

A close-up, low-angle shot of a microscope's objective lens and stage, with a blue-tinted overlay. The lens is in sharp focus, showing technical markings like 'M1', '90', and '1.25'. The background is blurred, showing other parts of the microscope and a light source.

Take Private Opportunity for Kohlberg Kravis Roberts & Co

LEGAL CAPITAL – 5th October 2023

Executive Summary

Attractive acquisition opportunity for KKR with a combined IRR of 29.3%

First recommendation: Acquisition

KKR purchase Sonic Healthcare (ASX.SHL) \$40.09 – 37% premium, using a mix of equity and debt (LBO).

Why the opportunity is attractive

1. Sonic has strong cash position to service additional LBO debt
2. Sonic will **pay less effective tax** due to interest payments
3. Grow organically > and through **KKR's large portfolio network & region expertise**
4. Gives KKR exposure to the service & customer facing component of the pathology sector

Financing the transaction

1. Mix of Equity and Debt, with Moderate Leverage (**Debt ~5x EBITDA**)
2. *Draw from the existing facilities*, especially if they offer more favourable terms
3. As KKR's potential buy-side advisor, the rest of the debt can be raised by J.P. Morgan

Alignment with KKR's Portfolio

1. Synergic Opportunities with KKR's Current Healthcare Portfolio
2. Alignment with Growth Strategy
3. Opportunity to diversify and further expand into Australian healthcare

Second recommendation: Capital Restructure

1. KKR spin off Sonic Healthcare's **radiology** business (~10% of their business) in FY24
2. Divestment of Radiology will reduce debt risk
3. KKR then sell off Sonic's **pathology** to a global player in five years



Sonic Healthcare Overview

World leading healthcare provider specialising in laboratory medicine / pathology, radiology and primary care medical services



Lab Medicine/Pathology 6.97B Revenue

Samples blood, urine & bodily fluid to identify risk of disease & monitor treatment

Necessary in **70%** of all medical diagnoses & every single cancer diagnosis

Market Leader in Australia, Germany & Switzerland



Radiology 796M Revenue

2nd largest radiology provider in Australia, **120** radiology centers

8 new regional Medicare-funded MRI licenses in FY23

Margin expansion of **~ 150 bps**

11% Organic Growth

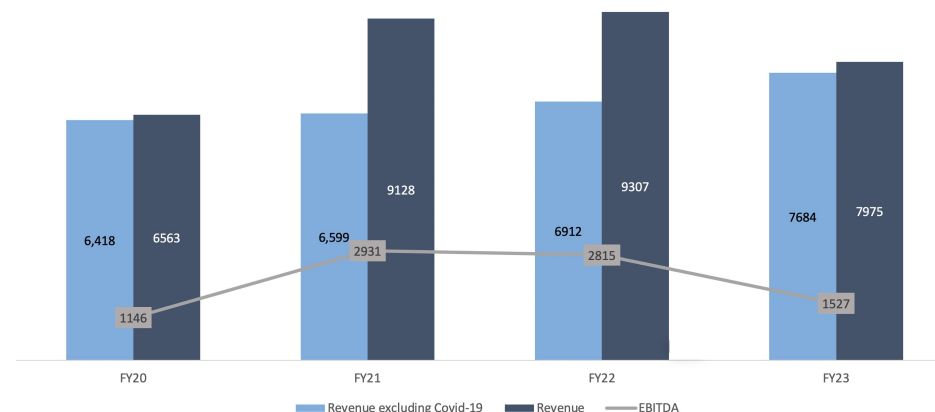
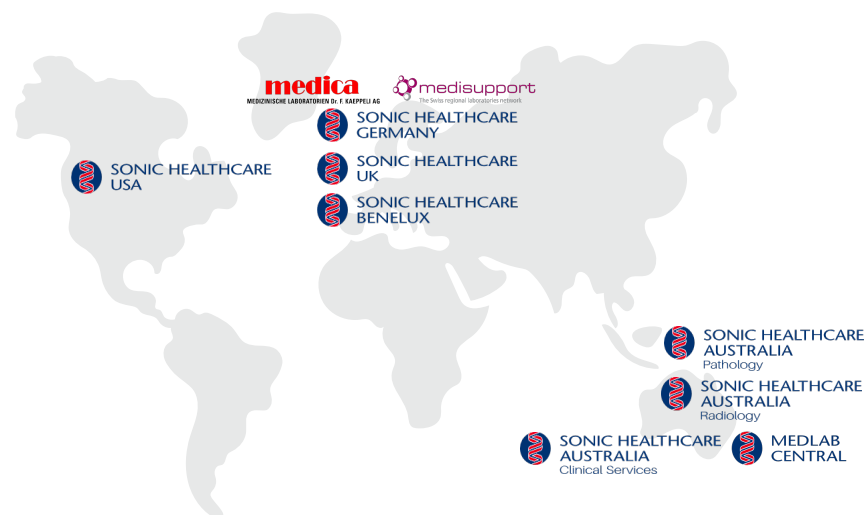


Primary Care 382M Revenue

Health services including GP clinic, occupational & remote health services, community & home nursing

Government Funding Increases in FY24

Defense Force contract for pre-recruitment medicals commenced **~ A\$30m p.**



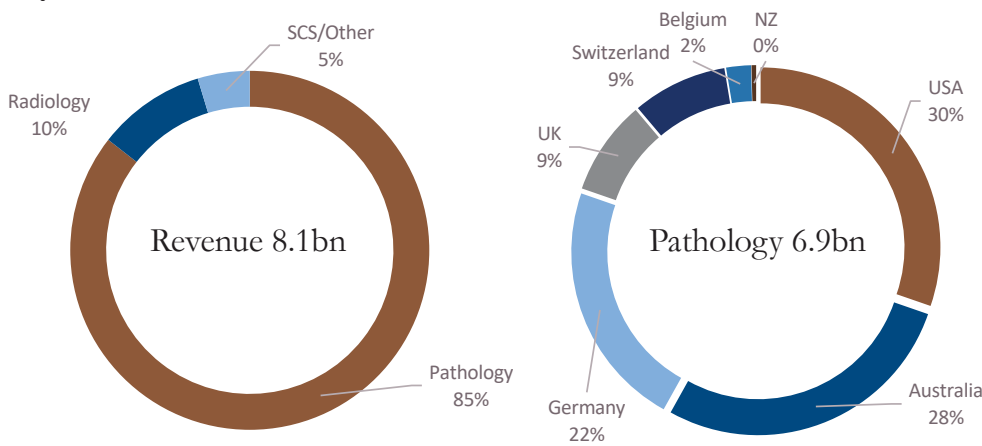
LEGAL CAPITAL



Sonic Healthcare Overview

Strong global presence, stable growth and diversified shareholdings (<4%)

Key Performance



Share Price



Share Registry

	MV (MM)	% Held
State Street Global Advisors	533.9	3.8
The Vanguard Group	465.0	3.3
Boyd Michael D (Director)	446.7	3.2
Blackrock Fund Advisors	414.5	3.0

	No. of securities	Percentage Held
HSBC Custody Nominees (Australia) Limited	176,359,869	37.20%
J P Morgan Nominees Australia Pty Limited	56,798,795	11.98%

LEGAL CAPITAL

Industry Overview

Strong industry growth in both pathology and radiology paves the way for an acquisition



Market size and growth trends

- Spending on healthcare goods and services has risen from \$91bn per annum 20 years ago to over \$185bn per annum today

Pathology Market (Aus):

- \$7.2bn market size in 2022
- Grown 11.0% per year on average between 2017 and 2022³

Radiology Market (Aus)

- Set to grow at CAGR of 17.2% to USD 4.73bn by 2029²



Competitive Landscape

- Highly competitive landscape, as private equity firms aim to acquire high asset turnover entities
- Shifting landscape of private-for-profit healthcare in Australia and NZ, to less clinician and greater private equity ownership
- KKR has shown desire to expand its portfolio in Australian Healthcare with discussions over Ramsay Health Care (for approximately AU\$20 billion)



Regulatory Environment

- Recent ACCC Blockages¹
- 'High degree' of concentration and regulated prices within the industry in Australia, particularly between the three dominant companies for Medicare-billed pathology testing: Sonic Health Care, Healius, and ACL
- 111 PE healthcare acquisitions and mergers were recorded in Australia and NZ between 2015 and 2021.



Industry Developments

- Scrutiny over potential (1.2Bn) merger between Healius and Australian Clinical Labs (ACL). 'Bringing almost half of Australia's pathology industry under the same umbrella 'to the detriment' of patients (March 2023).⁴
- Capital raising - HealthCo raising \$320m to fund \$1.2 billion acquisition of 11 Healthscope hospitals in Australia (March 2023).⁵
- IFM Investors and UniSuper teamed up to buy a majority stake (\$800 million) in PRP Diagnostics from Crescent Capital, which nearly doubled its money (December 2022).⁶

¹ Equity Investment In Private For-Profit Healthcare In Australia And New Zealand: A Scoping Review

² Australia Radiology Services Market – Industry Trends and Forecast to 2029

³ Pathology Services in Australia - Market Size 2008–2029

⁴ RACGP issues warning over pathology takeover bid, Jolyon Attwooll

⁵ HealthCo raising \$320m to fund \$1.2b acquisition of Healthscope hospitals, Nick Nichols

⁶ IFM, UniSuper to buy radiology business in \$800m deal, Yolanda Redrup

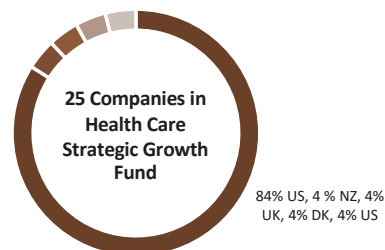
KKR Portfolio Considerations

Sonic Healthcare can leverage KKR's diversified portfolio and deep industry knowledge



Strong Expertise Across the Healthcare Industry

- ✓ **Growth Strategy**
- ✓ Track Record of Scaling Companies
- ✓ Targets Opportunities in Diagnostics (Americas)



Capacity to Leverage Expertise in the Americas

- ✓ US revenue is the largest component of SHL's pathology revenue
- ✓ KKR's US expertise can provide deep industry knowledge in SHL's operations in the Americas
- ✓ Australian PE firms are not large enough to compete with KKR



Synergies in Health Care Portfolio



- Develops biomarkers for diagnostic partners to evaluate pathological changes in major diseases

- ✓ Identify disease indications & pathology results



- Development of new technologies to enhance laboratory diagnostic

- ✓ Improve connection between R&D and the diagnosis

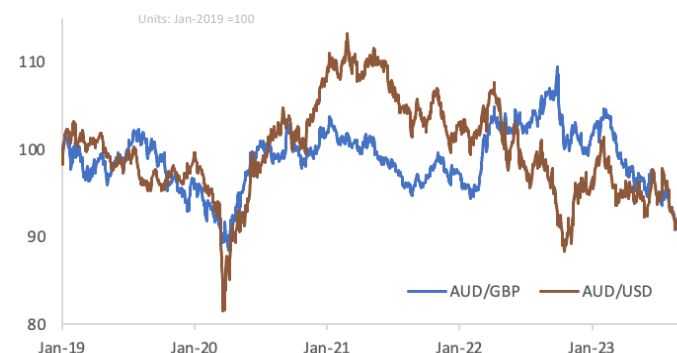


- Produces raw materials to diagnostic industries including research of chemicals critical to pathology

- ✓ Strategic pricing & development of research chemicals



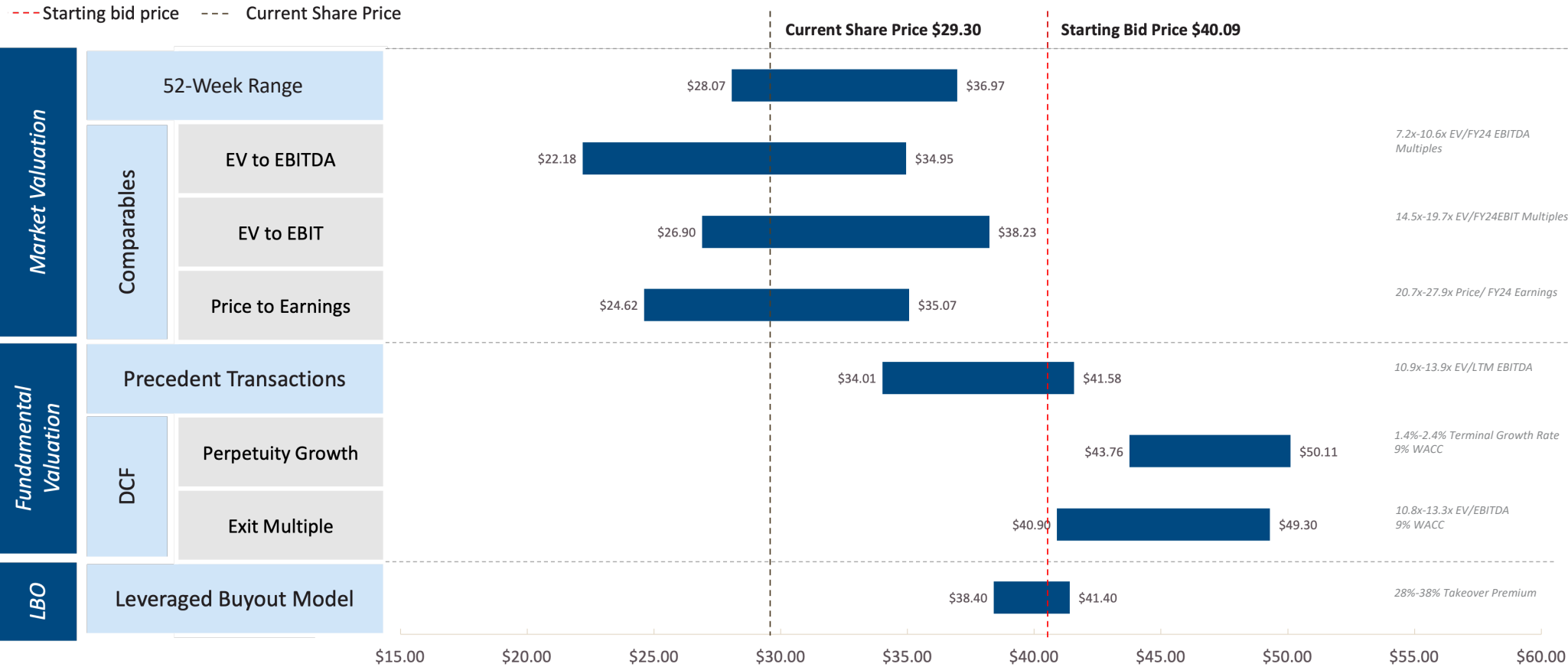
Forex Markets Strengthen Acquisition Position





Valuation Overview

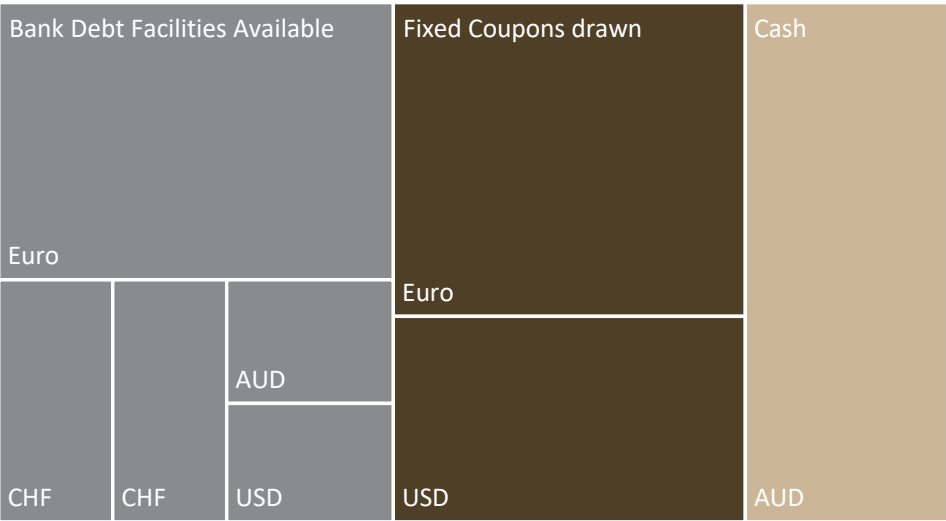
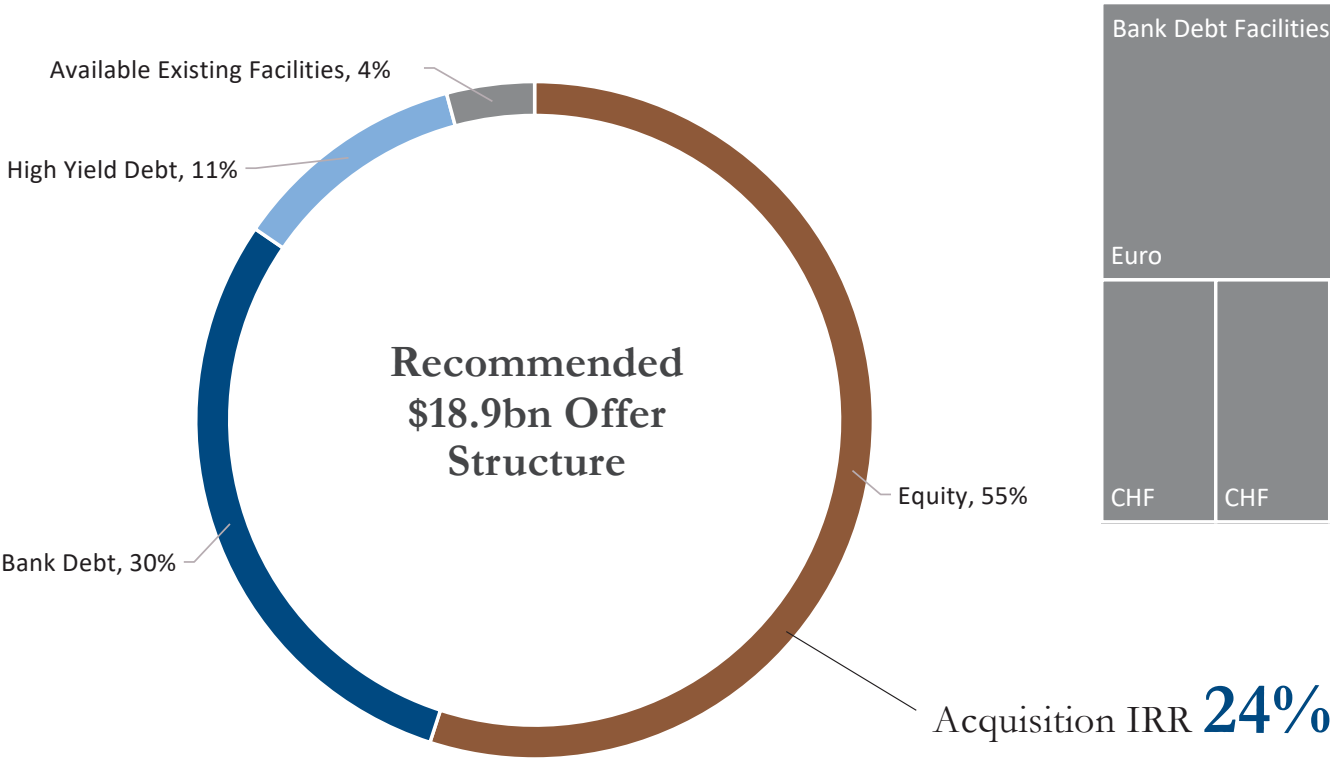
Recent stock price decline provides an attractive entry price for KKR





Offer Structure

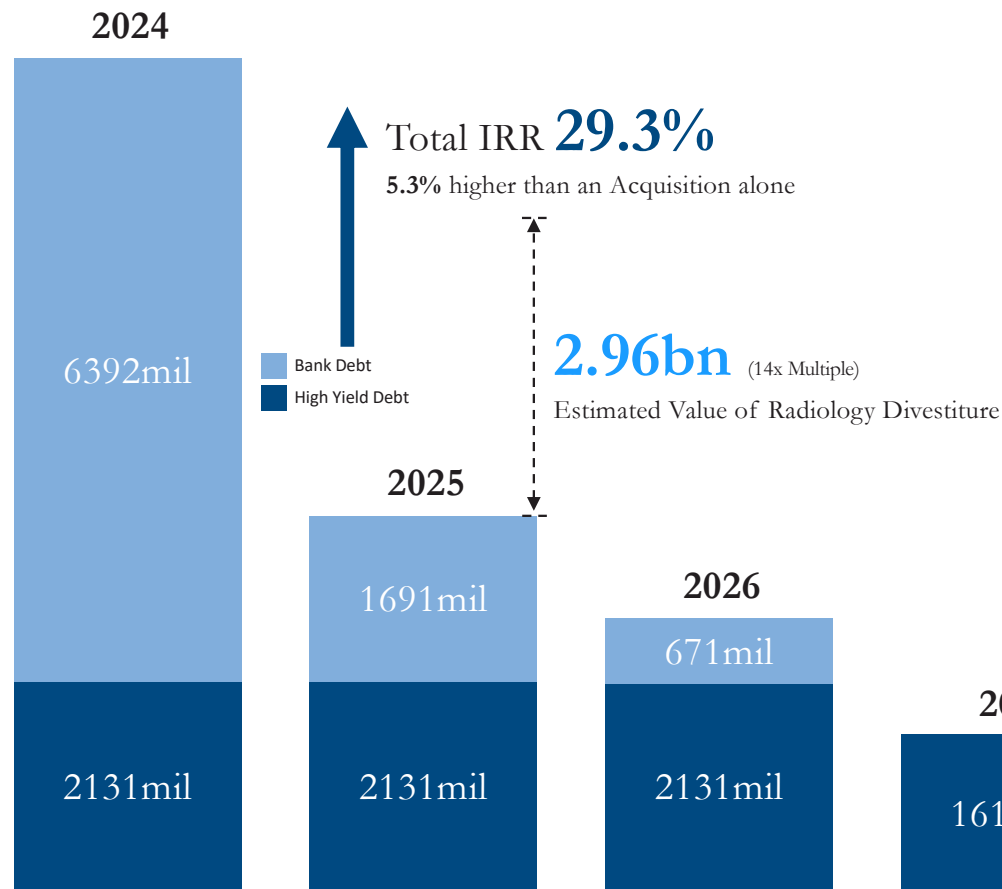
A combination of bank debt/ high yield debt/ equity and Sonic's existing facilities is most favorable



Sources and Use of Funds	
Sources of Funds	Amount (\$m)
Cash to acquire target	\$10,416
Bank Debt	\$6,392
High Yield Debt	\$2,131
Total Sources	\$18,953
Uses of Funds	Amount (\$m)
Cash to target	\$18,938
Advisory fees	\$4
Financing fees	\$11
Total Uses	\$18,953

Divestiture of Radiology Business

Strategic divestiture of Sonic's Radiology business reduces debt risk and increases IRR



LEGAL CAPITAL

Recommended Strategic Acquirer

A Permira owned I-MED will expect to **extract more value** from Sonic's Radiology Business than KKR

PERMIRA I-MED Radiology Network

24.1%

I-MED

14.9%

SHL Radiology

SONIC HEALTHCARE AUSTRALIA Radiology

39.0%

Pro-forma Radiology Market Share

Other Strategic Acquirers

AKUMIN®

RadNet.








Case Study: KKR and I-MED

There was mutual interest from both KKR and I-MED over a spin-off of Healius' Radiology Business to I-MED in 2010.

Sonic's in-hospital radiology business would create synergies for I-Med, as it would increase its access to patients.

List of Potential 3rd Party Interlopers

Sonic Healthcare may be subject to multiple interlopers

Company/ Firm	Business Overview ¹	Financials (\$AUD) ²
 CVS Health.	CVS Healthcare Corporation provides healthcare benefits, pharmacy services and healthcare services throughout the United States	Market Cap: 126bn LTM EBITDA: 15bn Cash: 22bn
 United Healthcare	United Healthcare is a diversified healthcare company that offers healthcare and insurance products globally	Market Cap: 675bn LTM EBITDA: 49bn Cash: 30bn
 cigna healthcare™	Cigna Healthcare provides commercial medical health plans, government health plans, and other medical services globally	Market Cap: 120bn LTM EBITDA: 14bn Cash: 8bn
 Blackstone	Blackstone is the world's largest alternative asset manager with a strong history of leverage buyouts	1,428bn AUM
 BGH	BGH capital is a private equity firm that specialises in Australia and New Zealand based companies	6.2bn AUM
 TPG	US-based private equity firm, invested across verticals including pharmaceuticals, medical device, and contract development and manufacturing spaces. The firm is reportedly seeking \$3.5 billion for a fund devoted to healthcare deals	198bn AUM
 P E R M I R A	Permira is a British global investment firm specialised in buyout, growth equity and credit funds.	128bn AUM

Likelihood to Bid

Strategic Fit	Regional Expertise	Recent Activity	Size of Deal	Total
4	3	4	3	14
4	3	3	5	15
4	3	1	2	10
3	3	3	5	14
5	4	2	1	12
4	5	4	4	17
4	3	4	3	14

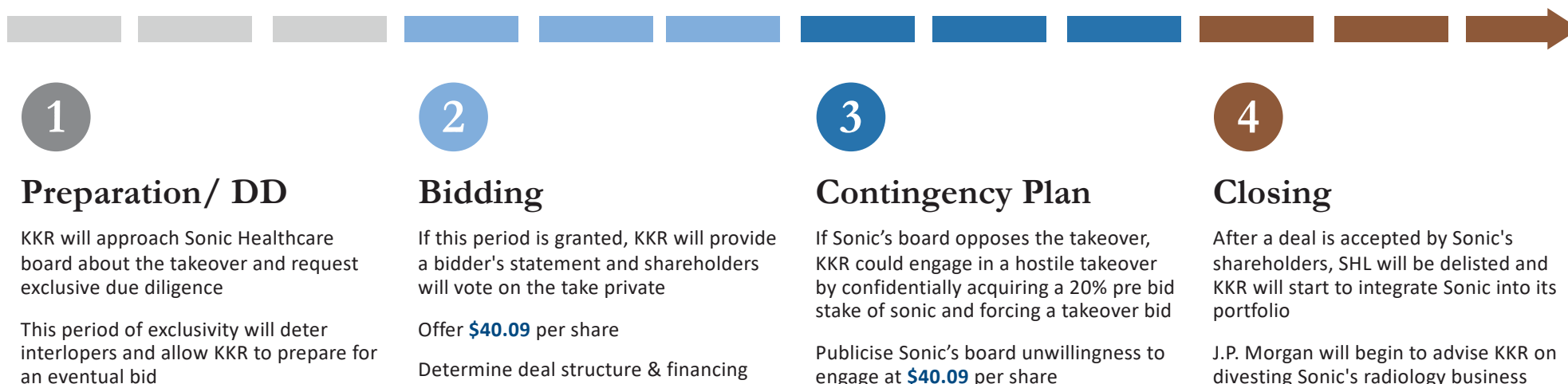
Risks and Mitigation

Several strategies can be implemented to mitigate regulatory, operational and post-transactional risks

ACCC	ACCC may block the acquisition of Sonic and divestiture of Sonic Radiology	>	<ul style="list-style-type: none">▪ Comply with disclosure requirements and consult legal advisors▪ Smaller deals (divestiture of Radiology) is less likely to be blocked▪ Discuss post-buyout ownership and leadership structure
Interlopers	Other Healthcare Companies and Private Equity firms may express interest in acquiring Sonic Healthcare	>	<ul style="list-style-type: none">▪ Attempt to gain period of exclusivity with Sonic Healthcare▪ Attractive Bidding price \$40.09, a 37% premium
Recession/ MV Decline	The sum of the parts of Radiology & Pathology may be valued at less individually than as a combined entity	>	<ul style="list-style-type: none">▪ Delayed implementation period allows KKR to rectify any shortfalls in value leakages through in-depth quarterly reviews
Interest Rates	Interest Rates may remain high which would add pressure on Sonic to service the debt	>	<ul style="list-style-type: none">▪ Draw on current credit facilities due to fixed interest rates▪ Moderate Leverage 5x EBITDA▪ Divestiture of Radiology Business reduces debt risk
Costs of Divestiture	Divestiture/ Spinoff of Radiology Business may lead to unexpected costs or complications	>	<ul style="list-style-type: none">▪ Current federation structure, reduces impact of divestiture▪ Transition programs can be implemented prior to restructuring to ensure smoother flow in retaining employees

Strategic Timeline

A timeline of acquisition and post-acquisition



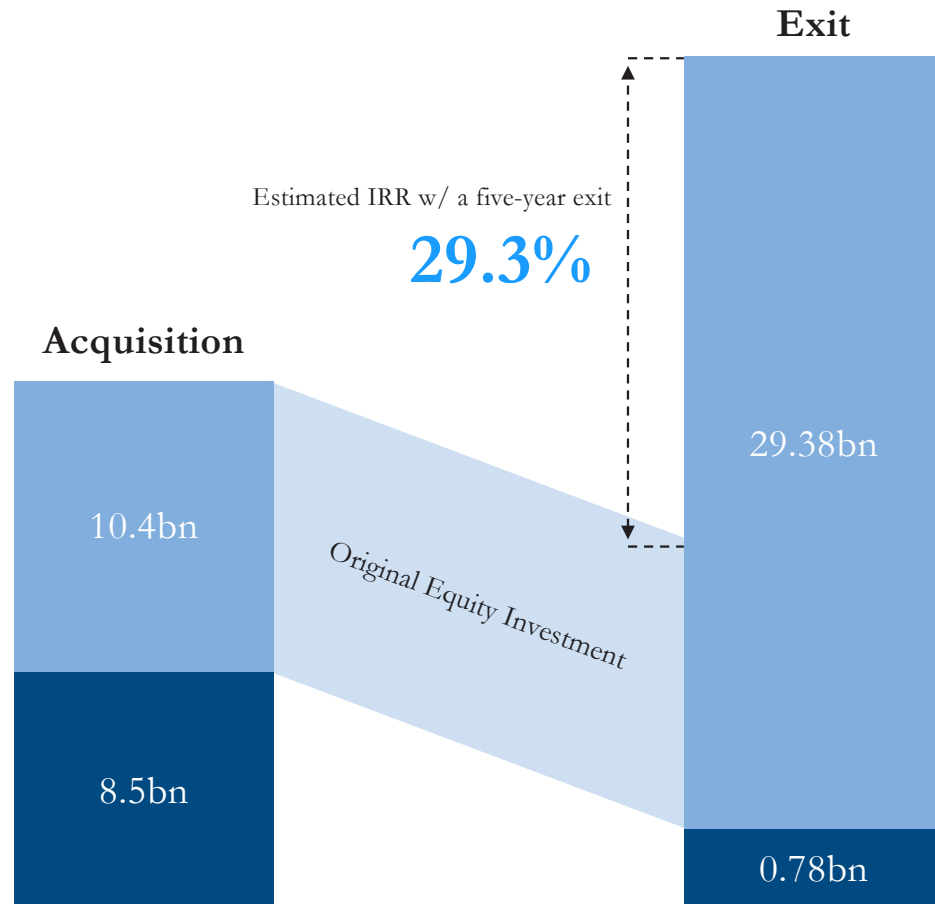
Proposed Post-Acquisition Timeline

6-12 months > Radiology Divesture

5 Years > Strategic Exit

Exit Strategy

Sonic Pathology is positioned well for an exit in 5 years



LEGAL CAPITAL

Strategic M&A (13.7x)

 **CVS Health** \$US90bn Market Cap Acquired Oak Street Health for \$US10.4bn

 **United Healthcare** \$US474bn Market Cap Acquired Change Healthcare \$7.4bn

IPO (9.8x)

- Dependent on Macroeconomic Environment & Market condition
- Multiple based on historical
- Underwriting , Road Show IPO pricing

Secondary (13.0x)

- Control Premium
- Value-add opportunities

Summary Conclusions

The acquisition presents a strategically valuable and financially feasible opportunity for KKR to bolster its healthcare portfolio

Acquisition of Sonic Healthcare

Offer: Purchase at \$40.09 — 37% premium, 45% debt & 55% equity

Rationale:

- Sonic is in a strong position with high non-COVID revenue growth
- Strong industry growth
- Attractive entry price
- Opportunity for organic growth and leveraging KKR's vast network and expertise

Alignment with KKR's Strategic Goals:

- Synchronicity with KKR's current Healthcare Portfolio
- Aligns with KKR's broader growth strategy
- Opens avenues to diversify and tap into the Australian healthcare market

Future Capital Restructuring Recommendations:

- Divest Sonic Healthcare's radiology business in FY24, constituting ~10% of their business
- Consider selling Sonic's pathology division to a top-tier global player within a 5-year horizon



Appendix

LEGAL CAPITAL

Leveraged Buyout Model

(Appendix)

Transaction Assumptions											
Current Share Price:											
Offer Premium:											
Offer Price Per Share:											
% Debt:											
% Equity:											
Purchase Price Calculations:											
Basic Shares Outstanding:											
Basic Equity Value:											
Diluted Shares Outstanding:											
Diluted Equity Value:											
Less: Cash & Investments											
Plus: Debt											
Enterprise Value:											

Debt Assumptions											
Debt %:					45.0%	Debt Required:					\$8,522
Bank Debt %:					75.0%	Bank Debt:					\$6,392
High-Yield Debt %:					25.0%	High-Yield Debt:					\$2,131
Bank Debt Interest Rate:					8.0%	Bank Debt Principal Repayment %:					10.0%
High-Yield Debt Interest Rate:					11.0%	High-Yield Debt Principal Repayment %:					0.0%

Sources & Uses											
Sources:					Uses:						
Bank Debt:			\$6,392		Equity Value of Company:				\$18,938		
High-Yield Debt:			\$2,131		Advisory Fees:				\$4		
Investor Equity:			\$10,431		Financing Fees:				\$11		
Total Sources:			\$18,953		Total Uses:				\$18,953		

LEGAL CAPITAL

Leveraged Buyout Model cont...

(Appendix)

Income											
					Historical		Projections				
Revenue					FY22A	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E
Pathology					8198	6975	7394	7911	8465	9057	9691
						-15%	6%	7%	7%	7%	7%
Radiology					706	795	882.45				
						13%	11%				
SCS/ Other Revenue					435	385	415	415	415	415	415
						-11%	8%	0%	0%	0%	0%
Total Revenue					9339	8155	8691	8326	8880	9472	10106
EBITDA											
Pathology					2638	1485	1553	1661	1862	1993	2132
					32%	21%	21%	21%	22%	22%	22%
Radiology					191	191	212				
					27%	24%	24%				
SCS/Other Revenue					28	32	33	33	33	33	33
					6%	8%	8%	8%	8%	8%	8%
Total EBITDA					2857	1708	1798	1695	1895	2026	2165
D&A					713	703	703	562	562	562	562
EBIT					2144	1005	1095	1132	1333	1463	1603
Interest Expense					\$0	\$0	(\$686)	(\$498)	(\$309)	(\$213)	(\$140)
Pre Tax Income					\$2,144.00	\$1,005.00	\$409.08	\$634.60	\$1,024.24	\$1,250.68	\$1,462.50
Taxes					557	261	106	165	266	325	380
					26%	26%	26%	26%	26%	26%	26%
NPAT Net Income					\$1,587	\$744	\$303	\$470	\$758	\$926	\$1,082
Plus: D&A					\$675	\$703	\$703	\$562	\$562	\$562	\$562
Less: Capital Expenditure					\$287	\$389	\$200	\$200	\$200	\$200	\$200
Less: (Increase /Decrease) NWC					\$49	\$33	\$100	\$100	\$100	\$100	\$100
FCF					\$1,926	\$1,025	\$706	\$732	\$1,020	\$1,188	\$1,345

LEGAL CAPITAL

Leveraged Buyout Model cont...

(Appendix)

Cash Flow Statement											
					FY22A	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E
Net Income					\$1,587	\$744	\$303	\$470	\$758	\$926	\$1,082
Plus: D&A					\$675	\$703	\$703	\$562	\$562	\$562	\$562
Less: Capital Expenditure					\$287	\$389	\$200	\$200	\$200	\$200	\$200
Less: (Increase /Decrease) NWC					\$49	\$33	\$100	\$100	\$100	\$100	\$100
FCF					\$1,926	\$1,025	\$706	\$732	\$1,020	\$1,188	\$1,345
Beginning Cash Balance:							\$798	\$500	\$500	\$500	\$500
Plus: Free Cash Flow:							\$706	\$732	\$1,020	\$1,188	\$1,345
Plus: Cash from sale							\$0	\$2,965	\$0	\$0	\$0
Less: Minimum Cash Balance:							(\$500)	(\$500)	(\$500)	(\$500)	(\$500)
Cash Available for Debt Repayment:							\$1,004	\$3,697	\$1,020	\$1,188	\$1,345
Cash Used for Debt Repayment:							(\$1,004)	(\$3,697)	(\$1,020)	(\$1,188)	(\$1,345)
Beginning Cash Balance:							\$798	\$500	\$500	\$500	\$500
Net Change in Cash:							(\$298)	\$0	\$0	\$0	\$0
Ending Cash Balance:							\$500	\$500	\$500	\$500	\$500

Debt and Interest Schedules											
					FY22A	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E
Beginning Bank Debt:							\$6,392	\$5,388	\$1,691	\$671	\$0
Repayment							(\$1,004)	(\$3,697)	(\$1,020)	(\$671)	\$0
Ending Bank Debt:							\$5,388	\$1,691	\$671	\$0	\$0
Beginning High-Yield Debt:							\$2,131	\$2,131	\$2,131	\$2,131	\$2,131
Mandatory Repayment:							\$0	\$0	\$0	\$0	\$0
Optional Repayment:							\$0	\$0	\$0	(\$517)	(\$1,345)
Ending High-Yield Debt:							\$2,131	\$2,131	\$2,131	\$1,613	\$786
Interest Paid on Debt:							(\$706)	(\$518)	(\$329)	(\$233)	(\$160)
Interest Earned on Cash:							\$20	\$20	\$20	\$20	\$20
Net Interest Income / (Expense):							(\$686)	(\$498)	(\$309)	(\$213)	(\$140)

LEGAL CAPITAL

Leveraged Buyout Model cont...

(Appendix)

Investor Returns											
					FY22A	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E
EBITDA:						\$1,708	\$212				\$2,165
EBITDA Multiple:						11.50	14				13.7
Enterprise Value:						\$19,644	\$2,965.03				\$29,665
Investor Equity:						(\$10,431)	\$2,965	\$0	\$0	\$0	\$29,379
IRR:						29.3%					

			30%	35%	40%	45%	50%	55%	60%
\$38.33	31%		0.24	0.26	0.28	0.31	0.34	0.37	0.41
\$38.92	33%		0.24	0.26	0.28	0.30	0.33	0.36	0.40
\$39.50	35%		0.23	0.25	0.27	0.30	0.33	0.36	0.40
\$40.09	37%		0.23	0.25	0.27	0.29	0.32	0.35	0.39
\$40.67	39%		0.22	0.24	0.26	0.29	0.32	0.35	0.39
\$41.26	41%		0.22	0.24	0.26	0.28	0.31	0.34	0.38

			12.2	12.7	13.2	13.7	14.2	14.7	15.2
\$38.33	31%		0.28	0.29	0.30	0.31	0.32	0.33	0.33
\$38.92	33%		0.27	0.28	0.29	0.30	0.31	0.32	0.33
\$39.50	35%		0.27	0.28	0.29	0.30	0.31	0.32	0.32
\$40.09	37%		0.26	0.27	0.28	0.29	0.30	0.31	0.32
\$40.67	39%		0.26	0.27	0.28	0.29	0.30	0.31	0.31
\$41.26	41%		0.25	0.26	0.27	0.28	0.29	0.30	0.31

LEGAL CAPITAL

Discounted Cash Flow cont...

(Appendix)

Discounted Cash Flow											
					Historical		Projections				
Revenue					FY22A	FY23A	FY24E	FY25E	FY26E	FY27E	FY28E
Pathology					8198	6975	7394	7911	8465	9057	9691
						-15%	6%	7%	7%	7%	7%
Radiology					706	795	882.45	962	1029	1101	1178
						13%	11%	9%	7%	7%	7%
SCS/ Other Revenue					435	385	415	415	415	415	415
						-11%	8%	0%	0%	0%	0%
Total Revenue					9339	8155	8691	9288	9909	10574	11285
EBITDA											
Pathology					2638	1485	1553	1661	1862	1993	2132
					32%	21%	21%	21%	22%	22%	22%
Radiology					191	191	4	4	247	264	283
					475%	462%	24%	24%	24%	24%	24%
SCS/Other Revenue					28	32	4	4	33	33	33
					475%	462%	8%	8%	8%	8%	8%
Total EBITDA					5	5	4	4	2142	2290	2448
D&A					5	5	703	703	703	703	703
EBIT					2144	1005	4	4	1439	1587	1745
Taxes					562	223	4	4	374	413	454
					475%	462%	26%	26%	26%	26%	26%
NPAT					5	5	4	4	1065	1174	1291
Plus: D&A					4.75224545	4.61982064	703	703	703	703	703
Less: Capital Expenditure					287	389	460	460	460	460	460
Less: (Increase /Decrease) NWC					49	33	100	100	100	100	100
FV of FCF					5	5	4	3	1208	1317	1434
PV of FCF							4	2	933	933	932

Additional Assumptions				
Estimated Radiology growth 17 and 6 %				
30million Defence Force pre-recruitment medicals from July 23				
Increase private billing + gov fund				
Increase efficiency from AI from FY26				

Transaction Assumptions				
EV/EBITDA past 5 years				
				12.27
Perpetuity Rate				
				2%
Discount rate				
				9%
Effective Tax Rate				
				26%

LEGAL CAPITAL

Discounted Cash Flow cont...

(Appendix)

Returns									
FV of Terminal Value				30038.2032	FV of Terminal Value				31067.7642
PV of Terminal Value				19522.771	PV of Terminal Value				20191.9151
Sum of PV Cash Flows				2805	Sum of PV Cash Flows				2805
EV				22328	EV				22997
Balance Sheet Adjustment (Add Cash Less Debts)				-2302	Balance Sheet Adjustment (Add Cash Less Debts)				-2302
Implied Equity Value				20026	Implied Equity Value				20695
Implied Price Per Share				42.25	Implied Price Per Share				43.66

	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%
10.8 x	\$ 40.14	\$ 39.14	\$ 38.16	\$ 37.21	\$ 36.29	\$ 35.39	\$ 34.51
11.3 x	\$ 41.94	\$ 40.90	\$ 39.88	\$ 38.89	\$ 37.93	\$ 36.99	\$ 36.08
11.8 x	\$ 43.74	\$ 42.66	\$ 41.60	\$ 40.57	\$ 39.57	\$ 38.59	\$ 37.65
12.3 x	\$ 45.54	\$ 44.41	\$ 43.32	\$ 42.25	\$ 41.21	\$ 40.20	\$ 39.21
12.8 x	\$ 47.34	\$ 46.17	\$ 45.03	\$ 43.93	\$ 42.85	\$ 41.80	\$ 40.78
13.3 x	\$ 49.14	\$ 47.93	\$ 46.75	\$ 45.60	\$ 44.49	\$ 43.40	\$ 42.35

	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%
1.4%	\$ 53.48	\$ 48.32	\$ 43.89	\$ 40.07	\$ 36.72	\$ 33.78	\$ 31.17
1.6%	\$ 55.35	\$ 49.88	\$ 45.22	\$ 41.20	\$ 37.70	\$ 34.63	\$ 31.92
1.8%	\$ 57.36	\$ 51.55	\$ 46.62	\$ 42.40	\$ 38.73	\$ 35.52	\$ 32.69
2.0%	\$ 59.50	\$ 53.33	\$ 48.11	\$ 43.66	\$ 39.81	\$ 36.46	\$ 33.51
2.2%	\$ 61.82	\$ 55.23	\$ 49.70	\$ 45.00	\$ 40.96	\$ 37.44	\$ 34.37
2.4%	\$ 64.31	\$ 57.26	\$ 51.39	\$ 46.42	\$ 42.16	\$ 38.48	\$ 35.26

LEGAL CAPITAL

Precedent Transactions Analysis

(Appendix)

Date	Target	Acquirer	Region	Value (A\$m)	LTM EBITDA multiple
Aug-23	Circle Health Group	Pure Health	United Kingdom	1,869	9.0x
Aug-22	Mediclinic International	Remgro	South Africa	6,595	10.8x
Jun-22	Affidea	GBL	Netherlands	2,581	12.0x
May-21	Spire Healthcare	Ramsay Healthcare	United Kingdom	3,700	11.9x
Mar-21	Bergman	Triton	Netherlands	1,071	15.7x
Feb-21	Ameos	iCG	Germany	NA	15.0x
Dec-20	Clinica Eugin	Helios	Spain	695	12.6x
Jul-20	Elsan	KKR	France	5,391	11.0x
Feb-20	Rhon-Klinikum AG	Asklepios	Germany	1,120	10.2x
Jul-18	Capio	Ramsay Healthcare	France	1,821	10.9x
May-18	Mehilainen	CVC	Finland	2,825	15.0x
Sep-16	Quiron Salud	Helios	Spain	8,474	12.7x
Jun-16	Schon Klinik	The Caryle Group	Germany	NA	13.0x
Jun-15	Spire Healthcare	Mediclinic	United Kingdom	883	11.6x
Jul-14	Quironsalud	Idcsalud	Spain	NA	13.0x

Lower Quartile	10.9x
Average	12.3x
Median	12.0x
Upper Quartile	13.0x

LTM EBITDA	EV/LTM EBITDA		Enterprise Value	
	Low	High	Low	High
1,708	10.9x	13.0x		
	Enterprise value		18,617.20	22,204.00
	(-)Net Debt		2,302.48	2,302.48
	(-) Non-controlling interest		185.36	185.36
	Implied Equity Value		16,129.36	19,716.16
	Shares outstanding		474.22	474.22
	Implied Value per share		34.01	41.58

LEGAL CAPITAL

Trading Comparables Analysis

(Appendix)

Company Name	Market Cap (A\$mm)	Enterprise Value (A\$mm)	P/E		EV/EBIT		EV/EBITDA	
			FY	FY+1	FY	FY+1	FY	FY+1
Sigma Healthcare Ltd	653	891	26.8x	15.9x	15.2x	9.9x	9.8x	7.1x
EBOS Group Limited	6,654	7,122	20.5x	22.3x	13.9x	15.1x	11.4x	12.0x
Healius Limited	1,465	3,066	29.1x	19.7x	22.0x	18.1x	7.2x	6.7x
Integral Diagnostics Ltd	665	993	24.5x	18.1x	17.3x	14.5x	9.9x	8.8x
Capitol Health Limited	218	335	20.9x	16.0x	16.0x	13.2x	7.3x	6.5x
Lower Quartile			20.7x	16.0x	14.5x	11.5x	7.2x	6.6x
Average			24.3x	18.4x	16.9x	14.2x	9.1x	8.2x
Median			24.5x	18.1x	16.0x	14.5x	9.8x	7.1x
Upper Quartile			27.9x	21.0x	19.7x	16.6x	10.6x	10.4x

FY24 Net income	EV/FY24 EARNINGS		Enterprise Value	
	Low	High	Low	High
685	20.7x	27.9x		
	Enterprise value		14,162.21	19,119.82
	(-)Net Debt		2,302.48	2,302.48
	(-) Non-controlling interest		185.36	185.36
	Implied Equity Value		11,674.37	16,631.98
	Shares outstanding		474.22	474.22
	Implied Value per share		24.62	35.07

FY24 EBIT	EV/FY25 EBIT		Enterprise Value	
	Low	High	Low	High
1,048	14.5x	19.7x		
	Enterprise value		15,242.18	20,615.04
	(-)Net Debt		2,302.48	2,302.48
	(-) Non-controlling interest		185.36	185.36
	Implied Equity Value		12,754.35	18,127.20
	Shares outstanding		474.22	474.22
	Implied Value per share		26.90	38.23

FY24 EBITDA	EV/FY24 EBITDA		Enterprise Value	
	Low	High	Low	High
1,794	7.2x	10.6x		
	Enterprise value		13,008.12	19,064.05
	(-)Net Debt		2,302.48	2,302.48
	(-) Non-controlling interest		185.36	185.36
	Implied Equity Value		10,520.28	16,576.21
	Shares outstanding		474.22	474.22
	Implied Value per share		22.18	34.95

FY25 Net income	P/FY25 EARNINGS		Enterprise Value	
	Low	High	Low	High
772	16.0x	18.1x		
	Enterprise value		12,315.60	13,975.20
	(-)Net Debt		2,302.48	2,302.48
	(-) Non-controlling interest		185.36	185.36
	Implied Equity Value		9,827.76	11,487.36
	Shares outstanding		474.22	474.22
	Implied Value per share		20.72	24.22

FY25 EBIT	EV/FY25 EBIT		Enterprise Value	
	Low	High	Low	High
1,171	11.5x	14.5x		
	Enterprise value		13,513.87	17,018.73
	(-)Net Debt		2,302.48	2,302.48
	(-) Non-controlling interest		185.36	185.36
	Implied Equity Value		11,026.03	14,530.90
	Shares outstanding		474.22	474.22
	Implied Value per share		23.25	30.64

FY25 EBITDA	EV/FY25 EBITDA		Enterprise Value	
	Low	High	Low	High
1,945	6.6x	7.1x		
	Enterprise value		12,856.93	13,769.58
	(-)Net Debt		2,302.48	2,302.48
	(-) Non-controlling interest		185.36	185.36
	Implied Equity Value		10,369.09	11,281.75
	Shares outstanding		474.22	474.22
	Implied Value per share		21.87	23.79

LEGAL CAPITAL