



# 4 small-cap healthcare shares that you need to know about

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When it comes to investing in world-class healthcare companies, the ASX offers a number of excellent options including the likes of **CSL Limited** ([ASX: CSL](#)), **Ramsay Health Care Limited** ([ASX: RHC](#)) and **Cochlear Limited** ([ASX: COH](#)).

While these blue-chip shares still have a lot of growth left in them, the law of large numbers suggests they will find it difficult to replicate their impressive historical growth rates as they grow larger.

That doesn't mean they won't be great investments moving forward, but it does mean investors who want explosive levels of growth will need to look at alternative options.

Luckily, the ASX has quite a large number of up-and-coming healthcare shares that investors should take a closer look at. Here are four to consider:

**Paragon Care Ltd. (ASX: PGC)**

Paragon Care is a medical supplies company that specialises in servicing hospitals and aged care facilities. The company has undertaken a number of earnings accretive acquisitions recently, but more importantly, continues to deliver a strong level of organic growth. FY17 started off strongly for Paragon Care with EBITDA up 12% on a like-for-like basis for the first three months.

**Viralytics Ltd. (ASX: VLA)**

Viralytics is an exciting biotechnology company that has developed a novel cancer treatment using the common cold virus. While the company is still far from being profitable, it is making enough positive progress through its clinical trials program to suggest it could easily become a target for larger pharmaceutical companies.

**Compumedics Limited (ASX: CMP)**

Compumedics is a found-led medical devices company that focuses on the sleep, brain and ultrasonic blood-flow monitoring markets. Importantly, the company enjoys a market-leading position in a number of large markets including China and Japan. Compumedics is forecasting for at least 20% EBITDA growth in FY17, and at the same time plans to significantly ramp up its presence in the U.S. and Germany.

**Pro Medicus Limited (ASX: PME)**

Pro Medicus should probably be classified as a technology company, but its potential impact on the traditional medical imaging market means it still makes the list of healthcare related shares to watch. The company has developed a range of cutting-edge software applications that makes it substantially quicker and easier to deliver data rich medical images to end-users. Pro Medicus' target market is extremely large, although investors should note the shares already trade on a pretty lofty valuation multiple.

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