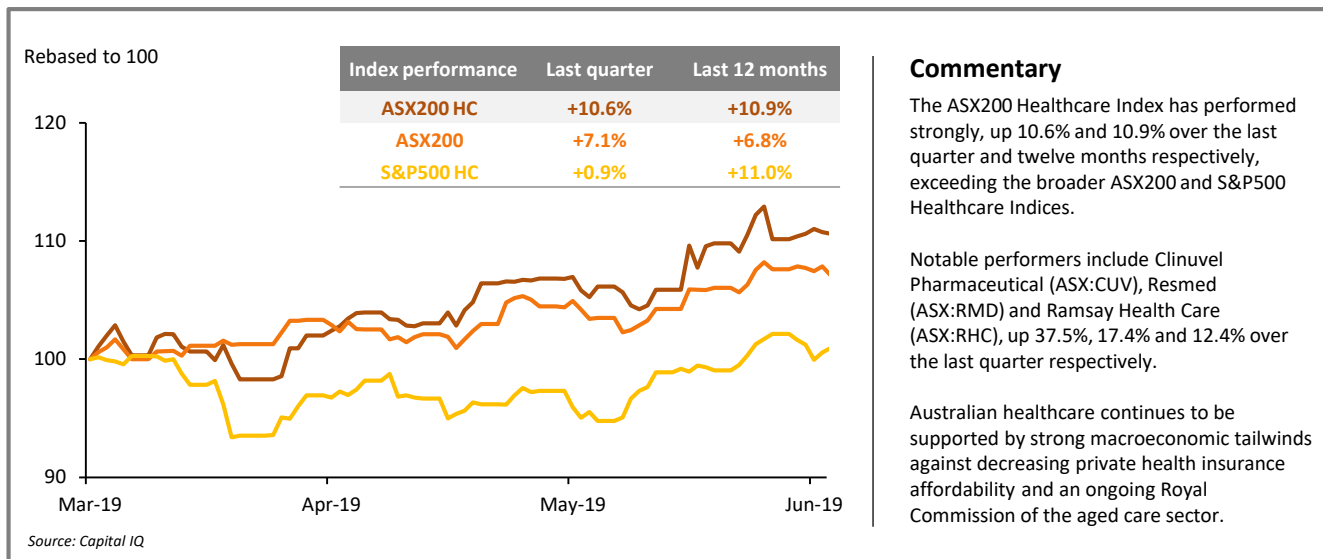


Quarterly performance



Commentary

The ASX200 Healthcare Index has performed strongly, up 10.6% and 10.9% over the last quarter and twelve months respectively, exceeding the broader ASX200 and S&P500 Healthcare Indices.

Notable performers include Clinovel Pharmaceutical (ASX:CUV), Resmed (ASX:RMD) and Ramsay Health Care (ASX:RHC), up 37.5%, 17.4% and 12.4% over the last quarter respectively.

Australian healthcare continues to be supported by strong macroeconomic tailwinds against decreasing private health insurance affordability and an ongoing Royal Commission of the aged care sector.

Quarterly M&A & other news

Date	Description
24-Jun-19	Brookfield rumoured to be in one-on-one talks to acquire Australian listed retirement village owner Aveo Group after the company commenced the final stage of a process to consider and respond to parties interested in a whole-of-company transaction in Apr-19
19-Jun-19	People Infrastructure Limited agreed to acquire Carestaff Nursing Services and First Choice Care for a combined value of A\$17m. Both of these companies are agencies engaged in providing nurse staffing services
19-Jun-19	Quintet Partners has taken a stake in Exact Radiology which has 13 diagnostic imaging clinics in south-east Queensland and plans for a greenfield development in South Brisbane
6-Jun-19	Completion of Brookfield's acquisition of Healthscope . Brookfield entered into a Scheme Implementation Agreement with Healthscope in Feb-19, with shareholders voting in favour of the Scheme in May-19
28-May-19	Australian home healthcare business Kincare is up for sale, seeking a buyer through a two-stage auction process. The business offers services across home personal care, nursing and physical therapies with revenues of over A\$100m
27-May-19	MedHealth, provider of healthcare and employment services, acquired Unified Healthcare Group , a company that has built a leading technology platform connecting businesses and government agencies to a broad range of health services and healthcare providers
20-May-19	Mylan has acquired Aspen's portfolio of prescription and over-the-counter products for A\$188m following a distribution arrangement entered between the two parties in Dec-18. The distribution arrangement included an option for Mylan to acquire this portfolio from Aspen which was exercised
20-May-19	Jangho is rumoured to have drafted advisors to perform financial due diligence on Healius following its non-binding A\$3.25 per share offer, which was swiftly rejected in Jan-19. While this has not led to any disclosure from Healius, it demonstrates Jangho's continued interest in the company
18-Apr-19	Sigma Healthcare agreed to acquire aged care medication packaging business CURA Health Group for A\$9m

Sources: Capital IQ, Mergermarket, press reports

Largest 40 ASX-listed healthcare companies by market capitalisation (30 June 2019)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-20)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 CSL	97,425	215.00	10%	16%	12%	(8%)	24%	2%	6%	9%	8.0x	23.1x	33.1x
2 ResMed	24,956	174.04	19%	7%	24%	(1%)	35%	46%	58%	67%	6.5x	21.2x	31.9x
3 Ramsay	14,515	72.24	12%	25%	34%	(1%)	39%	1%	7%	13%	1.6x	11.7x	22.6x
4 Sonic	12,844	27.10	10%	23%	10%	(3%)	27%	0%	4%	10%	2.2x	12.9x	22.1x
5 Cochlear	11,938	206.84	19%	19%	3%	(7%)	33%	2%	9%	12%	7.5x	26.9x	41.0x
6 Fisher & Paykel	8,494	14.80	(2%)	19%	9%	(7%)	30%	0%	(4%)	26%	7.4x	22.5x	34.9x
7 EBOS	3,557	22.17	5%	15%	35%	(2%)	25%	(1%)	1%	9%	0.5x	13.9x	21.2x
8 Ansell	3,552	26.85	6%	22%	(1%)	(9%)	27%	3%	3%	7%	1.6x	9.9x	16.0x
9 Pro Medicus	2,620	25.29	71%	132%	215%	(6%)	231%	4%	18%	39%	45.5x	n.m.	n.m.
10 Healus	1,879	3.02	15%	35%	(13%)	(17%)	38%	(5%)	(1%)	5%	1.3x	9.0x	17.3x
11 Nanosonics	1,686	5.62	29%	98%	78%	(8%)	112%	6%	14%	28%	15.5x	n.m.	79.3x
12 Summerset	1,184	5.33	(16%)	(12%)	(24%)	(30%)	4%	(2%)	(5%)	n.a.	10.1x	12.4x	11.4x
13 Polynovo	1,018	1.54	105%	159%	188%	(3%)	238%	13%	37%	59%	42.9x	n.m.	n.m.
14 Mayne Pharma	807	0.51	(27%)	(34%)	(41%)	(64%)	7%	(1%)	(14%)	(24%)	1.9x	7.0x	22.4x
15 Regis	791	2.63	(24%)	(0%)	(20%)	(31%)	14%	0%	(6%)	(11%)	1.6x	10.6x	20.3x
16 Next Science ⁽¹⁾	738	4.11	204%	n.a.	n.a.	(13%)	231%	8%	52%	52%	n.m.	n.m.	n.m.
17 Estia	688	2.64	(2%)	15%	(20%)	(23%)	30%	(1%)	(4%)	3%	1.2x	8.2x	17.7x
18 api	650	1.32	(13%)	(4%)	(22%)	(32%)	5%	(1%)	(3%)	(4%)	0.2x	7.4x	11.9x
19 Ecofibre	650	2.10	24%	n.a.	n.a.	(20%)	45%	3%	4%	7%	n.m.	n.m.	n.m.
20 Oceania	608	1.00	3%	(3%)	(3%)	(15%)	5%	4%	(5%)	(4%)	4.1x	13.4x	11.0x
21 Sigma	533	0.56	6%	(3%)	(31%)	(32%)	37%	5%	6%	(0%)	0.3x	12.6x	21.1x
22 Starpharma	506	1.36	42%	15%	17%	(18%)	56%	0%	7%	16%	22.8x	n.m.	n.m.
23 Integral Diagnostics	496	3.16	27%	14%	5%	(4%)	33%	3%	9%	12%	2.5x	10.8x	17.7x
24 Virtus	362	4.50	13%	2%	(22%)	(24%)	18%	2%	8%	8%	1.9x	8.1x	12.0x
25 Volpara	360	1.69	20%	53%	113%	(13%)	125%	(2%)	(2%)	9%	18.0x	n.m.	n.m.
26 Medical Devt.	347	5.30	6%	20%	(9%)	(10%)	52%	0%	(0%)	16%	12.0x	n.m.	n.m.
27 Monash IVF	329	1.40	31%	40%	29%	(4%)	58%	3%	13%	21%	2.5x	10.2x	14.4x
28 Japara	301	1.13	(20%)	0%	(38%)	(40%)	5%	(7%)	(13%)	(14%)	1.0x	7.8x	15.5x
29 Cann	278	1.96	(15%)	(4%)	(44%)	(46%)	29%	(3%)	(10%)	(7%)	55.5x	n.m.	n.m.
30 AFT	275	2.82	47%	37%	28%	(4%)	74%	12%	19%	24%	3.1x	23.5x	35.5x
31 Althea	205	1.01	181%	312%	n.a.	(10%)	477%	13%	40%	78%	n.m.	n.m.	n.m.
32 PainChek	181	0.20	441%	413%	257%	(11%)	641%	13%	83%	106%	n.m.	n.m.	n.m.
33 Pacific Smiles	178	1.17	0%	(8%)	(25%)	(31%)	11%	(1%)	(1%)	(2%)	1.4x	7.4x	17.2x
34 Capitol Health	177	0.23	5%	(15%)	(29%)	(32%)	59%	5%	1%	5%	1.2x	6.8x	14.0x
35 1300SMILES	150	6.35	3%	(2%)	(1%)	(9%)	6%	(2%)	(1%)	0%	3.0x	9.0x	16.2x
36 National Veterinary	146	2.18	15%	12%	(18%)	(19%)	38%	7%	10%	16%	1.4x	9.2x	14.4x
37 Paragon Care	140	0.42	(8%)	(35%)	(50%)	(52%)	4%	(2%)	(4%)	(12%)	0.8x	6.7x	10.1x
38 ResApp	135	0.20	127%	86%	44%	(30%)	183%	5%	19%	35%	57.3x	n.m.	n.m.
39 Neuren	115	1.15	(1%)	(18%)	(61%)	(61%)	17%	(1%)	(3%)	(7%)	227.8x	n.m.	n.m.
40 Compumedics	108	0.61	31%	53%	11%	(12%)	91%	6%	14%	32%	1.5x	8.2x	11.4x
Average	4,898		31%	40%	17%	(19%)	80%	3%	9%	16%			

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 (Jun-20)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 PainChek	181	0.20	441%	413%	257%	(11%)	641%	13%	83%	106%	n.m.	n.m.	n.m.
2 Althea	205	1.01	181%	312%	n.a.	(10%)	477%	13%	40%	78%	n.m.	n.m.	n.m.
3 Mach7	71	0.48	157%	126%	126%	(7%)	179%	10%	67%	76%	n.m.	n.m.	n.m.
4 ResApp	135	0.20	127%	86%	44%	(30%)	183%	5%	19%	35%	57.3x	n.m.	n.m.
5 Polynovo	1,018	1.54	105%	159%	188%	(3%)	238%	13%	37%	59%	42.9x	n.m.	n.m.
6 Alcidion	101	0.13	92%	178%	140%	(11%)	229%	4%	32%	46%	n.m.	n.m.	n.m.
7 Pro Medicus	2,620	25.29	71%	132%	215%	(6%)	231%	4%	18%	39%	45.5x	n.m.	n.m.
8 MGC	63	0.05	49%	30%	(21%)	(36%)	63%	(1%)	(1%)	4%	7.4x	n.m.	n.m.
9 AFT	275	2.82	47%	37%	28%	(4%)	74%	12%	19%	24%	3.1x	23.5x	35.5x
10 Creso	70	0.53	46%	7%	(16%)	(26%)	75%	(0%)	6%	12%	n.m.	n.m.	n.m.
Average	474		131%	148%	107%	(14%)	239%	7%	32%	48%			

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 (Jun-20)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Mayne Pharma	807	0.51	(27%)	(34%)	(41%)	(64%)	7%	(1%)	(14%)	(24%)	1.9x	7.0x	22.4x
2 THC	58	0.43	(25%)	(8%)	(19%)	(35%)	5%	(8%)	(11%)	(13%)	n.m.	n.m.	n.m.
3 G Medical	80	0.21	(24%)	(22%)	(11%)	(53%)	20%	(4%)	(9%)	(16%)	n.m.	n.m.	n.m.
4 Regis	791	2.63	(24%)	(0%)	(20%)	(31%)	14%	0%	(6%)	(11%)	1.6x	10.6x	20.3x
5 Japara	301	1.13	(20%)	0%	(38%)	(40%)	5%	(7%)	(13%)	(14%)	1.0x	7.8x	15.5x
6 SomnoMed	91	1.45	(16%)	(21%)	(34%)	(41%)	4%	(12%)	(16%)	(17%)	1.2x	12.9x	27.2x
7 Summerset	1,184	5.33	(16%)	(12%)	(24%)	(30%)	4%	(2%)	(5%)	n.a.	10.1x	12.4x	11.4x
8 Cann	278	1.96	(15%)	(4%)	(44%)	(46%)	29%	(3%)	(10%)	(7%)	55.5x	n.m.	n.m.
9 Elex Medical	76	0.53	(13%)	(23%)	(13%)	(39%)	6%	(4%)	(8%)	(10%)	0.7x	29.9x	n.m.
10 api	650	1.32	(13%)	(4%)	(22%)	(32%)	5%	(1%)	(3%)	(4%)	0.2x	7.4x	11.9x
Average	432		(19%)	(13%)	(27%)	(41%)	10%	(4%)	(10%)	(13%)			

Source: Capital IQ as at 30 June 2019

Notes: (1) ASX IPO on 18 April 2019. Last quarter performance represents the period from 18 April 2019 to 30 June 2019

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