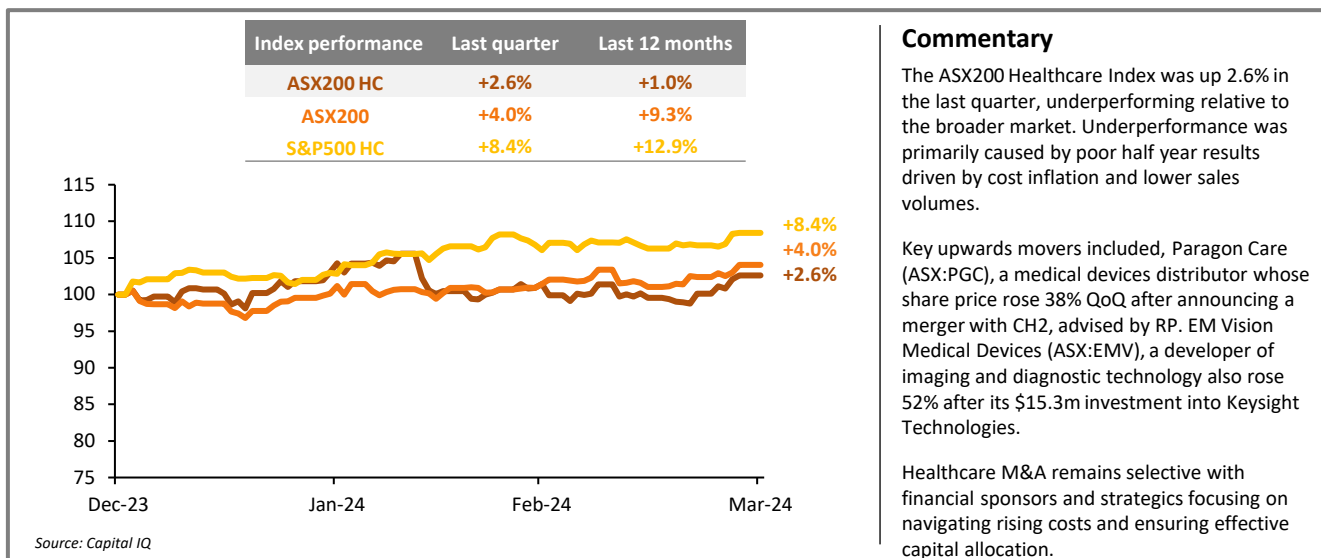


Quarterly performance



Commentary

The ASX200 Healthcare Index was up 2.6% in the last quarter, underperforming relative to the broader market. Underperformance was primarily caused by poor half year results driven by cost inflation and lower sales volumes.

Key upwards movers included, Paragon Care (ASX:PGC), a medical devices distributor whose share price rose 38% QoQ after announcing a merger with CH2, advised by RP. EM Vision Medical Devices (ASX:EMV), a developer of imaging and diagnostic technology also rose 52% after its \$15.3m investment into Keysight Technologies.

Healthcare M&A remains selective with financial sponsors and strategics focusing on navigating rising costs and ensuring effective capital allocation.

Quarterly M&A & other news

Date	Description
26-Mar-24	CSL (ASX:CSL) is set to issue a pair of 10-year and 30-year US dollar senior unsecured bonds. Proceeds will be between US\$1bn to US\$1.25bn, funds will be used for debt refinancing, specifically repaying bank loans of US\$1bn.
26-Mar-24	Brookfield's private hospital group Healthscope is appointing advisors for its restructure. Currently, lenders risk losing security over key assets as Healthscope plans to split its 38 hospitals into separate corporate structures.
25-Mar-24	Clarity Pharmaceuticals (ASX:CU6) launched a fully underwritten equity raise of \$121m. Proceeds are expected to fund its clinical program through to 2026.
20-Mar-24	Menarock Life Aged Care , a facility manager with 12 residential aged care facilities across Australia, is looking to sell a part of the business. Menarock has annual earnings of \$20m and are looking for a strategic or private equity partner.
20-Mar-24	Mater Health , a Queensland based private hospital group, is undergoing a restructure due to rising costs and decreasing earnings.
13-Mar-24	Blue Cross announced the divestment of its residential and home care services business to Opal HealthCare , a provider of aged care services. Handover is expected mid-year subject to regulatory approvals.
29-Feb-24	Paragon Care (ASX:PGC) , a distributor of medical devices, announced a merger with CH2 , a pharmaceuticals distributor valued at \$201m. The merged entity will have revenues of \$3.3bn annually and EBITDA of \$93m.
29-Feb-24	EMVision Medical Devices (ASX:EMV) announced a \$15.28m investment via a placement into Keysight Technologies (NYSE:KEYS) , a global leader in radiofrequency testing and measurement technology.
22-Feb-24	Crescent Capital has walked away from Pacific Smiles Group (ASX:PSQ) after it was reportedly looking to make a bid. Pacific Smiles rejected a bid of \$1.40 / share from Genesis Capital in December which they felt undervalued the business.
20-Feb-24	ADTY , an operator and consolidator of healthcare practises is preparing to begin acquisitions. It has begun searching for an investor for a \$50m capital raise. ADTY will also look to raise an \$80m debt facility.
20-Feb-24	Australian Unity acquired myHomecare , Australia's largest private home care business, from Quadrant Private Equity for \$285m. Australian Unity's home health business will now serve over 50,000 customers and employ over 6,000 people.
19-Feb-24	Integral Diagnostics (ASX:IDX) , a radiology group, has garnered interest from Pacific Equity Partners' secure assets team. IDX shares dropped heavily in November 2023 after reporting weaker revenue growth and cost pressures.
22-Jan-24	Allegro Funds' WA diagnostic imaging provider, Perth Radiological Clinic has refinanced approximately \$100m in borrowings. Allegro has owned the business - which makes approximately \$50m in annual earnings - since 2019.

Sources: Capital IQ, Mergermarket, press reports, AFR

Largest 40 ASX-listed healthcare companies by market capitalisation (March 2024)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY24F) ⁽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	139,138	287.92	0.4%	0.4%	(0.1%)	(8%)	26%	2%	1%	7%	7.0x	21.1x	30.6x	
2 ResMed	44,605	303.68	20%	20%	(7%)	(19%)	50%	60%	65%	84%	6.5x	19.8x	26.4x	
3 Cochlear	22,106	337.52	13%	13%	43%	(4%)	53%	1%	6%	15%	9.6x	36.0x	56.1x	
4 Sonic Healthcare	14,111	29.41	(8%)	(8%)	(16%)	(20%)	9%	(1%)	(1%)	(3%)	2.0x	10.5x	25.9x	
5 Fisher & Paykel	13,744	23.54	7%	8%	(5%)	(8%)	26%	(6%)	(4%)	1%	8.5x	30.6x	54.0x	
6 Ramsay Health Care	12,909	56.51	7%	7%	(15%)	(19%)	21%	2%	7%	10%	1.5x	11.2x	41.0x	
7 Pro Medicus	10,834	103.75	8%	8%	62%	(7%)	77%	5%	5%	11%	n.m.	n.m.	n.m.	
8 EBOS	6,072	31.43	(5%)	(4%)	(28%)	(27%)	2%	(13%)	(13%)	(12%)	0.6x	12.4x	21.1x	
9 Ansell	3,036	24.58	(2%)	(2%)	(7%)	(14%)	17%	4%	2%	4%	1.4x	9.3x	17.6x	
10 Neuren	2,705	21.22	(15%)	(15%)	57%	(18%)	112%	5%	(1%)	17%	12.8x	15.6x	21.7x	
11 Summerset	2,461	10.46	10%	10%	27%	-	42%	(6%)	(5%)	4%	13.6x	30.4x	8.3x	
12 Sigma Healthcare	2,034	1.30	29%	29%	85%	(4%)	107%	5%	17%	23%	0.5x	27.5x	98.9x	
13 PolyNovo	1,512	2.19	32%	32%	22%	(13%)	100%	(3%)	32%	8%	24%	14.4x	n.m.	n.m.
14 Regis Healthcare	1,207	4.01	23%	23%	106%	(8%)	106%	2%	7%	29%	1.2x	11.2x	34.3x	
15 Healius	962	1.33	(19%)	(19%)	(58%)	(60%)	22%	6%	1%	(9%)	1.5x	7.0x	n.m.	
16 Clarity Pharma	842	2.75	45%	45%	267%	(10%)	307%	(2%)	8%	35%	n.m.	n.m.	n.m.	
17 Nanosonics	833	2.75	(38%)	(38%)	(46%)	(53%)	6%	0%	(7%)	(16%)	4.3x	n.m.	97.1x	
18 Mayne Pharma	588	7.24	18%	18%	93%	(1%)	163%	4%	18%	39%	1.2x	19.8x	n.m.	
19 Monash IVF	563	1.45	11%	11%	35%	(5%)	37%	(1%)	0%	5%	2.7x	10.4x	18.9x	
20 Australian Clinical Labs	539	2.69	(7%)	(7%)	(24%)	(28%)	19%	4%	(2%)	(1%)	1.2x	4.5x	17.4x	
21 Integral Diagnostics	525	2.25	18%	18%	(23%)	(36%)	37%	2%	6%	11%	1.8x	9.5x	29.2x	
22 Anteris Technologies	425	23.48	23%	23%	24%	(7%)	51%	22%	31%	26%	n.m.	n.m.	n.m.	
23 Oceania Healthcare	419	0.58	(18%)	(18%)	(15%)	(25%)	15%	(7%)	(8%)	(11%)	3.7x	11.4x	6.9x	
24 Botanix Pharma	354	0.23	18%	18%	125%	(6%)	196%	13%	19%	35%	n.m.	n.m.	n.m.	
25 AFT Pharma	301	2.87	(12%)	(11%)	(11%)	(20%)	10%	(5%)	(12%)	(12%)	1.8x	13.6x	20.6x	
26 Volpara Health	289	1.14	3%	3%	49%	-	82%	0%	1%	7%	6.4x	n.m.	n.m.	
27 Capitol Health	256	0.24	2%	2%	(11%)	(20%)	30%	(6%)	(5%)	8%	1.6x	7.9x	23.0x	
28 Pacific Smiles	255	1.60	10%	10%	36%	(4%)	82%	(0%)	10%	38%	1.7x	11.6x	34.8x	
29 4DMedical	254	0.65	(9%)	(9%)	103%	(49%)	117%	(10%)	(4%)	(12%)	38.6x	n.m.	n.m.	
30 EBR Systems	246	0.80	31%	31%	23%	(41%)	50%	1%	3%	9%	n.m.	n.m.	n.m.	
31 Probiotec	236	2.90	-	-	23%	(1%)	36%	3%	2%	3%	1.3x	7.9x	16.1x	
32 Cogstate	231	1.35	(7%)	(7%)	(10%)	(28%)	20%	9%	7%	(2%)	3.0x	18.8x	43.2x	
33 EMVision Medical Devices	220	2.57	52%	52%	90%	(6%)	127%	2%	15%	27%	n.m.	n.m.	n.m.	
34 Oneview Healthcare	218	0.33	35%	35%	306%	(20%)	392%	(7%)	3%	14%	7.7x	n.m.	n.m.	
35 Paragon Care	207	0.31	38%	38%	27%	-	107%	15%	18%	23%	1.0x	8.6x	15.9x	
36 ImpediMed	186	0.09	(37%)	(37%)	(12%)	(62%)	21%	(6%)	(4%)	(14%)	12.9x	n.m.	n.m.	
37 Mach7 Technologies	172	0.72	(9%)	(9%)	19%	(27%)	38%	3%	2%	2%	5.0x	n.m.	n.m.	
38 Cyclopharm	169	1.80	(7%)	(7%)	(1%)	(43%)	5%	0%	(1%)	(17%)	5.0x	n.m.	n.m.	
39 MedAdvisor	151	0.28	28%	28%	8%	(20%)	72%	(4%)	(7%)	3%	1.2x	38.9x	n.m.	
40 PharmAust	148	0.38	226%	226%	241%	(30%)	477%	16%	35%	53%	n.m.	n.m.	n.m.	
Average	7,152		13%	13%	40%	(19%)	82%	3%	6%	11%	5.6x	16.2x	33.0x	

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 PharmAust	148	0.38	226%	226%	241%	(30%)	477%	16%	35%	53%	n.m.	n.m.	n.m.
2 Neurotech International	101	0.11	59%	59%	104%	(12%)	255%	8%	13%	24%	n.m.	n.m.	n.m.
3 EMVision Medical Devices	220	2.57	52%	52%	90%	(6%)	127%	2%	15%	27%	n.m.	n.m.	n.m.
4 Clarity Pharma	842	2.75	45%	45%	267%	(10%)	307%	(2%)	8%	35%	n.m.	n.m.	n.m.
5 Percheron Therapeutics	75	0.08	41%	41%	(7%)	(25%)	66%	(51%)	(51%)	(51%)	16.2x	n.m.	n.m.
6 Paragon Care	207	0.31	38%	38%	27%	-	107%	15%	18%	23%	1.0x	8.6x	15.9x
7 Vita Life Sciences	138	2.42	36%	36%	67%	(3%)	70%	4%	19%	26%	3.1x	18.8x	30.3x
8 Oneview Healthcare	218	0.33	35%	35%	306%	(20%)	392%	(7%)	3%	14%	7.7x	n.m.	n.m.
9 PolyNovo	1,512	2.19	32%	32%	22%	(13%)	100%	(3%)	8%	24%	14.4x	n.m.	n.m.
10 Argenica Therapeutics	67	0.67	31%	31%	49%	(11%)	127%	6%	12%	29%	n.m.	n.m.	n.m.
Average	353		60%	60%	117%	(13%)	203%	(1%)	8%	20%	8.5x	13.7x	23.1x

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 CurveBeam AI Limited	66	0.21	(51%)	(51%)	n.a.	(62%)	14%	2%	(15%)	(28%)	7.3x	n.m.	n.m.
2 Nanosonics	833	2.75	(38%)	(38%)	(46%)	(53%)	6%	0%	(7%)	(16%)	4.3x	n.m.	97.1x
3 Impedimed	186	0.09	(37%)	(37%)	(12%)	(62%)	21%	(6%)	(4%)	(14%)	12.9x	n.m.	n.m.
4 Alcidiom	68	0.05	(32%)	(32%)	(59%)	(61%)	28%	2%	(3%)	(22%)	1.6x	n.m.	n.m.
5 Starpharma	52	0.13	(26%)	(26%)	(73%)	(76%)	4%	(2%)	(11%)	(14%)	n.m.	n.m.	n.m.
6 Vitura Health	109	0.19	(25%)	(25%)	(49%)	(68%)	46%	23%	(3%)	(27%)	0.7x	4.5x	6.7x
7 Medical Developments	52	0.60	(21%)	(21%)	(46%)	(67%)	5%	(8%)	(20%)	(21%)	1.1x	n.m.	n.m.
8 Healius	962	1.33	(19%)	(19%)	(58%)	(60%)	22%	6%	1%	(9%)	1.5x	7.0x	n.m.
9 Oceania Healthcare	419	0.58	(18%)	(18%)	(15%)	(25%)	15%	(7%)	(8%)	(11%)	3.7x	11.4x	6.9x
10 Recce Pharma	90	0.44	(18%)	(18%)	(20%)	(44%)	7%	(0%)	(4%)	(4%)	16.8x	n.m.	n.m.
Average	284		(28%)	(28%)	(42%)	(58%)	17%	1%	(8%)	(17%)	5.5x	7.6x	36.9x

Source: Capital IQ as at 31 March 2024

Notes: (1) Calendarised to June year end. EV/EBITDA multiples are considered 'n.m.' if they are ≥50x. P/E multiples are considered 'n.m.' if they are ≥100x; (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.