



Healthscope

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HEALTHSCOPE ANNOUNCES SALE OF ASIAN PATHOLOGY OPERATIONS TO TPG CAPITAL

30 July 2018

Healthscope Limited (Healthscope) today announced that it has entered into an agreement to sell its Asian Pathology operations in Singapore, Malaysia and Vietnam for A\$279 million (on a cash-free and debt-free basis, subject to customary completion adjustments) to entities controlled by funds which are managed by TPG Capital Asia, the Asia investment platform within the global alternative asset firm, TPG. Completion of the transaction is expected to occur by the end of August 2018.

Healthscope's Asian Pathology operations consist of 39 pathology laboratories across Singapore, Malaysia and Vietnam, operating under the Gribbles Pathology and Quest Laboratories brands.

The Asian Pathology operations contributed EBITDA of A\$18.2 million in FY17 and A\$9.6 million in 1H18, representing approximately 4% of Group Operating EBITDA. The sale price represents a FY17 EV/EBITDA multiple of 15.3x. Healthscope expects to book a gain on sale of approximately \$165 million in relation to the sale to be recorded in the FY19 financial results.

Healthscope previously announced it was undertaking a strategic review of its Asian Pathology business. Having received a number of approaches to acquire the business, Healthscope commenced a sale process to assess the value that could be generated by a divestment of Asian Pathology. The sale represents the successful conclusion of the strategic review.

The net cash proceeds of the sale will be used to pay down debt and fund Healthscope's expansion pipeline.

Healthscope Managing Director and Chief Executive Officer, Gordon Ballantyne, said "We are pleased with the successful outcome of the strategic review, which realises significant value for Healthscope shareholders following a thorough and competitive sale process. The decision to divest will allow our management team to focus on our core operations. We thank the management and employees of the Asian Pathology operations for their hard work and dedication to their businesses and to Healthscope over the past many years. We will work closely with TPG to ensure a smooth transition."

Joel Thickins, Partner and Head of Australia and New Zealand of TPG, said: "We are excited to acquire this very sought-after asset. Healthcare is a core sector specialty for TPG and this is a great example of having pan-Asian expertise to execute a cross border transaction in a core sector. Our primary ambition is to scale and grow the platform across Asia, as we are doing with a number of our other portfolio investments."



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About Healthscope

Healthscope is a leading private healthcare provider in Australia with 43 hospitals. In addition, it operates pathology laboratories across New Zealand, Singapore and Malaysia, with a small presence in Vietnam.

In 2017, the Group's 18,000 plus employees and 17,500 doctors provided approximately 12 million episodes of care to patients, ranging from pathology tests to complex surgery.

We place the highest priority on quality clinical outcomes, transparency of reporting and elevating the overall patient experience. Healthscope was the first private hospital operator in Australia to report performance against quality and clinical outcome metrics publicly, just one part of our program to maintain and continually improve our high standards.

About TPG:

TPG is a leading global alternative asset firm founded in 1992 with approximately \$84 billion of assets under management and offices in Austin, Beijing, Boston, Dallas, Fort Worth, Hong Kong, Houston, London, Luxembourg, Melbourne, Moscow, Mumbai, New York, San Francisco, Seoul, and Singapore. TPG's investment platforms are across a wide range of asset classes, including private equity, growth venture, real estate, credit, public equity and infrastructure. For more information, visit www.tpg.com.

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