a funding round led by Square Peg with Tempus Partners , the Turnbull family office , January Capital , Eugene Fooksam and Brandon and Nicky Carp also involved in the raising
4-Dec-20	Icon Group is preparing to launch a dual-track process in 2021 considering a sale or IPO with Ramsay Healthcare (ASX:RHC) considered a likely suitor
3-Dec-20	Regis Healthcare (ASX:REG) may be considering a plan to spin off its real estate assets after rejecting a takeover bid in November from WHSP (ASX:SOL) for A\$556m
26-Nov-20	Abano (NZX:ABA) shareholders voted in favour of a scheme to be acquired by Adamz NZ Bidco (an entity controlled by BGH Capital and Ontario Teachers' Pension Plan) for NZ\$5.2 per share
11-Nov-20	RipeGlobal is targeting an IPO in 2024 following an ongoing Series A fundraise and planned Series B round next year or in early 2022. It's targeting an IPO valuation of A\$158-224m based on targeted revenue prior to IPO of A\$62-100m
30-Oct-20	Ramsay Health Care (ASX:RHC) is looking at potential acquisition opportunities in adjacent areas including radiology and mental health after missing out in the auction for Qscan
26-Oct-20	Infratil (ASX:IFT) and Morrison & Co have agreed to acquire Qscan from Quadrant Private Equity for A\$735m which implies an EV / EBITDA multiple of 12.7-14.1x
19-Oct-20	TPG Capital are trying to source one or more strategic investors for Novotech before a targeted listing within 12-18 months. This comes on the back of TPG securing a A\$200m funding package for the firm earlier in October

Sources: Capital IQ, Mergermarket, press reports

Largest 40 ASX-listed healthcare companies by market capitalisation (31 December 2020)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)		Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-21)		
			Last quarter	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 CSL	128,840	283.18	(1%)	3%	(17%)	17%	(3%)	(5%)	(3%)	10.4x	30.7x	44.4x
2 ResMed	39,678	27.23	14%	24%	(9%)	50%	(3%)	0%	4%	10.0x	30.0x	40.5x
3 Fisher & Paykel	17,647	30.95	1%	47%	(11%)	51%	(1%)	(3%)	(4%)	10.8x	29.0x	44.8x
4 Sonic	15,361	32.15	(3%)	12%	(15%)	60%	(2%)	(6%)	(3%)	2.3x	9.6x	17.5x
5 Ramsay	14,158	62.18	(6%)	(14%)	(23%)	35%	(2%)	(5%)	(5%)	1.8x	11.6x	31.4x
6 Cochlear	12,425	189.00	(5%)	(16%)	(26%)	22%	(7%)	(11%)	(8%)	8.3x	32.8x	55.8x
7 Ansell	4,470	34.78	(6%)	20%	(19%)	72%	(2%)	(8%)	(9%)	2.0x	11.6x	19.2x
8 EBS	4,362	26.76	18%	16%	(3%)	42%	7%	12%	24%	0.5x	14.4x	23.7x
9 Pro Medicus	3,560	34.16	26%	53%	(3%)	136%	7%	9%	21%	n.m.	n.m.	n.m.
10 Summerset	2,638	11.88	49%	37%	-	205%	7%	14%	43%	19.6x	24.3x	25.6x
11 PolyNovo	2,565	3.88	76%	97%	(5%)	204%	5%	24%	47%	n.m.	n.m.	n.m.
12 Nanosonics	2,417	8.03	41%	26%	(1%)	100%	9%	28%	29%	20.3x	n.m.	n.m.
13 Healius	2,323	3.73	4%	35%	(7%)	94%	(2%)	3%	8%	2.1x	8.8x	17.6x
14 Integral Diagnostics	862	4.34	4%	14%	(8%)	144%	2%	3%	6%	3.2x	12.4x	24.2x
15 Oceania	840	1.30	30%	5%	(3%)	128%	(1%)	2%	14%	4.6x	17.7x	19.2x
16 4DMedical	643	2.43	43%	n.a.	(18%)	94%	4%	6%	35%	n.m.	n.m.	n.m.
17 Starpharma	635	1.57	4%	29%	(20%)	154%	6%	8%	6%	n.m.	n.m.	n.m.
18 Ecofibre	616	1.91	(24%)	(28%)	(41%)	54%	(5%)	2%	(14%)	10.2x	n.m.	n.m.
19 Sigma	607	0.62	4%	6%	(17%)	37%	3%	9%	3%	0.2x	9.8x	20.3x
20 Australian Pharm.	606	1.23	17%	(8%)	(11%)	24%	(2%)	7%	10%	0.2x	6.6x	19.1x
21 Mayne Pharma	579	0.35	(12%)	(21%)	(29%)	77%	(4%)	3%	(5%)	1.9x	9.2x	n.m.
22 Regis	568	1.89	82%	(23%)	(28%)	157%	2%	35%	42%	1.1x	6.0x	35.3x
23 AFT	535	5.09	10%	64%	(3%)	64%	16%	7%	13%	5.0x	31.3x	41.3x
24 Medical Dev.	464	6.68	27%	(24%)	(43%)	78%	(1%)	8%	9%	15.6x	n.m.	n.m.
25 Estia	462	1.77	22%	(27%)	(32%)	96%	2%	9%	13%	1.0x	5.5x	32.5x
26 Virtus	425	5.32	38%	14%	(12%)	253%	(5%)	4%	30%	2.2x	8.1x	14.2x
27 Pacific Smiles	391	2.55	45%	43%	(5%)	262%	12%	26%	34%	3.0x	14.0x	28.2x
28 Volpara	360	1.44	10%	(22%)	(25%)	82%	5%	3%	4%	13.5x	n.m.	n.m.
29 Monash IVF	306	0.79	22%	(24%)	(25%)	107%	4%	11%	24%	2.1x	7.7x	14.6x
30 Mach7	293	1.25	13%	80%	(8%)	238%	(1%)	13%	21%	12.0x	n.m.	n.m.
31 Imricor	284	2.26	(13%)	89%	(23%)	201%	(1%)	(6%)	6%	32.5x	n.m.	n.m.
32 Capitol	282	0.28	12%	22%	(10%)	77%	(1%)	3%	11%	2.1x	8.9x	22.8x
33 Next Science	248	1.25	(0%)	(34%)	(55%)	25%	(1%)	3%	(2%)	21.3x	n.m.	n.m.
34 EMvision	221	3.12	14%	324%	(26%)	680%	(2%)	(4%)	25%	n.m.	n.m.	n.m.
35 Cyclopharm	201	2.50	4%	112%	(24%)	257%	(2%)	8%	23%	11.8x	n.m.	n.m.
36 Probiotec	188	2.40	35%	21%	(4%)	55%	2%	17%	21%	1.9x	12.3x	20.8x
37 Cogstate	187	1.10	55%	182%	(25%)	279%	6%	4%	19%	n.m.	n.m.	n.m.
38 Alcidion	183	0.19	32%	-	(21%)	91%	(8%)	7%	16%	n.m.	n.m.	n.m.
39 Recce	183	1.06	(8%)	193%	(44%)	402%	(7%)	(4%)	(15%)	n.m.	n.m.	n.m.
40 Rhythm	176	0.88	265%	573%	(8%)	2,034%	11%	66%	152%	n.m.	n.m.	n.m.
Average	6,545		23%	49%	(18%)	181%	1%	8%	16%			

Top 10 best performers in the last quarter⁽¹⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)		Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-21)		
			Last quarter	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Creso	162	0.18	374%	44%	(62%)	650%	(7%)	18%	26%	n.m.	n.m.	n.m.
2 Rhythm	176	0.88	265%	573%	(8%)	2,034%	11%	66%	152%	n.m.	n.m.	n.m.
3 Impression	161	0.16	107%	150%	(21%)	434%	(6%)	30%	59%	n.m.	n.m.	n.m.
4 Little green pharma	77	0.57	105%	n.a.	(17%)	232%	(4%)	24%	35%	n.m.	n.m.	n.m.
5 Imagination	145	0.15	86%	480%	(15%)	1,350%	4%	29%	68%	n.m.	n.m.	n.m.
6 ImpediMed	135	0.13	84%	(24%)	(32%)	291%	(8%)	9%	26%	11.2x	n.m.	n.m.
7 Regis	568	1.89	82%	(23%)	(28%)	157%	2%	35%	42%	1.1x	6.0x	35.3x
8 PolyNovo	2,565	3.88	76%	97%	(5%)	204%	5%	24%	47%	n.m.	n.m.	n.m.
9 Japara	165	0.62	59%	(37%)	(41%)	80%	(9%)	6%	18%	0.9x	16.4x	n.m.
10 Universal Biosensors	77	0.44	58%	129%	(13%)	235%	(1%)	12%	38%	n.m.	n.m.	n.m.
Average	423		129%	154%	(24%)	567%	(1%)	25%	51%			

Top 10 worst performers in the last quarter⁽¹⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)		Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-21)		
			Last quarter	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Respiro	94	0.13	(38%)	35%	(48%)	120%	(7%)	(26%)	(24%)	n.m.	n.m.	n.m.
2 Invox	54	0.72	(26%)	(17%)	(65%)	35%	(2%)	(9%)	(20%)	n.m.	n.m.	n.m.
3 Ecofibre	616	1.91	(24%)	(28%)	(41%)	54%	(5%)	2%	(14%)	10.2x	n.m.	n.m.
4 ResApp	64	0.09	(19%)	(65%)	(73%)	55%	(0%)	(13%)	(26%)	13.4x	n.m.	n.m.
5 Atomo	172	0.31	(19%)	n.a.	(52%)	9%	(1%)	(9%)	(17%)	6.7x	31.6x	50.7x
6 MedAdvisor	128	0.36	(17%)	(1%)	(47%)	27%	(6%)	(9%)	(19%)	n.m.	n.m.	n.m.
7 Imricor	284	2.26	(13%)	89%	(23%)	201%	(1%)	(6%)	6%	32.5x	n.m.	n.m.
8 BARD1	54	0.68	(13%)	(33%)	(43%)	19%	(7%)	(8%)	(20%)	n.m.	n.m.	n.m.
9 Althea	110	0.44	(12%)	16%	(35%)	190%	(11%)	(10%)	(10%)	n.m.	n.m.	n.m.
10 Mayne Pharma	579	0.35	(12%)	(21%)	(29%)	77%	(4%)	3%	(5%)	1.9x	9.2x	n.m.
Average	216		(19%)	(3%)	(46%)	79%	(4%)	(8%)	(15%)			

Source: Capital IQ as at 31 December 2020

Note: (1) Top 10 best and worst performers are based on companies with a minimum market capitalisation of A\$50 million and have traded for the full quarter