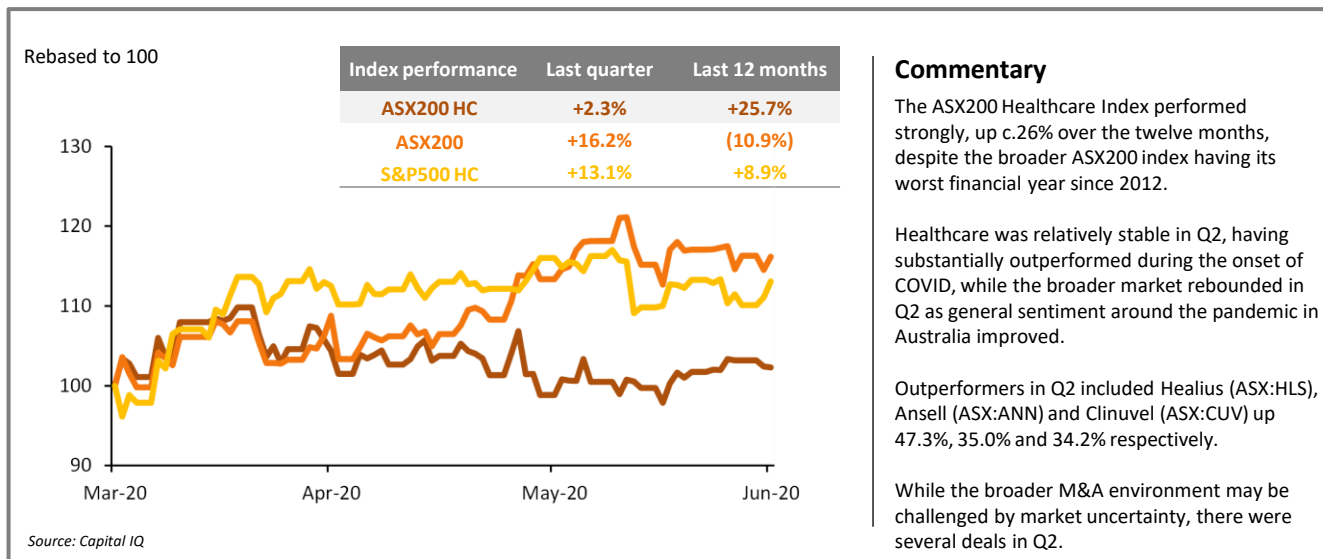


Quarterly performance



Commentary

The ASX200 Healthcare Index performed strongly, up c.26% over the twelve months, despite the broader ASX200 index having its worst financial year since 2012.

Healthcare was relatively stable in Q2, having substantially outperformed during the onset of COVID, while the broader market rebounded in Q2 as general sentiment around the pandemic in Australia improved.

Outperformers in Q2 included Healius (ASX:HLS), Ansell (ASX:ANN) and Clinuvel (ASX:CUV) up 47.3%, 35.0% and 34.2% respectively.

While the broader M&A environment may be challenged by market uncertainty, there were several deals in Q2.

Quarterly M&A & other news

Date	Description
25-Jun-20	Press speculation suggests Keppel Infrastructure has partnered with NZ Super as the only remaining bidder for Healthscope's (ASX:HSO) New Zealand pathology business
23-Jun-20	Australian Pharmaceutical Industries (ASX:API) could be an equity raising candidate despite performing relatively well during the pandemic according to press speculation
22-Jun-20	An Australian listed party and private equity firms, KKR and TPG Capital, have conducted due diligence on Regis Healthcare (ASX:REG) with a view of spinning off its real estate assets
18-Jun-20	There is speculation that the sale of Healius' (ASX:HLS) medical centres to BGH Capital may be the catalyst for Partners Group to re-engage on a potential takeover of the remaining healthcare services provider
17-Jun-20	Abano Healthcare (NZE:ABA) confirms its negotiations with BGH Capital and Ontario Teachers' Pension Plan. The consortium has submitted two proposals to Abano
16-Jun-20	Qscan and Everlight Radiology could attract interest from BGH Capital following its acquisition of Healius (ASX:HLS)
11-Jun-20	The ACCC will not oppose Lumibirds A\$100m acquisition of Ellex Medical Lasers' (ASX:ELX) Lasers & Ultrasound business
10-Jun-20	Integral Diagnostics (ASX:IDX) has announced its NZD50m acquisition of Ascot Radiology
10-Jun-20	Crescent Capital has acquired PRP Diagnostics . Press suggests the deal valued PRP at an enterprise value of A\$440m
8-Jun-20	Priory Group, a UK-based health business, could be a bolt-on target for Ramsay Health Care (ASX:RHC) . Icon Care and Everlight Radiology have also been speculated as potential bolt-on targets
25-May-20	Advent Health , an Australian allied health business, is preparing to list on the ASX through the reverse takeover of Millennium Limited (ASX:MHD)
6-May-20	EBOS (ASX:EBO) , an Australia/New Zealand-based distributor of medical and pharmaceutical products, plans to pursue bolt-on acquisitions in the aftermath of the COVID-19 crisis
5-May-20	Independent Living Specialists (ILS) , an Australian mobility and homecare products business backed by private equity firm The Riverside Company, is in talks with potential acquisition targets to consolidate the sector
27-Apr-20	Monash IVF (ASX:MVF) completed an A\$80m rights issue to retail and institutional investors

Sources: Capital IQ, Mergermarket, press reports

Note: Quarterly M&A and other news does not include news in relation to business operations impacted by COVID-19

Largest 40 ASX-listed healthcare companies by market capitalisation (30 June 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	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 CSL	130,312	287.00	(3%)	4%	33%	(16%)	33%	0%	(4%)	(4%)	9.0x	25.7x	36.5x
2 ResMed	39,951	27.54	12%	26%	60%	(1%)	59%	11%	11%	13%	9.3x	30.4x	41.5x
3 Fisher & Paykel	19,345	32.84	14%	56%	121%	(1%)	135%	18%	19%	25%	13.2x	37.4x	57.0x
4 Ramsay	15,225	66.52	16%	(8%)	(8%)	(18%)	44%	(0%)	3%	2%	2.0x	14.1x	30.2x
5 Sonic	14,460	30.43	25%	6%	12%	(5%)	52%	5%	14%	12%	2.5x	12.7x	25.7x
6 Cochlear	12,410	188.93	1%	(16%)	(9%)	(26%)	22%	(2%)	(0%)	(3%)	8.9x	44.9x	69.1x
7 Ansell	4,717	36.70	35%	26%	37%	(1%)	82%	4%	13%	21%	2.1x	11.9x	19.7x
8 EBOS	3,305	20.28	(6%)	(12%)	(10%)	(17%)	8%	(1%)	(2%)	(6%)	0.4x	11.4x	18.0x
9 Pro Medicus	2,750	26.46	36%	18%	5%	(31%)	82%	(4%)	1%	14%	38.1x	n.m.	88.2x
10 Nanosonics	2,050	6.82	22%	7%	21%	(12%)	70%	(0%)	3%	8%	14.7x	n.m.	86.5x
11 Healus	1,899	3.05	47%	11%	1%	(8%)	58%	4%	18%	14%	2.2x	18.0x	18.9x
12 PolyNovo	1,679	2.54	58%	29%	65%	(23%)	103%	(1%)	9%	12%	35.6x	n.m.	n.m.
13 Summerset	1,378	6.00	15%	(31%)	15%	(33%)	54%	0%	3%	(9%)	11.5x	17.1x	15.2x
14 Integral Diagnostics	759	3.90	58%	2%	23%	(11%)	119%	(3%)	10%	13%	2.9x	12.2x	21.5x
15 Ecofibre	676	2.22	23%	(17%)	6%	(43%)	79%	(15%)	(14%)	(8%)	6.9x	19.2x	30.5x
16 Mayne Pharma	646	0.39	24%	(11%)	(25%)	(40%)	97%	(1%)	(2%)	5%	1.8x	7.1x	30.7x
17 Sigma	615	0.63	(2%)	8%	13%	(17%)	39%	4%	3%	3%	0.2x	9.8x	20.1x
18 Australian Pharm.	564	1.15	(8%)	(15%)	(13%)	(25%)	15%	(1%)	0%	(2%)	0.2x	7.2x	14.0x
19 Oceania	524	0.82	30%	(34%)	(18%)	(36%)	44%	(10%)	5%	(7%)	4.0x	13.4x	12.6x
20 Medical Dev.	458	6.98	31%	(20%)	32%	(41%)	86%	(9%)	(7%)	(10%)	13.1x	n.m.	n.m.
21 Regis	424	1.41	(7%)	(43%)	(46%)	(60%)	92%	(3%)	(4%)	(3%)	0.9x	4.6x	16.5x
22 Starpharma	419	1.13	46%	(7%)	(17%)	(21%)	83%	3%	5%	9%	23.2x	n.m.	n.m.
23 Estia	401	1.54	15%	(37%)	(42%)	(48%)	70%	0%	4%	(1%)	0.9x	4.2x	16.7x
24 AFT	379	3.60	(10%)	16%	24%	(24%)	35%	(3%)	(4%)	(4%)	3.4x	20.1x	26.8x
25 Volpara	342	1.37	28%	(25%)	(19%)	(37%)	73%	1%	2%	(0%)	13.1x	n.m.	n.m.
26 Pacific Smiles	241	1.57	58%	(12%)	34%	(23%)	123%	0%	23%	25%	2.6x	14.3x	35.3x
27 Capitol	235	0.25	40%	9%	7%	(20%)	58%	5%	21%	3%	2.0x	12.7x	23.2x
28 Virtus	226	2.83	51%	(40%)	(37%)	(46%)	88%	(11%)	(5%)	(8%)	1.8x	7.0x	9.3x
29 Next Science	226	1.25	(3%)	(34%)	(70%)	(71%)	25%	(7%)	(17%)	(25%)	9.4x	n.m.	n.m.
30 Mach7	216	0.97	87%	40%	104%	(6%)	162%	9%	27%	30%	10.5x	45.8x	n.m.
31 Monash IVF	207	0.53	16%	(49%)	(62%)	(65%)	39%	(7%)	(7%)	(13%)	2.3x	9.5x	13.3x
32 Atomo	191	0.34	n.a.	n.a.	n.a.	(46%)	21%	3%	(20%)	(20%)	9.4x	45.5x	57.8x
33 Imricor	168	1.49	75%	25%	n.a.	(22%)	99%	1%	41%	23%	8.8x	n.m.	n.m.
34 Neuren	156	1.37	38%	(45%)	19%	(55%)	41%	(11%)	(9%)	(28%)	n.m.	n.m.	n.m.
35 Probiotec	144	1.93	(4%)	(3%)	23%	(22%)	29%	5%	2%	(3%)	1.5x	9.4x	15.1x
36 Alcidion	144	0.15	12%	(22%)	16%	(52%)	49%	(12%)	(10%)	(10%)	n.m.	n.m.	n.m.
37 Japara	131	0.49	(2%)	(50%)	(56%)	(61%)	31%	(7%)	(6%)	(20%)	0.8x	8.6x	44.3x
38 ResApp	129	0.18	(10%)	(29%)	(10%)	(58%)	218%	(2%)	(2%)	9%	16.7x	n.m.	n.m.
39 MedAdvisor	123	0.50	12%	39%	40%	(26%)	79%	(9%)	(1%)	5%	n.m.	n.m.	n.m.
40 13005MILES	122	5.16	1%	(16%)	(19%)	(22%)	10%	(3%)	0%	(8%)	3.1x	8.8x	14.2x
Average	6,459		22%	(6%)	7%	(30%)	68%	(1%)	3%	1%			

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	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Recce	91	0.67	158%	86%	212%	(27%)	235%	(13%)	18%	46%	n.m.	n.m.	n.m.
2 EMvision	85	1.34	153%	82%	267%	(6%)	267%	6%	26%	48%	n.m.	n.m.	n.m.
3 LBT	54	0.23	114%	44%	100%	(8%)	207%	33%	56%	67%	n.m.	n.m.	n.m.
4 Mach7	216	0.97	87%	40%	104%	(6%)	162%	9%	27%	30%	10.5x	45.8x	n.m.
5 Invex	88	1.30	78%	51%	n.a.	(37%)	150%	(6%)	(9%)	2%	n.m.	n.m.	n.m.
6 Imricor	168	1.49	75%	25%	n.a.	(22%)	99%	1%	41%	23%	8.8x	n.m.	n.m.
7 Healthia	64	1.02	71%	(11%)	31%	(23%)	113%	2%	13%	7%	1.2x	7.2x	9.7x
8 Zelira	53	0.05	59%	(2%)	35%	(41%)	145%	(6%)	5%	7%	n.m.	n.m.	n.m.
9 PolyNovo	1,679	2.54	58%	29%	65%	(23%)	103%	(1%)	9%	12%	35.6x	n.m.	n.m.
10 Integral Diagnostics	759	3.90	58%	2%	23%	(11%)	119%	(3%)	10%	13%	2.9x	12.2x	21.5x
Average	326		91%	35%	105%	(20%)	160%	2%	20%	25%			

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	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 SDI	84	0.71	(12%)	(16%)	(20%)	(33%)	8%	(2%)	(3%)	(13%)	n.m.	n.m.	n.m.
2 ResApp	129	0.18	(10%)	(29%)	(10%)	(58%)	218%	(2%)	(2%)	9%	16.7x	n.m.	n.m.
3 AFT	379	3.60	(10%)	16%	24%	(24%)	35%	(3%)	(4%)	(4%)	3.4x	19.9x	26.6x
4 Australian Pharm.	564	1.15	(8%)	(15%)	(13%)	(25%)	15%	(1%)	0%	(2%)	0.2x	7.2x	14.0x
5 Regis	424	1.41	(7%)	(43%)	(46%)	(60%)	92%	(3%)	(4%)	(3%)	0.9x	4.6x	16.5x
6 EBOS	3,305	20.28	(6%)	(12%)	(10%)	(17%)	8%	(1%)	(2%)	(6%)	0.4x	11.3x	17.8x
7 Probiotec	144	1.93	(4%)	(3%)	23%	(22%)	29%	5%	2%	(3%)	1.5x	9.4x	15.1x
8 CSL	130,312	287.00	(3%)	4%	33%	(16%)	33%	0%	(4%)	(4%)	9.0x	25.7x	36.5x
10 Sigma	615	0.63	(2%)	8%	13%	(17%)	39%	4%	3%	3%	0.2x	9.8x	20.1x
11 Japara	131	0.49	(2%)	(50%)	(56%)	(61%)	31%	(7%)	(6%)	(20%)	0.8x	8.6x	44.3x
Average	13,609		(7%)	(14%)	(6%)	(33%)	51%	(1%)	(2%)	(4%)			

Source: Capital IQ as at 30 June 2020

Note: (1) 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