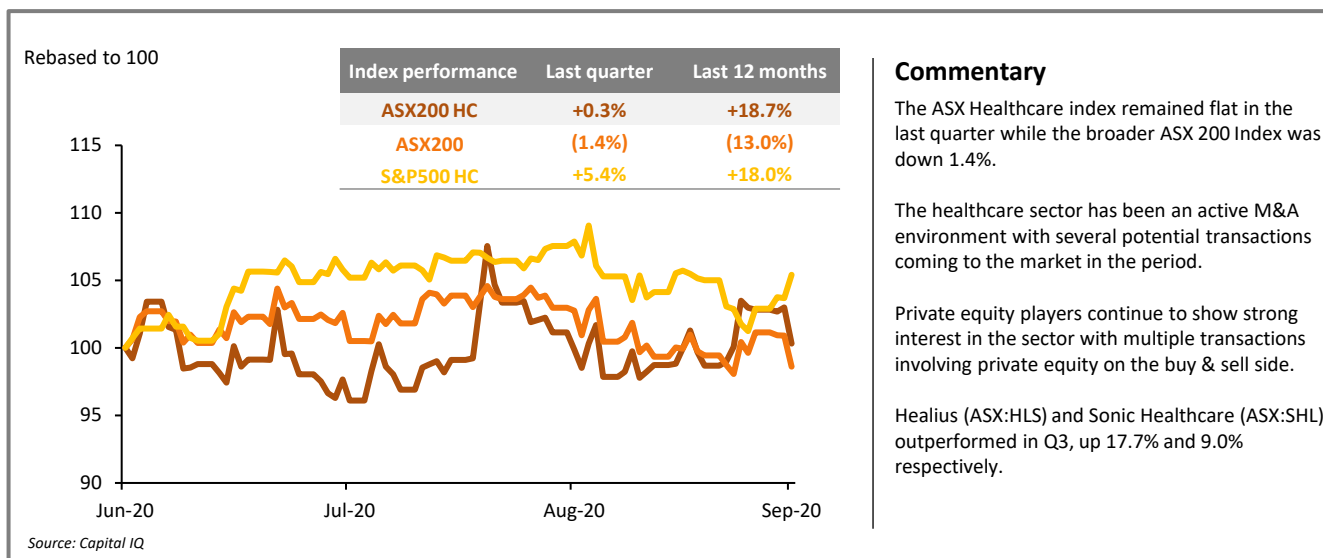


### Quarterly performance



#### Commentary

The ASX Healthcare index remained flat in the last quarter while the broader ASX 200 Index was down 1.4%.

The healthcare sector has been an active M&A environment with several potential transactions coming to the market in the period.

Private equity players continue to show strong interest in the sector with multiple transactions involving private equity on the buy & sell side.

Healius (ASX:HLS) and Sonic Healthcare (ASX:SHL) outperformed in Q3, up 17.7% and 9.0% respectively.

### Quarterly M&A & other news

Date	Description
5-Oct-20	The sale of <b>Qscan</b> could be concluded by around mid-October, with a potential value of A\$700m. Ramsay Health Care (ASX:RHC) and Morrison & Co. are competing for the business.
2-Oct-20	TPG Capital has secured a A\$200m funding package to recapitalise <b>Novotech</b> . Existing Novotech backers Nomura, Barings, and Partners Group provided new funds for the recapitalisation.
29-Sep-20	<b>SILK Laser Clinics</b> , a portfolio company of Advent Partners, is seeking to raise A\$100m in an IPO. Wilsons and Ord Minnett have been hired to manage the float and the share listing is expected in December.
29-Sep-20	AUB Group is seeking buyers for its controlling stake in <b>Altius Group</b> . Adamantem Capital, Quadrant Private Equity and The Riverside Company is thought to be among parties interested in Altius.
29-Sep-20	<b>Chimeric Therapeutics</b> announced it has secured a A\$4.3m seed round via a convertible note that expires in 12 months.
28-Sep-20	<b>euroCare Group</b> is planning an IPO within 18 months. The company is currently undertaking a A\$10m pre-IPO raise with plans to raise up to A\$30m in the IPO.
23-Sep-20	Quadrant Private Equity is in exclusive talks to buy a significant minority stake in <b>Fullerton Health Australia</b> . The deal could be valued at up to A\$500m.
23-Sep-20	<b>Dimerix (ASX:DXB)</b> is talking to parties about deal options for Phase III trials for its DMX-200 asset in diabetic kidney disease and in focal segmental glomerulosclerosis.
9-Sep-20	Crescent Capital is marketing the sale of <b>Australian Clinical Labs</b> . Healius (ASX:HLS) is considered the most logical buyer, which is anticipated to sell for A\$600m or more.
9-Sep-20	<b>Myhealth Medical Group</b> , a portfolio company of Crescent Capital Partners, is seeking potential buyers. The company is expected to be valued at more than A\$300m.
1-Sep-20	<b>Certa Therapeutics</b> , a developer of fibrosis treatments with lead indications in kidney disease, is evaluating options for its US\$30m-40m clinical trial capital requirements in the next 12 months.
31-Aug-20	Adams NZ Bidco, a holding company of BGH Capital and Ontario Teachers' Pension Plan has entered into scheme implementation agreement to acquire 100% stake in <b>Abano Healthcare</b> for NZ\$256m.
10-Aug-20	<b>I-MED Radiology</b> has agreed to acquire Alfred Medical Imaging Holdings.
4-Aug-20	Ontario Teachers' Pension Plan and New Zealand Superannuation Fund have agreed to acquire <b>Healthscope New Zealand</b> for NZ\$550m.

Sources: Capital IQ, Mergermarket, press reports

## Largest 40 ASX-listed healthcare companies by market capitalisation (30 September 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 ResMed	34,717	23.89	(13%)	9%	20%	(18%)	32%	(1%)	(6%)	(5%)	8.4x	26.4x	36.1x
2 Fisher & Paykel	17,783	30.56	(7%)	45%	90%	(12%)	95%	(1%)	(5%)	2%	11.6x	32.6x	49.1x
3 Sonic	15,831	33.16	9%	15%	18%	(13%)	65%	2%	2%	14%	2.5x	11.9x	23.5x
4 Ramsay	15,046	66.08	(1%)	(9%)	2%	(18%)	43%	(0%)	1%	2%	1.8x	12.2x	32.7x
5 Cochlear	13,015	198.00	5%	(12%)	(5%)	(22%)	28%	2%	1%	3%	8.8x	34.3x	61.9x
6 Ansell	4,768	37.10	1%	28%	35%	(11%)	84%	0%	(3%)	5%	2.0x	11.9x	20.2x
7 EBOS	3,682	22.67	12%	(1%)	(1%)	(7%)	21%	2%	10%	10%	0.5x	12.4x	20.2x
8 Pro Medicus	2,821	27.07	2%	21%	(3%)	(16%)	87%	4%	7%	5%	40.1x	n.m.	95.9x
9 Healius	2,237	3.59	18%	30%	11%	(2%)	86%	5%	9%	22%	2.2x	10.2x	20.2x
10 Summerset	1,888	8.00	33%	(8%)	33%	(11%)	106%	0%	12%	26%	15.3x	19.6x	20.4x
11 Nanosonic	1,709	5.68	(17%)	(11%)	(10%)	(27%)	42%	(5%)	(8%)	(11%)	14.0x	n.m.	n.m.
12 PolyNovo	1,461	2.21	(13%)	12%	3%	(37%)	73%	0%	(2%)	(4%)	33.1x	n.m.	n.m.
13 Integral Diagnostics	832	4.19	7%	10%	28%	(11%)	135%	1%	5%	12%	3.2x	12.4x	23.5x
14 Ecofibre	823	2.50	13%	(6%)	(18%)	(36%)	102%	(1%)	(3%)	(3%)	9.4x	28.8x	46.0x
15 Oceania	659	1.00	22%	(19%)	9%	(22%)	75%	5%	10%	25%	4.6x	15.1x	15.5x
16 Mayne Pharma	655	0.39	1%	(10%)	(25%)	(40%)	100%	9%	2%	0%	1.8x	7.9x	40.5x
17 Starpharma	604	1.50	33%	24%	30%	(23%)	144%	(10%)	0%	11%	n.m.	n.m.	n.m.
18 Sigma	582	0.59	(6%)	2%	(2%)	(21%)	31%	1%	(5%)	(4%)	0.2x	9.5x	19.7x
19 Australian Pharm.	517	1.05	(8%)	(22%)	(22%)	(31%)	6%	1%	(3%)	(7%)	0.2x	6.9x	12.6x
20 AFT	483	4.63	29%	49%	65%	(8%)	74%	(2%)	8%	15%	4.4x	26.1x	33.1x
21 4DMedical	450	1.70	n.a.	n.a.	n.a.	(12%)	36%	9%	10%	10%	n.m.	n.m.	n.m.
22 Estia	380	1.46	(5%)	(40%)	(43%)	(50%)	61%	0%	(3%)	(2%)	0.9x	4.6x	19.4x
23 Medical Dev.	346	5.28	(24%)	(40%)	5%	(55%)	40%	(4%)	(13%)	(24%)	10.3x	n.m.	n.m.
24 Volpara	327	1.31	(5%)	(29%)	(20%)	(40%)	65%	(2%)	(5%)	(3%)	12.6x	n.m.	n.m.
25 Regis	313	1.04	(26%)	(58%)	(64%)	(70%)	41%	(5%)	(15%)	(24%)	0.8x	3.9x	18.2x
26 Virtus	308	3.86	36%	(18%)	(13%)	(21%)	156%	7%	21%	26%	2.0x	8.2x	14.7x
27 Imricor	293	2.60	74%	118%	98%	(2%)	247%	41%	44%	93%	25.7x	n.m.	n.m.
28 Pacific Smiles	269	1.76	12%	(1%)	12%	(14%)	149%	(5%)	1%	20%	2.5x	12.6x	27.6x
29 Mach7	260	1.11	14%	60%	83%	(6%)	200%	7%	13%	25%	9.3x	49.6x	n.m.
30 Monash IVF	251	0.65	22%	(38%)	(39%)	(42%)	70%	6%	10%	12%	2.0x	7.8x	14.6x
31 Capitol	251	0.25	-	9%	4%	(20%)	58%	(4%)	5%	13%	1.9x	10.2x	21.6x
32 Next Science	236	1.26	0%	(33%)	(58%)	(59%)	26%	(1%)	(6%)	(11%)	14.4x	n.m.	n.m.
33 Atomo	211	0.38	10%	n.a.	n.a.	(40%)	34%	(0%)	(3%)	(9%)	8.5x	40.0x	62.0x
34 Recce	199	1.15	71%	218%	227%	(13%)	445%	(19%)	(13%)	(3%)	n.m.	n.m.	n.m.
35 Cyclopharm	193	2.41	72%	104%	110%	(27%)	244%	(0%)	24%	40%	11.4x	n.m.	n.m.
36 EMvision	192	2.73	104%	271%	355%	(4%)	583%	11%	44%	72%	n.m.	n.m.	n.m.
37 SomnoMed	189	2.28	90%	(22%)	(4%)	(34%)	153%	9%	26%	54%	2.7x	36.0x	n.m.
38 1300SMILES	145	6.11	18%	-	(3%)	(8%)	30%	(1%)	1%	7%	3.9x	9.7x	18.1x
39 Alcidion	139	0.14	(3%)	(24%)	(50%)	(52%)	44%	4%	(2%)	(9%)	n.m.	n.m.	n.m.
40 Respiro	137	0.21	136%	119%	159%	(16%)	268%	0%	25%	50%	n.m.	n.m.	n.m.
<b>Average</b>	<b>3,130</b>		<b>18%</b>	<b>20%</b>	<b>27%</b>	<b>(25%)</b>	<b>110%</b>	<b>2%</b>	<b>5%</b>	<b>12%</b>			

### Top 10 best performers in the last quarter<sup>(1)</sup>

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 Imagination	71	0.08	179%	212%	59%	(29%)	680%	(12%)	8%	46%	n.m.	n.m.	n.m.
2 Botanix	92	0.10	144%	16%	(62%)	(63%)	313%	23%	47%	78%	9.7x	n.m.	n.m.
3 Respiro	137	0.21	136%	119%	159%	(16%)	268%	0%	25%	50%	n.m.	n.m.	n.m.
4 VIP Gloves	57	0.08	126%	97%	97%	(79%)	166%	(14%)	(33%)	(20%)	n.m.	n.m.	n.m.
5 EMvision	192	2.73	104%	271%	355%	(4%)	583%	11%	44%	72%	n.m.	n.m.	n.m.
6 Cogstate	121	0.71	97%	82%	196%	(11%)	184%	3%	12%	46%	n.m.	n.m.	n.m.
7 Antisense	71	0.15	96%	61%	86%	(9%)	400%	21%	40%	79%	n.m.	n.m.	n.m.
8 SomnoMed	189	2.28	90%	(22%)	(4%)	(34%)	153%	9%	26%	54%	2.7x	36.0x	n.m.
9 Imricor	293	2.60	74%	118%	98%	(2%)	247%	41%	44%	93%	25.7x	n.m.	n.m.
10 Micro-X	84	0.24	74%	18%	(22%)	(31%)	124%	19%	40%	50%	4.5x	n.m.	n.m.
<b>Average</b>	<b>131</b>		<b>112%</b>	<b>97%</b>	<b>96%</b>	<b>(28%)</b>	<b>312%</b>	<b>10%</b>	<b>25%</b>	<b>55%</b>			

### Top 10 worst performers in the last quarter<sup>(1)</sup>

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 Cann Group	113	0.42	(47%)	(33%)	(73%)	(77%)	12%	(1%)	(15%)	(32%)	7.6x	n.m.	n.m.
2 ResApp	80	0.11	(40%)	(57%)	(57%)	(75%)	91%	(4%)	(22%)	(33%)	9.9x	n.m.	n.m.
3 Regis	313	1.04	(26%)	(58%)	(64%)	(70%)	41%	(5%)	(15%)	(24%)	0.8x	3.9x	18.2x
4 Invex	72	0.96	(26%)	12%	48%	(53%)	85%	0%	(8%)	(23%)	n.m.	n.m.	n.m.
5 Medical Dev.	346	5.28	(24%)	(40%)	5%	(55%)	40%	(4%)	(13%)	(24%)	10.3x	n.m.	n.m.
6 PainChek	98	0.09	(24%)	(54%)	(71%)	(76%)	43%	(6%)	(20%)	(27%)	15.3x	n.m.	n.m.
7 Japara	104	0.39	(20%)	(60%)	(67%)	(68%)	13%	2%	(9%)	(20%)	0.7x	12.3x	n.m.
8 Neuren	127	1.11	(19%)	(55%)	(45%)	(64%)	15%	(7%)	(13%)	(21%)	n.m.	n.m.	n.m.
10 Nanosonic	1,709	5.68	(17%)	(11%)	(10%)	(27%)	42%	(5%)	(8%)	(11%)	14.0x	n.m.	n.m.
11 Paragon Care	54	0.16	(16%)	(64%)	(60%)	(67%)	68%	(3%)	(9%)	(4%)	n.m.	n.m.	n.m.
<b>Average</b>	<b>302</b>		<b>(26%)</b>	<b>(42%)</b>	<b>(40%)</b>	<b>(63%)</b>	<b>45%</b>	<b>(3%)</b>	<b>(13%)</b>	<b>(22%)</b>			

Source: Capital IQ as at 30 September 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