



Healthcare Industry Highlights

March 23rd, 2022



COVID-19 IN THE REARVIEW

For the last two years, this first page of the OriginRx has been reserved for COVID-19 Developments, where we have tracked the rapid progress of innovative vaccines and new therapies as well as public health reactions through the ups and downs of new “waves” and “variants”. It was a sign of the times while case numbers overwhelmed the news cycle and threatened to do the same to our healthcare system.

During this time, very nearly every conversation started with COVID chit chat – Are you working from home? Are you travelling? Have you had it? Be safe! Stories of lockdowns loosening or even lifting in the US and internationally prompted some envy over these many months.

Now, two years later, Canadian public health agencies and medical experts support the lifting of COVID restrictions, and we are ready to live with it. It’s now largely your choice whether you want to wear a mask or keep your distance from others.

Given this shift, we will no longer be including COVID-19 Developments in the OriginRx. I am so thrilled to be back to in-person meetings, working breakfasts and unmasked smiles, if you so choose. And we will take this blank page and fill it with interesting interviews and healthcare deal news and trends.

Be well!

From the desk of Cathy Steiner



Cathy Steiner
Principal and Healthcare Lead





HEALTHCARE SERVICES

News Scan

- On March 21st, **Fresenius Health Partners**, **Cricket Health**, and **InterWell Health** announced a merger to form a new value-based care company focused on services for earlier stage kidney disease. The new company, valued at \$2.4 billion according to the companies, will operate under the InterWell Health brand. As part of the deal, 1,100 physicians that are a part of the InterWell Health network will be equity stakeholders along with backing of investors including Valtruis, Oak HC/FT, Cigna Ventures and Blue Shield of California
- On March 14th, **Loblaw Companies Limited (“Loblaw”)** announced that its subsidiary **Shoppers Drug Mart** will acquire **Lifemark Health Group (“Lifemark”)** for C\$845 million in cash. Lifemark is the leading provider of outpatient physiotherapy, massage therapy, occupational therapy, chiropractic, mental health, and other rehabilitation services, with more than 300 clinics across Canada. The Lifemark acquisition adds to Loblaw’s growing role as a healthcare service provider with a network of health and wellness solutions
- On March 10th, **Neighbourly Pharmacy Inc. (“Neighbourly”)** announced an agreement to acquire **Rubicon Pharmacies (“Rubicon”)** for cash consideration of C\$435 million. The deal is partly financed by a \$250 million equity offering, including C\$120 million from Neighbourly’s largest shareholder Persistence Capital Partners. Rubicon will add 100 pharmacies in Western Canada, growing Neighbourly’s locations and revenues by approximately 60%
- On March 9th, **Green Shield Canada (“GSC”)**, a social enterprise founded by pharmacists, announced two key acquisitions in growing segments of the pharmacy landscape: **NKS Health**, an established, innovative specialty pharmacy focused on complex disease management, and **The Health Depot**, an emerging leader in digital pharmacy with expertise in chronic disease management, to expand its pharmacy focus
- On March 1st, **FlexiTY Solutions Inc. (“FlexiTY”)** announced that it acquired the healthcare division of **Genesis Integration Inc.**, an Edmonton-based provider of nurse call systems. This is one in a series of acquisitions aligned with FlexiTY’s growth strategy and reinforces the organization’s commitment to the modernization of the Canadian healthcare industry

Key Indicators

<i>In \$CAD millions</i>	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2022E	2023E	2022E	2023E	
dentalcorp Holdings Ltd.	2,635.4	3,582.8	2.9x	2.4x	15.0x	12.2x	80.5%
Neighbourly Pharmacy Inc.	1,134.7	1,241.0	1.7x	1.4x	13.8x	10.2x	82.2%
CareRx Corporation	237.3	330.4	0.9x	0.8x	7.9x	6.8x	73.5%
Akumin Inc.	141.4	2,167.4	2.2x	2.1x	10.7x	9.6x	26.5%
Average			1.9x	1.7x	11.9x	9.7x	65.7%



OMNICHANNEL HEALTHCARE & DIGITAL HEALTH

News Scan

- On March 9th, **Potomac Equity Partners LLC**, a DC-based investment firm, announced that it acquired **US Mobile Health Exams**, a provider of mobile health testing and examination services. The firm provides tests for hearing conservation, drug and alcohol screening, blood tests, immunizations, ultrasound screenings and additional needs
- On March 4th, **Microsoft Corporation (“Microsoft”)** announced that it closed the acquisition of **Nuance Communications (“Nuance”)** for US\$19.7 billion. Microsoft will add Nuance’s conversational artificial intelligence technology to its cloud services platform to improve clinical productivity and patient outcomes for its healthcare customers. Microsoft paid US\$56 in cash per share, representing a one-day premium of 23%, for a deal of approximately \$20 billion
- On March 3rd, **N. Harris Computer Corporation**, a subsidiary of **Constellation Software (“Constellation”)** announced it acquired the net assets of the hospital business from **Allscripts Healthcare, LLC** in a deal worth up to \$700 million. The deal includes a range of assets from Allscript’s hospital and large physician practices segment, including Sunrise, Paragon, Touchworks, Opal, dbMotion, STAR and Healthquest solutions
- On March 2nd, **AQuity Solutions (“AQuity”)**, a leading provider of virtual solutions for real-time clinical documentation, medical coding, and mid-revenue cycle offerings, announced the acquisition of Pittsburgh, PA-based **Acusis**. The purchase expands AQuity's scope of solutions to now include Practice Management, Tumor Registry, Medical Billing, and Collection services
- On March 1st, **Roman Health**, an American healthcare technology company building a patient-centric healthcare system, announced that it has acquired **Dadi, LLC**, a fertility company offering sperm testing, analysis, and storage kits. This comes less than a year after acquiring Modern Fertility in a bid to expand its fertility offerings

Key Indicators

<i>In \$CAD millions</i>	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2022E	2023E	2022E	2023E	
WELL Health Technologies Corp.	1,003.5	1,400.9	2.9x	2.6x	14.0x	11.7x	54.4%
Dialogue Health Technologies Inc.	394.7	287.1	3.0x	2.4x	neg	neg	29.5%
LifeSpeak Inc.	284.9	268.8	4.1x	2.8x	12.3x	6.5x	56.4%
CloudMD Software & Services Inc.	233.1	214.3	1.1x	1.0x	neg	nmf	34.5%
MCI Onehealth Technologies Inc.	70.9	76.4	1.2x	1.1x	nmf	11.3x	39.2%
Think Research Corporation	67.5	94.0	1.0x	0.9x	15.4x	8.2x	25.2%
Average			2.2x	1.8x	13.9x	9.4x	39.9%



PHARMACEUTICALS AND MED-TECH

News Scan

- On March 14th, **ANJAC Health & Beauty (“ANJAC”)**, a French-based partner to beauty and wellness brands, announced that it acquired Canadian contract development manufacturing organization (CDMO), **Pillar5Pharma**. The acquisition is in line with ANJAC’s strategy of geographic growth and product portfolio diversification
- On March 11th, **Pfizer Inc. (“Pfizer”)** announced that it completed its acquisition of **Arena Pharmaceuticals**, a clinical stage company developing innovative potential therapies for the treatment of several immuno-inflammatory diseases. Pfizer acquired all outstanding shares for US\$100 per share in cash, for a total equity value of approximately US\$6.7billion. The acquisition brings to Pfizer a portfolio of diverse and promising development-stage therapeutic candidates in gastroenterology, dermatology, and cardiology
- On March 11th, New York-based **Terran Biosciences (“Terran”)**, a biotech platform company dedicated to the development of transformational therapeutics for neurological and psychiatric diseases, announced that it will acquire a portfolio of **Concert Pharmaceuticals’** CNS therapeutics and accompanying intellectual property. It is Terran's goal to become an industry leader in neuropsychiatry by providing a suite of solutions for patients suffering from these diseases
- On March 2nd, **Trivitron Healthcare**, a global medical technology company announced that it has acquired US-based **The Kennedy Company**, a leading manufacturer of Radiation Protection X-ray Shielding Material and Acoustic Barrier Products. With this acquisition, the company further strengthens its manufacturing presence in the US
- On March 1st, **Nora Pharma Inc. (“Nora”)**, a Canadian pharmaceutical company specializing in the distribution of generic and specialty drugs across the country, has acquired the assets of **Pharmapar**, a Quebec-based company that has been distributing generic drugs for over 20 years. This acquisition is part of Nora’s strategy to be a key player in the Canadian pharmaceutical landscape

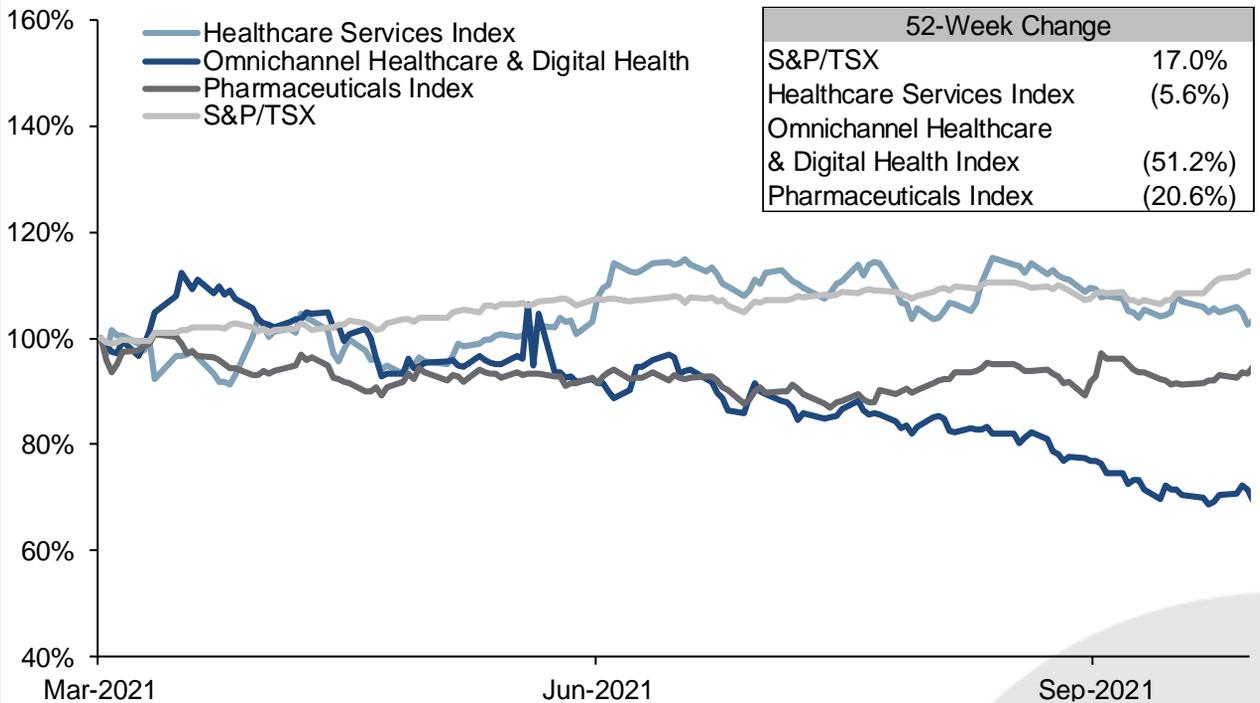
Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of
	Cap	TEV	2022E	2023E	2022E	2023E	52-Week High
Bausch Health Companies Inc.	10,850.4	33,258.4	3.1x	3.0x	7.5x	7.2x	71.2%
Knight Therapeutics Inc.	657.7	538.6	1.8x	na	8.9x	na	97.9%
HLS Therapeutics Inc.	484.1	560.5	4.7x	2.4x	11.1x	5.0x	69.8%
Theratechnologies Inc.	293.0	306.3	3.0x	2.3x	nmf	21.6x	54.9%
Average			3.1x	2.6x	9.2x	11.3x	73.5%



MARKET PERFORMANCE

Indexed Segment Performance¹



Charting the Course

- The TSX index increased 17% over the last 12-months, hitting an all-time high and up from last month's 52-week increase of 13.2%. Performance shows resilience after a tumultuous end to February, underpinned by a backdrop of rising commodity prices, inflation, geopolitical tensions and loosening COVID restrictions
- Our Healthcare Services Index is recording a 12-month decrease of 5.6%, up from last month's decrease of 10.1% as society transitions back to in-person services and the effects of COVID-19 wane
- Our Omnichannel Healthcare & Digital Health Index is continuing to lag, recording a decline of 51.2% over the past 12-months, consistent with last month's 57.6% drop
- Our Pharmaceuticals Index decreased 20.6% over the last 12-months, down from last month's 11.1% decrease, as concerns over increased regulatory scrutiny of drug pricing and anti-competitive practices heighten

1. Index segments are market prices for the companies in each category as noted in the earlier pages of the report



About Origin Merchant Partners

Origin Merchant Partners is an independent investment bank that provides value added corporate finance, mergers and acquisitions and merchant banking services delivered by senior professionals. Our clients engage us for our dedicated, high level of service and independent advice to address their strategic and financial plans

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