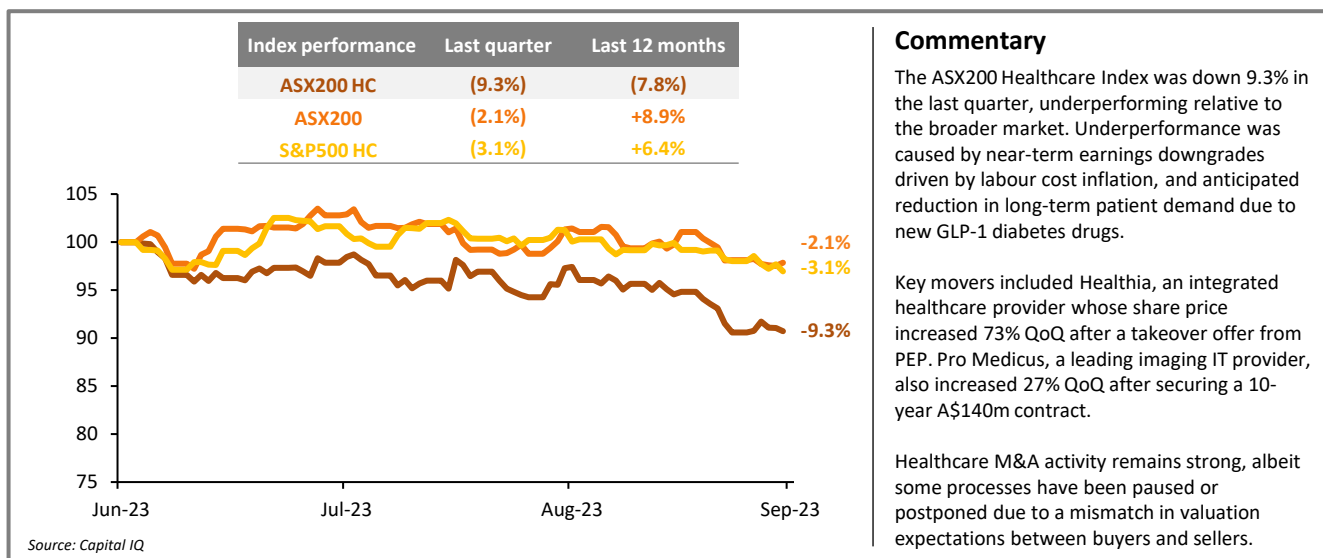


### Quarterly performance



#### Commentary

The ASX200 Healthcare Index was down 9.3% in the last quarter, underperforming relative to the broader market. Underperformance was caused by near-term earnings downgrades driven by labour cost inflation, and anticipated reduction in long-term patient demand due to new GLP-1 diabetes drugs.

Key movers included Healthia, an integrated healthcare provider whose share price increased 73% QoQ after a takeover offer from PEP. Pro Medicus, a leading imaging IT provider, also increased 27% QoQ after securing a 10-year A\$140m contract.

Healthcare M&A activity remains strong, albeit some processes have been paused or postponed due to a mismatch in valuation expectations between buyers and sellers.

### Quarterly M&A & other news

Date	Description
17-Sep-23	<b>Aurora Healthcare</b> , an Australian mental health provider owned by <b>Luye Medical</b> , is rumoured to have its sale be put on hold
15-Sep-23	<b>PresMed Australia</b> , a surgical day hospital operator backed by <b>ICG</b> , has acquired <b>Canberra Microsurgery</b> , a day hospital operator located in the ACT, for an undisclosed amount
10-Sep-23	<b>VetPartners</b> , one of Australia's largest veterinary chains owned by <b>National Veterinary Associates</b> , has received interest from <b>Affinity Equity Partners</b> and <b>EQT</b> , with bids expected at A\$1.4bn
31-Aug-23	<b>Healthia (ASX:HLA)</b> , an Australian integrated allied healthcare provider, has received an A\$1.80 per share bid from <b>Pacific Equity Partners</b> , implying a value of A\$260m, resulting in Board and key shareholder support
28-Aug-23	<b>Fresenius Medical Care (ETR:FME)</b> , a global healthcare service provider, is understood to have delayed the sale of its 70% stake in Cura Day Hospitals, with an expected value of A\$400m
22-Aug-23	<b>Icon Group</b> , Australia's largest integrated cancer care provider backed by <b>EQT</b> , has expanded into the UK after partnering with half of <b>Nuffield Health's</b> 36 hospitals, the UK's biggest healthcare charity
21-Aug-23	<b>Qualitas Health</b> , an operator of medical practices across Australia, Singapore and Malaysia generating A\$35m EBITDA and backed by <b>Southern Capital</b> , is up for sale with an expected price of over A\$400m
7-Aug-23	<b>Estia Health (ASX:EHE)</b> , an Australian residential aged care operator of 73 homes, has been acquired by <b>Bain Capital</b> for A\$838m at A\$3.20 per share
1-Aug-23	<b>myHomecare</b> , the largest Australian home healthcare and rehabilitation provider backed by <b>Quadrant Private Equity</b> , is up for sale, with the sale expected to value the company close to A\$400m
30-Jul-23	<b>AusTrials</b> , an Australian clinical trials site management organisation, has had an undisclosed stake acquired by <b>Genesis Capital</b> , which has combined the company with its Kiwi portfolio company <b>P3 Research</b>
24-Jul-23	<b>OneView Healthcare (ASX:ONE)</b> , a provider of an interactive patient engagement system, has raised A\$22m through a A\$20m placement and A\$2m share purchase plan
18-Jul-23	<b>George Clinical</b> , an Australian contract research business, has had a significant stake acquired by <b>Hillhouse Capital</b> for A\$500m, after receiving FIRB approval

Sources: Capital IQ, Mergermarket, press reports, AFR

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

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY24F) <sup>(1)</sup>		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 CSL	121,153	250.80	(10%)	(13%)	(12%)	(20%)	1%	(4%)	(6%)	(10%)	6.1x	18.4x	26.3x
2 ResMed	33,703	229.15	(30%)	(25%)	(32%)	(39%)	9%	55%	36%	24%	5.0x	15.9x	21.0x
3 Cochlear	16,729	255.32	11%	25%	31%	(7%)	38%	(3%)	2%	4%	7.5x	29.0x	45.7x
4 Sonic Healthcare	14,133	29.80	(16%)	(1%)	(3%)	(19%)	6%	(100%)	(100%)	(100%)	1.9x	9.4x	21.1x
5 Ramsay Health Care	11,849	51.87	(8%)	(20%)	(9%)	(26%)	11%	2%	(3%)	(8%)	1.5x	10.9x	34.6x
6 Fisher & Paykel	11,706	20.11	(11%)	(5%)	24%	(23%)	20%	(8%)	(12%)	(15%)	7.2x	25.9x	46.5x
7 Pro Medicus	8,711	83.39	27%	51%	66%	(1%)	69%	11%	17%	25%	n.m.	n.m.	n.m.
8 EBOS	6,113	31.87	(6%)	(22%)	(4%)	(27%)	1%	(11%)	(13%)	(17%)	0.5x	11.1x	20.3x
9 Ansell	2,767	22.13	(17%)	(22%)	(12%)	(26%)	2%	(2%)	(7%)	(12%)	1.3x	8.2x	14.8x
10 Summerset	2,223	9.51	8%	15%	0%	(5%)	27%	(4%)	(5%)	3%	12.5x	15.8x	12.5x
11 Neuren	1,400	11.06	(10%)	39%	69%	(27%)	83%	(0%)	(9%)	(12%)	7.4x	8.0x	11.3x
12 Healius	1,310	2.30	(28%)	(25%)	(32%)	(35%)	0%	(7%)	(17%)	(22%)	1.7x	7.1x	26.7x
13 Nanosonics	1,277	4.22	(11%)	(2%)	22%	(27%)	29%	(1%)	(5%)	(11%)	6.0x	n.m.	87.8x
14 PolyNovo	901	1.31	(16%)	(35%)	0%	(52%)	2%	(1%)	(10%)	(14%)	9.2x	n.m.	n.m.
15 Regis Healthcare	813	2.70	22%	43%	58%	(1%)	91%	4%	15%	23%	0.9x	8.8x	31.2x
16 Estia Health	793	3.05	3%	47%	55%	(3%)	58%	1%	(1%)	1%	1.0x	7.8x	21.7x
17 Sigma Healthcare	686	0.69	(18%)	13%	3%	(22%)	27%	(4%)	(9%)	(8%)	0.2x	12.9x	47.1x
18 Integral Diagnostics	670	2.87	(13%)	(2%)	4%	(19%)	20%	(2%)	(5%)	(9%)	2.1x	9.8x	24.4x
19 Australian Clinical Labs	571	2.85	(17%)	(4%)	(19%)	(26%)	6%	(2%)	(7%)	(13%)	1.3x	4.5x	15.3x
20 Monash IVF	491	1.26	10%	32%	39%	(5%)	43%	(0%)	4%	7%	2.5x	9.6x	17.1x
21 Oceania Healthcare	479	0.66	(7%)	(7%)	(17%)	(23%)	8%	(12%)	(13%)	(9%)	3.6x	10.8x	7.4x
22 ImpediMed	353	0.18	(3%)	122%	178%	(27%)	213%	2%	(10%)	5%	18.4x	n.m.	n.m.
23 AFT Pharma	336	3.21	(3%)	(6%)	10%	(14%)	8%	(7%)	(9%)	2%	2.0x	12.5x	18.5x
24 Anteris Technologies	319	20.45	(4%)	(8%)	(9%)	(24%)	13%	0%	1%	(5%)	n.m.	n.m.	n.m.
25 Clarity Pharma	306	1.17	67%	18%	83%	(11%)	98%	8%	14%	23%	n.m.	n.m.	n.m.
26 Mayne Pharma	270	3.25	(26%)	(19%)	(41%)	(49%)	1377%	(5%)	(21%)	(18%)	0.3x	n.m.	n.m.
27 Cyclopharm	266	2.83	42%	142%	99%	(2%)	146%	10%	17%	27%	7.7x	n.m.	n.m.
28 Cogstate	262	1.53	(8%)	(22%)	(29%)	(38%)	34%	1%	1%	(1%)	3.0x	13.8x	32.2x
29 Healthia	245	1.75	73%	49%	19%	-	106%	0%	11%	25%	1.6x	10.4x	15.2x
30 Pacific Smiles	224	1.41	4%	(8%)	(6%)	(17%)	33%	(0%)	4%	17%	1.6x	9.1x	23.5x
31 Capitol Health	223	0.21	(22%)	(34%)	(33%)	(37%)	5%	0%	(6%)	(12%)	1.5x	7.3x	21.3x
32 Probiotec	215	2.64	(6%)	22%	20%	(9%)	31%	1%	(0%)	0%	1.2x	6.8x	12.5x
33 EBR Systems	210	0.69	(24%)	49%	36%	(49%)	67%	(17%)	(21%)	(29%)	n.m.	n.m.	n.m.
34 Vitura Health	206	0.37	(28%)	(37%)	(46%)	(64%)	28%	11%	(14%)	(2%)	1.2x	7.7x	12.5x
35 Mach7 Technologies	191	0.80	28%	39%	49%	(19%)	53%	5%	(4%)	8%	4.7x	37.4x	n.m.
36 Volpara Health	184	0.73	(3%)	38%	31%	(31%)	44%	(1%)	(13%)	(8%)	4.2x	n.m.	n.m.
37 SILK Laser Australia	175	3.30	(1%)	74%	61%	(5%)	108%	0%	0%	3%	1.9x	7.0x	12.9x
38 Botanix Pharma	171	0.12	(8%)	126%	94%	(43%)	131%	(24%)	(24%)	(13%)	n.m.	n.m.	n.m.
39 Oneview Healthcare	166	0.25	(4%)	127%	175%	(23%)	310%	1%	(7%)	0%	n.m.	n.m.	n.m.
40 4DMedical	156	0.45	(33%)	7%	(22%)	(65%)	55%	(21%)	(31%)	(44%)	19.6x	n.m.	n.m.
<b>Average</b>	<b>6,074</b>		<b>(2%)</b>	<b>19%</b>	<b>22%</b>	<b>(24%)</b>	<b>85%</b>	<b>(3%)</b>	<b>(6%)</b>	<b>(5%)</b>			

## Top 10 best performers in the last quarter<sup>(2)</sup>

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY23F) <sup>(1)</sup>		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Healthia	245	1.75	73%	49%	19%	-	106%	0%	11%	25%	1.6x	10.4x	15.2x
2 Neurotech Intl	59	0.07	68%	(3%)	(23%)	(48%)	116%	(2%)	5%	20%	n.m.	n.m.	n.m.
3 Clarity Pharma	306	1.17	67%	18%	83%	(11%)	98%	8%	14%	23%	n.m.	n.m.	n.m.
4 PainChek	58	0.04	64%	21%	28%	(11%)	71%	8%	24%	38%	n.m.	n.m.	n.m.
5 Imricor Medical	81	0.51	53%	38%	40%	(40%)	181%	(17%)	(8%)	18%	37.6x	n.m.	n.m.
6 EMVision Medical	133	1.70	45%	(8%)	22%	(28%)	50%	6%	20%	20%	16.5x	n.m.	n.m.
7 Cyclopharm	266	2.83	42%	142%	99%	(2%)	146%	10%	17%	27%	7.7x	n.m.	n.m.
8 Arovela Therapeutics	61	0.07	36%	196%	94%	(35%)	240%	(6%)	13%	5%	n.m.	n.m.	n.m.
9 Mach7 Technologies	191	0.80	28%	39%	49%	(19%)	53%	5%	(4%)	8%	4.7x	37.4x	n.m.
10 Pro Medicus	8,711	83.39	27%	51%	66%	(1%)	69%	11%	17%	25%	n.m.	n.m.	n.m.
<b>Average</b>	<b>1,011</b>		<b>50%</b>	<b>54%</b>	<b>48%</b>	<b>(19%)</b>	<b>113%</b>	<b>2%</b>	<b>11%</b>	<b>21%</b>			

## Top 10 worst performers in the last quarter<sup>(2)</sup>

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY23F) <sup>(1)</sup>		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Starpharma	68	0.17	(47%)	(70%)	(74%)	(77%)	27%	9%	(4%)	(17%)	n.m.	n.m.	n.m.
2 INOVIQ	52	0.56	(34%)	(13%)	6%	(43%)	22%	(7%)	(18%)	(18%)	n.m.	n.m.	n.m.
3 Apiam Animal Health	61	0.34	(33%)	(46%)	(57%)	(56%)	-	(10%)	(18%)	(26%)	0.8x	5.9x	5.7x
4 4DMedical	156	0.45	(33%)	7%	(22%)	(65%)	55%	(21%)	(31%)	(44%)	19.6x	n.m.	n.m.
5 Incannex Healthcare	108	0.07	(32%)	(61%)	(75%)	(79%)	6%	(10%)	(20%)	(27%)	n.m.	n.m.	n.m.
6 ResMed	33,703	229.15	(30%)	(25%)	(32%)	(39%)	9%	55%	36%	24%	5.0x	15.9x	21.0x
7 Vitura Health	206	0.37	(28%)	(37%)	(46%)	(64%)	28%	11%	(14%)	(2%)	1.2x	7.7x	12.5x
8 Healius	1,310	2.30	(28%)	(25%)	(32%)	(35%)	0%	(7%)	(17%)	(22%)	1.7x	7.1x	26.7x
9 Paragon Care	112	0.17	(28%)	(46%)	(48%)	(55%)	13%	(2%)	(14%)	(20%)	0.7x	5.5x	7.5x
10 SomnoMed	77	0.71	(26%)	(45%)	(52%)	(59%)	25%	16%	(11%)	(21%)	0.9x	11.1x	31.6x
<b>Average</b>	<b>3,585</b>		<b>(32%)</b>	<b>(36%)</b>	<b>(43%)</b>	<b>(57%)</b>	<b>18%</b>	<b>3%</b>	<b>(11%)</b>	<b>(17%)</b>			

Source: Capital IQ as at 30 September 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.