



## Healthcare Industry Highlights

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May 26<sup>th</sup>, 2022



## HEALTHCARE SERVICES

- On May 19<sup>th</sup>, **Sedgwick**, a Tennessee-based provider of tech-enabled risk, benefits and integrated business solutions, majority-owned by Carlyle Group, announced that it has acquired **Orchid Medical**, which offers a wide array of ancillary medical management solutions for the workers' compensation industry across the US
- On May 16<sup>th</sup>, **Greenbook TMS ("Greenbook")** a leading provider of transcranial magnetic stimulation therapy in the US, announced its acquisition of **Success TMS**, one of the largest and fastest growing providers of TMS therapy in the US. The deal is valued at US\$27.3 million and will allow Greenbook to rapidly expand their TMS presence
- On May 16<sup>th</sup>, **Venn Growth Partners** and **BDC Capital** announced their acquisition of **Monarch House Ltd.**, a carve-out from **CBI Health**. Monarch House is a national Canadian network of interdisciplinary behavioral health centers with a particular focus on serving children and youth diagnosed with autism spectrum disorder. Financial terms of the transaction were not disclosed
- On May 5<sup>th</sup>, **Centene Corporation ("Centene")**, a US-based managed care company, announced that it is selling its pharmacy benefits management businesses **Magellan Rx** and **PANTHERx** for aggregate proceeds of US\$2.8 billion. Separate definitive agreements provide for the sale of Magellan Rx to **Prime Therapeutics LLC**, and PANTHERx to a consortium comprised of **The Vistria Group**, **General Atlantic**, and **Nautic Partners**
- On May 3<sup>rd</sup>, **Integracare**, a leading Toronto private home healthcare company, announced its acquisition of **Guardian Home Care ("Guardian")**. Guardian provides high quality senior home care services in Toronto and the surrounding area. With this acquisition, Integracare will increase its footprint in private nursing and healthcare services in the Toronto area
- On May 3<sup>rd</sup>, **Skylight Health Group Inc. ("Skylight")** announced the execution of a definitive agreement to purchase **NeighborMD**. Skylight, a primary care management group based in the US will add to its portfolio of primary care facilities with this acquisition. NeighborMD is a Florida-based service that currently operates nine practices providing primary care services

### Key Indicators

<i>In \$CAD millions</i>	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2022E	2023E	2022E	2023E	
dentalcorp Holdings Ltd.	2,159.3	3,218.0	2.6x	2.2x	13.6x	11.1x	64.0%
Neighbourly Pharmacy Inc.	839.2	945.6	1.3x	1.0x	10.5x	7.8x	60.8%
CareRx Corporation	210.1	317.5	0.8x	0.8x	8.3x	6.8x	64.6%
Akumin Inc.	128.1	2,196.6	2.2x	2.1x	10.9x	9.6x	25.6%
<b>Average</b>			<b>1.7x</b>	<b>1.5x</b>	<b>10.8x</b>	<b>8.8x</b>	<b>53.7%</b>



## OMNICHANNEL HEALTHCARE & DIGITAL HEALTH

### News Scan

- On May 23<sup>rd</sup>, **CynergisTek Inc. (“CynergisTek”)**, a leading US cybersecurity, privacy, compliance, and IT Audit firm, entered into a definitive agreement to merge with **Clearwater**, a Nashville-based cybersecurity healthcare-focused firm, for US\$17.7 million. The merger will allow the new entity to expand its service offering with the opportunity to scale as a Managed Service Provider
- On May 18<sup>th</sup>, **HealthStream**, a US-based provider of workforce solutions in the healthcare industry, announced that it would acquire the remaining equity interest in **CloudCME**, a Nashville-based healthcare technology company, for US\$4.1 million in cash and US\$4.1 million in shares of HealthStream’s common stock. The acquisition will further support customers with expanded customer care, resources and innovation
- On May 18<sup>th</sup>, **HealthNow**, a New Zealand-based company that allows for healthcare management through an app, announced the acquisition of **CoverUS**, a digital prescription discount platform. This acquisition enables HealthNow’s entry into the US market and will help Americans pay for the prescriptions that they require
- On May 11<sup>th</sup>, **Health Catalyst**, a Utah-based provider of data & analytics technology to the healthcare industry, announced that it had acquired **ARMUS Corp**, a California-based clinical registry development and data management technology company. This acquisition is expected to drive cost savings for Health Catalyst’s global healthcare customers through enhanced data-driven insights
- On May 11<sup>th</sup>, **Civica Group**, a UK-based provider of software applications, cloud services and IT-enhanced outsourcing solutions, backed by **Partners Group**, announced that it has acquired **Momentum Healthcare**, a Canadian healthcare technology provider. The transaction will enhance Civica Group’s wider software offering across North America and globally

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WELL Health Technologies Corp.	819.5	1,238.7	2.3x	2.1x	12.6x	10.7x	41.6%
Dialogue Health Technologies Inc.	267.5	173.1	1.7x	1.2x	neg	neg	31.2%
Vitalhub Corp.	137.5	120.3	3.1x	2.8x	13.4x	11.8x	83.4%
CloudMD Software & Services Inc.	128.5	117.3	0.6x	0.6x	neg	35.7x	18.3%
LifeSpeak Inc.	77.5	143.4	2.6x	1.9x	12.2x	5.4x	15.4%
MCI Onehealth Technologies Inc.	57.6	71.0	1.2x	1.0x	neg	21.8x	34.8%
Think Research Corporation	41.8	75.1	0.8x	0.7x	13.6x	6.9x	19.5%
<b>Average</b>			<b>1.9x</b>	<b>1.5x</b>	<b>12.8x</b>	<b>13.9x</b>	<b>34.9%</b>



## PHARMACEUTICALS AND MED-TECH

- On May 23<sup>rd</sup>, **Kala Pharmaceuticals Inc.** announced an agreement to sell its dry eye treatment, Eysuvis, and corticosteroid, Inveltys, to **Alcon Inc. (“Alcon”)**, a Switzerland-based medical company specializing in the production of eye care products, for US\$60 million plus contingent future payments. This acquisition will support Alcon’s efforts to build its market for acute dry eye treatment
- On May 16<sup>th</sup>, **Medtronic**, a US-based medical device company, announced that it has completed the acquisition of **Intersect ENT**, a manufacturer of drug delivery devices used by ear, nose, and throat clinicians, for US\$1.1 billion. This acquisition will increase Medtronic’s ear, nose, and throat portfolio with innovative products used in sinus procedures
- On May 16<sup>th</sup>, **Aprea Therapeutics**, a portfolio company of Karolinska Development AB focused on novel cancer therapeutics, announced the acquisition of **Atrin Pharmaceuticals Inc.**, a US-based biotechnology company focused on the discovery and development of novel therapeutics targeting proteins in the DNA damage response pathway, in a share transaction
- On May 10<sup>th</sup>, **Pfizer** announced the planned acquisition of **Biohaven Pharmaceuticals (“Biohaven”)**, a clinical-stage biopharmaceutical company focusing on products targeting neurological, and neuropsychiatric disorders, in a deal valued at US\$11.6 billion. Following this acquisition, Pfizer will commercialize Biohaven’s NURTEC ODT, an innovative compound for the prevention and treatment of migraines
- On May 4<sup>th</sup>, **CONMED Corporation**, a US-based medical technology company, announced its acquisition of **In2Bones Global Inc.**, a Memphis-based developer, manufacturer, and distributor of medical devices made for the treatment of injuries to upper and lower extremities. The purchase price is comprised of US\$145.0 million in cash consideration and up to an additional US\$110.0 million in growth-based earnout payments

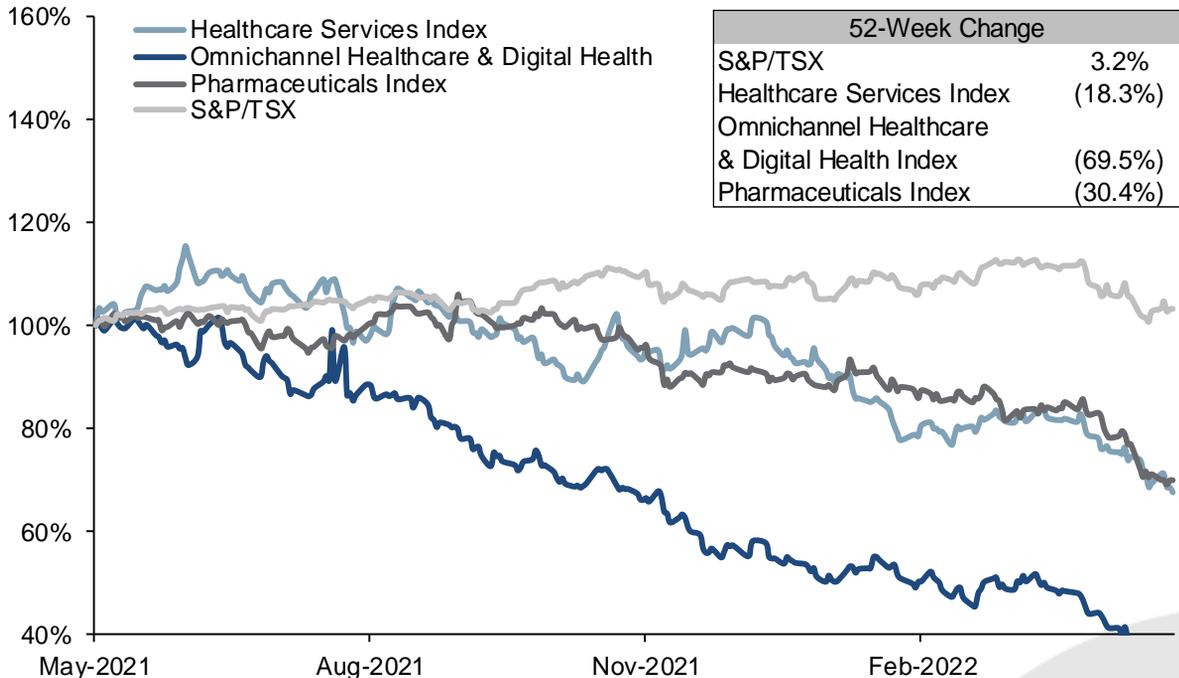
### Key Indicators

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	Cap	TEV	2022E	2023E	2022E	2023E	
Bausch Health Companies Inc.	4,571.2	26,565.2	2.5x	2.4x	6.4x	6.0x	32.6%
Knight Therapeutics Inc.	612.2	491.4	1.8x	1.7x	10.8x	9.0x	92.5%
HLS Therapeutics Inc.	434.8	506.7	5.2x	2.8x	11.9x	6.4x	65.3%
Theratechnologies Inc.	278.7	301.5	2.9x	2.3x	neg	neg	52.2%
<b>Average</b>			<b>3.1x</b>	<b>2.3x</b>	<b>9.7x</b>	<b>7.1x</b>	<b>60.6%</b>



## MARKET PERFORMANCE

### Indexed Segment Performance<sup>1</sup>



### Charting the Course

- The TSX index increased 3.2% over the last 12-months, down from last month's 52-week increase of 15.5% due largely to the central bank's interest rate hikes to combat rising inflation, uncertainty about demand sustainability, and continuing supply chain glitches
- Our Healthcare Services Index is recording a 12-month decrease of 18.3%, down from last month's decrease of 12.1%, partially due to pressure from Omicron, which increased provider absences and patient cancellations during the first quarter of 2022
- Our Omnichannel Healthcare & Digital Health Index has recorded a decline of 69.5% over the past 12-months, down from last month's 56.2% drop, and in line with the trend in other technology-weighted names
- Our Pharmaceuticals Index decreased 30.4% over the last 12-months, down from last month's 15.6% decrease, and consistent with current market conditions

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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