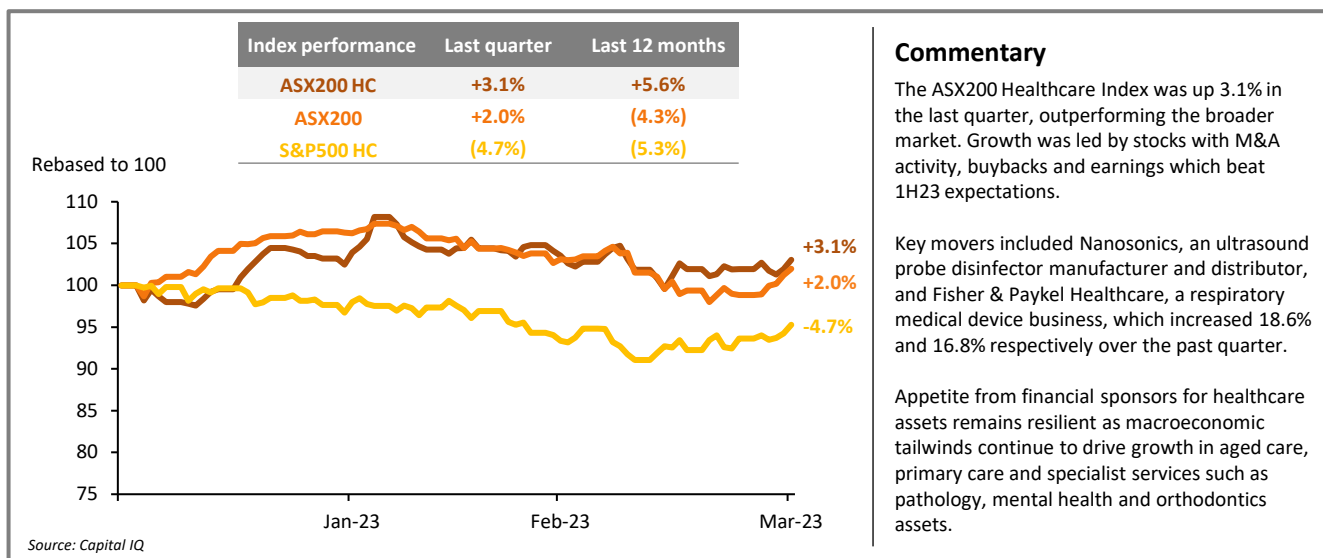


Quarterly performance



Commentary

The ASX200 Healthcare Index was up 3.1% in the last quarter, outperforming the broader market. Growth was led by stocks with M&A activity, buybacks and earnings which beat 1H23 expectations.

Key movers included Nanosonics, an ultrasound probe disinfectant manufacturer and distributor, and Fisher & Paykel Healthcare, a respiratory medical device business, which increased 18.6% and 16.8% respectively over the past quarter.

Appetite from financial sponsors for healthcare assets remains resilient as macroeconomic tailwinds continue to drive growth in aged care, primary care and specialist services such as pathology, mental health and orthodontics assets.

Quarterly M&A & other news

Date	Description
30-Mar-23	OneVentures , the Sydney-based venture capital firm, is bankrolling a A\$26.7m funding round for BIVACOR , a company designing a long-term replacement device for the human heart
24-Mar-23	Bain Capital , the US-based private equity firm, is to acquire Estia Health (ASX:EHE) , the Australia-based operator of aged care facilities, for A\$775.1m, subject to due diligence, board, IC and FIRB approvals
20-Mar-23	Australian Clinical Labs (ASX:ACL) , backed by Crescent Capital Partners , has made a c.A\$3.2bn off-market all-scrip takeover offer for Healius (ASX:HLS) , to become largest pathology services provider in Australia
20-Mar-23	Ochre Health , a rural medical practices business with 65 medical centres in rural Australia, is seeking a buyer willing to take a controlling stake
17-Mar-23	Medibank Private , the Australian private health insurance provider, has entered into a 50-50 joint venture with three hospitals from Aurora Healthcare , Australia's largest specialty mental health provider
15-Mar-23	Vita Group (ASX:VTG) , an Australian operator of beauty and wellness clinics advised by Record Point , is to be acquired by an affiliate of Sonic Healthcare , a global pathology and radiology provider, for A\$22.3m
14-Mar-23	Mercury Capital , an Australian-based private equity firm, has acquired an undisclosed stake in Avive Health , an Australia-based specialist mental healthcare provider with 10 hospitals, for an undisclosed amount
10-Mar-23	Clifford Hallam Healthcare , an Australian pharmaceutical and healthcare services provider, has acquired hospital assets of Central Healthcare Services from Sigma Healthcare , a pharmacy network, for A\$44m
9-Mar-23	24-7 Healthcare , an Australian primary care group backed by Crescent Capital Partners , has received unsolicited inbound interest from parties looking to invest into GP care and telehealth
28-Feb-23	Armitage Associates , an Australian-based private equity firm, has acquired Smile Partners Australia , a network of 35+ specialist orthodontic clinics, for an undisclosed amount
12-Feb-23	Brookfield Asset Management , a global alternative asset manager, is looking to refinance A\$1.6bn of the A\$2.2bn debt of Healthscope , Australia's second largest private hospitals group
2-Feb-23	Fortitude Investment Partners , an Australia-based private equity firm, has acquired Aged Care Decisions , an aged and disability placement services group, for an undisclosed amount

Sources: Capital IQ, Mergermarket, press reports, AFR

Largest 40 ASX-listed healthcare companies by market capitalisation (March 2023)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY23F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 CSL	139,068	288.30	0%	0%	8%	(8%)	13%	0%	(1%)	(1%)	7.9x	24.5x	35.7x
2 ResMed	47,980	326.58	7%	7%	1%	(14%)	16%	54%	51%	50%	8.2x	25.4x	33.7x
3 Sonic Healthcare	16,348	34.84	16%	16%	(2%)	(7%)	24%	3%	8%	10%	2.3x	10.3x	22.3x
4 Cochlear	15,563	236.69	16%	16%	5%	-	28%	4%	8%	12%	8.2x	31.9x	50.9x
5 Ramsay Health Care	15,176	66.54	3%	3%	2%	(21%)	19%	1%	0%	5%	1.8x	12.7x	35.9x
6 Fisher & Paykel	14,419	24.89	18%	18%	10%	(1%)	48%	14%	21%	33%	9.6x	34.4x	58.5x
7 EBOS	8,322	43.44	6%	6%	13%	(0%)	31%	10%	5%	6%	0.8x	16.0x	30.8x
8 Pro Medicus	6,670	63.87	16%	16%	30%	(7%)	75%	2%	2%	7%	n.m.	n.m.	n.m.
9 Ansell	3,351	26.53	(6%)	(6%)	3%	(11%)	26%	(1%)	(3%)	(4%)	1.5x	9.6x	15.7x
10 Summerset	1,913	8.22	(0%)	(0%)	(24%)	(26%)	6%	(6%)	(6%)	(7%)	12.2x	24.5x	9.2x
11 Healus	1,800	3.16	3%	3%	(28%)	(32%)	23%	12%	8%	4%	2.0x	9.4x	55.3x
12 Neuren	1,709	13.50	70%	70%	239%	(2%)	305%	20%	33%	46%	26.6x	39.4x	46.1x
13 Nanosonics	1,538	5.09	19%	19%	28%	(6%)	77%	7%	7%	12%	8.7x	n.m.	n.m.
14 PolyNovo	1,236	1.79	(11%)	(11%)	63%	(34%)	111%	(12%)	(19%)	(14%)	18.2x	n.m.	n.m.
15 Australian Clinical Labs	708	3.53	18%	18%	(31%)	(40%)	24%	(4%)	6%	6%	1.4x	5.2x	16.1x
16 Sigma Healthcare	695	0.70	15%	15%	36%	(5%)	54%	5%	7%	8%	0.3x	17.1x	n.m.
17 Integral Diagnostics	685	2.94	0%	0%	(25%)	(31%)	24%	5%	2%	5%	2.3x	11.9x	32.8x
18 Estia Health	685	2.65	28%	28%	14%	(7%)	41%	16%	24%	25%	1.1x	8.4x	21.6x
19 Regis Healthcare	585	1.95	3%	3%	(10%)	(21%)	38%	17%	15%	8%	0.8x	7.9x	29.1x
20 Oceania Healthcare	491	0.68	(4%)	(4%)	(30%)	(35%)	3%	(2%)	(2%)	(10%)	3.7x	11.9x	8.3x
21 Monash IVF	417	1.07	12%	12%	(10%)	(15%)	23%	4%	2%	6%	2.4x	9.0x	16.2x
22 AFT Pharma	339	3.23	(5%)	(5%)	(3%)	(19%)	12%	25%	4%	(4%)	2.4x	16.6x	24.3x
23 Mayne Pharma	322	3.75	(6%)	(6%)	(25%)	(56%)	1605%	1%	33%	8%	0.8x	n.m.	n.m.
24 Anteris Technologies	292	19.00	(14%)	(14%)	12%	(38%)	35%	(3%)	(15%)	(16%)	n.m.	n.m.	n.m.
25 Capitol Health	286	0.27	(16%)	(16%)	(22%)	(24%)	13%	5%	(3%)	(9%)	1.9x	9.4x	29.3x
26 Cogstate	261	1.51	(23%)	(23%)	(35%)	(39%)	33%	4%	(13%)	(14%)	3.6x	23.8x	63.2x
27 Vitura Health	209	0.38	(36%)	(36%)	23%	(64%)	114%	(10%)	(23%)	(41%)	1.6x	8.0x	12.4x
28 Incannex Healthcare	206	0.13	(26%)	(26%)	(76%)	(76%)	30%	3%	(15%)	(32%)	n.m.	n.m.	n.m.
29 Clarity Pharma	195	0.75	(24%)	(24%)	28%	(29%)	108%	(11%)	(2%)	(4%)	10.1x	n.m.	n.m.
30 Volpara Health	193	0.76	45%	45%	(14%)	(16%)	90%	3%	1%	9%	5.6x	n.m.	n.m.
31 Probiotec	191	2.35	8%	8%	7%	(4%)	16%	(2%)	2%	3%	1.2x	7.3x	16.1x
32 Starpharma	188	0.46	(16%)	(16%)	(49%)	(54%)	-	(8%)	(17%)	(17%)	9.7x	n.m.	n.m.
33 ImpediMed	187	0.11	33%	33%	(28%)	(28%)	114%	(1%)	7%	13%	14.3x	n.m.	n.m.
34 Pacific Smiles	187	1.17	(23%)	(23%)	(46%)	(51%)	8%	1%	(7%)	(17%)	1.6x	11.9x	40.5x
35 EBR Systems	176	0.65	41%	41%	11%	(8%)	97%	1%	9%	17%	n.m.	n.m.	n.m.
36 Healthia	172	1.23	4%	4%	(34%)	(37%)	20%	(3%)	(8%)	(4%)	1.3x	8.6x	9.8x
37 Cyclopharm	171	1.82	56%	56%	11%	(4%)	92%	15%	19%	28%	6.3x	n.m.	n.m.
38 Paragon Care	161	0.25	(22%)	(22%)	(46%)	(45%)	11%	1%	(11%)	(22%)	0.8x	6.8x	10.3x
39 Alcidion	159	0.13	(14%)	(14%)	(36%)	(42%)	25%	(1%)	(11%)	(14%)	3.5x	n.m.	n.m.
40 Next Science	146	0.68	(1%)	(1%)	(24%)	(37%)	28%	0%	0%	(3%)	6.0x	n.m.	n.m.
Average	7,085		5%	5%	(1%)	(25%)	86%	4%	3%	2%			

Top 10 best performers in the last quarter⁽²⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY23F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Botanix Pharma	119	0.10	89%	89%	15%	(17%)	92%	1%	19%	29%	n.m.	n.m.	n.m.
2 Neuren	1,709	13.50	70%	70%	239%	(2%)	305%	20%	33%	46%	26.6x	39.4x	46.1x
3 Cyclopharm	171	1.82	56%	56%	11%	(4%)	92%	15%	19%	28%	6.3x	n.m.	n.m.
4 Volpara Health	193	0.76	45%	45%	(14%)	(16%)	90%	3%	1%	9%	5.6x	n.m.	n.m.
5 EBR Systems	176	0.65	41%	41%	11%	(8%)	97%	1%	9%	17%	n.m.	n.m.	n.m.
6 ImpediMed	187	0.11	33%	33%	(28%)	(28%)	114%	(1%)	7%	13%	14.3x	n.m.	n.m.
7 Respiro	51	0.06	30%	30%	3%	(20%)	88%	(4%)	9%	22%	29.7x	n.m.	n.m.
8 Estia Health	685	2.65	28%	28%	14%	(7%)	41%	16%	24%	25%	1.1x	8.4x	21.6x
9 Universal Biosensors	59	0.28	24%	24%	(67%)	(67%)	33%	10%	(1%)	6%	5.9x	n.m.	n.m.
10 Nanosonics	1,538	5.09	19%	19%	28%	(6%)	77%	7%	7%	12%	8.7x	n.m.	n.m.
Average	489		43%	43%	21%	(18%)	103%	7%	13%	21%			

Top 10 worst performers in the last quarter⁽²⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY23F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Rhythm Biosciences	99	0.46	(54%)	(54%)	(69%)	(75%)	6%	(14%)	(31%)	(46%)	n.m.	n.m.	n.m.
2 Vitura Health	209	0.38	(36%)	(36%)	23%	(64%)	114%	(10%)	(23%)	(41%)	1.6x	8.0x	12.4x
3 Cann	56	0.15	(29%)	(29%)	(43%)	(67%)	12%	(4%)	(18%)	(31%)	n.m.	n.m.	n.m.
4 EMVision	105	1.35	(27%)	(27%)	(36%)	(43%)	14%	3%	(8%)	(16%)	7.7x	n.m.	n.m.
5 Incannex Healthcare	206	0.13	(26%)	(26%)	(76%)	(76%)	30%	3%	(15%)	(32%)	n.m.	n.m.	n.m.
6 SomnoMed	79	0.96	(26%)	(26%)	(51%)	(53%)	1%	(9%)	(15%)	(22%)	1.0x	42.9x	n.m.
7 Medical Developments	96	1.11	(25%)	(25%)	(71%)	(72%)	10%	(5%)	(18%)	(25%)	2.0x	n.m.	n.m.
8 Clarity Pharma	195	0.75	(24%)	(24%)	28%	(29%)	108%	(11%)	(2%)	(4%)	10.1x	n.m.	n.m.
9 4DMedical	94	0.32	(24%)	(24%)	(62%)	(63%)	10%	(7%)	(18%)	(30%)	17.0x	n.m.	n.m.
10 Pacific Smiles	187	1.17	(23%)	(23%)	(46%)	(51%)	8%	1%	(7%)	(17%)	1.6x	11.9x	40.5x
Average	133		(29%)	(29%)	(40%)	(59%)	31%	(5%)	(15%)	(26%)			

Source: Capital IQ as of 31 March 2023

Notes: (1) Calendarised to June year end; (2) 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.