



# Healthcare Industry Highlights

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October 3<sup>rd</sup>, 2022



## HEALTHCARE SERVICES

- On September 27<sup>th</sup>, **Prime Time Healthcare, LLC (“PTH”)**, a US-based healthcare staffing services provider specializing in travel-based nursing assignments, announced that it has been acquired by **OEP Capital Advisors, L.P.**, a US-based middle market PE firm, for an undisclosed amount. The transaction will allow PTH to add service lines and introduce innovative concepts in the fast-growing caregivers segment
- On September 22<sup>nd</sup>, **BlackRock Long Term Private Capital (“Blackrock”)** announced that it has entered into a definitive agreement to acquire a majority interest in **Paradigm Oral Health (“Paradigm”)**, a US-based oral surgery and digital dentistry platform, from **InTandem Capital Partners**, a US-based PE firm, for an undisclosed amount
- On September 21<sup>st</sup>, **Spectrum Health Care (“Spectrum”)**, a leading Canadian provider of innovative home health care, senior companionship services and specialized services, in partnership with **Novacap**, announced the acquisition of **Visavie (“Visavie”)**, a Quebec-based seniors’ services provider. Marking Spectrum’s first venture outside of Ontario, Visavie helps seniors remain safe and independent in their own homes and offers highly personalized service to assist seniors with their transition to a retirement community that best meets their needs
- On September 19<sup>th</sup>, **Yorkville Asset Management**, a Canadian boutique investment management firm, announced that it has acquired **Back in Motion Rehab (“BIM”)**, a leading provider of rehab services with clinics in Western Canada, on behalf of its Yorkville Health Care Fund and private placement investments, for an undisclosed amount. BIM was previously a portfolio company of **Ironbridge Equity Partners**, a Canadian private equity firm. Origin Merchant Partners was pleased to be the exclusive financial advisor to BIM on this transaction
- On September 9<sup>th</sup>, **Contigo Health (“Contigo”)**, a US-based provider of comprehensive services that optimize employee health benefits, and a **Premier Inc** subsidiary, announced an agreement to acquire key assets from US-based **TRPN Direct Pay, Inc.** and **Devon Health, Inc.**, for US\$177.5 million in cash. Acquired assets include contracts with more than 900,000 providers across 4.1 million US locations. The acquisition will support Contigo Health’s continued growth by expanding its footprint and enhancing value for direct-to-employer offerings
- On September 7<sup>th</sup>, **FYI Health Group (“FYI”)**, a leading Canadian diversified healthcare organization delivering eye care and medical aesthetics treatments from more than 300 locations, announced its agreement to acquire **WestGroupe**, a family operated, Quebec-based manufacturer and distributor of eyewear. The value of the transaction was not disclosed. WestGroupe will continue to operate independently, and is expected to positively impact FYI doctors and WestGroupe customers, in part as the team grows and advocates for fair wholesale pricing in the market
- On September 5<sup>th</sup>, **CVS Health (“CVS”)**, which provides health services in the United States, has reached a deal to acquire in-home health-care company **Signify Health**. The value of the transaction was approximately US\$8 billion. The acquisition will help CVS reach more patients, improve the quality of care and build on its growing health-care services
- On August 31<sup>st</sup>, **Walgreens Boots Alliance, Inc.**, a US-based integrated healthcare, pharmacy and retail leader, announced it has completed the majority share acquisition of **CareCentrix, Inc.**, a leading independent home-centered platform that coordinates care to the home for health plans, patients and providers. The value of the transaction was not disclosed

### Key Indicators

<i>In \$CAD millions</i>	Market Cap		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2022E	2023E	2022E	2023E	
dentalcorp Holdings Ltd.	1,481.0	2,633.9	2.1x	1.8x	11.4x	9.2x	42.9%
Neighbourly Pharmacy Inc.	880.8	992.7	1.5x	1.1x	13.8x	8.9x	49.6%
Akumin Inc.	281.1	2,502.9	2.4x	2.3x	11.4x	10.2x	71.6%
CareRx Corporation	144.9	270.3	0.7x	0.7x	8.3x	7.0x	48.0%
<b>Average</b>			<b>1.7x</b>	<b>1.5x</b>	<b>11.2x</b>	<b>8.8x</b>	<b>53.0%</b>



## OMNICHANNEL HEALTHCARE & DIGITAL HEALTH

- On September 27<sup>th</sup>, **Prescriptive Health, Inc. ("Prescriptive")**, a US-based company that owns and operates a prescription benefits platform, announced its acquisition of **Northwest Pharmacy Services Inc.**, a US-based not-for-profit pharmacy benefits manager, for an undisclosed amount. The strategic acquisition accelerates Prescriptive's market penetration and growth and expands access to its exclusive blockchain-powered mobile solution
- On September 25<sup>th</sup>, **Firmament**, a US-based PE firm, announced its acquisition of **Intellis, LLC**, a US-based company providing coding, health information management (HIM), clinical documentation integrity and auditing services, through its portfolio company **e4 Services, LLC**, a US-based company that specializes in healthcare revenue cycle management, HIM, coding, clinical documentation integrity and complex project management, for an undisclosed amount. The transaction creates a one-stop shop for healthcare executives looking to improve their HIM, coding, IT functions and infrastructure
- On September 21<sup>st</sup>, **Zelis Healthcare Inc. ("Zelis")**, a US-based healthcare payments and pricing company, announced the completion of its acquisition of **Payer Compass, LLC**, a US-based provider of reimbursement and claims pricing, administration, and processing solutions, from **Spectrum Equity Management, L.P.** and **Health Enterprise Partners**, two US-based PE firms, for an undisclosed amount. The acquisition will enable Zelis to evolve and expand its client solutions for out-of-network healthcare services
- On September 20<sup>th</sup>, **McKesson Corporation ("McKesson")**, a US-based healthcare services provider, announced that it has signed a definitive agreement to acquire **Rx Savings Solutions**, a US-based prescription price transparency and benefit insight company, from **McCarthy Capital**, a US-based PE firm, for US\$875 million. The acquisition aligns with McKesson's strategic growth focus by connecting biopharma and payer services to patients
- On September 14<sup>th</sup>, **Third Wave Recovery Systems, LLC ("TWRS")**, a US-based provider of tech-enabled pharmaceutical rebate management solutions, announced its acquisition of **SRX, LLC ("SRX")**, a US-based provider of pharmaceutical rebate management solutions for the skilled nursing and long-term care industry, for an undisclosed amount. The combination of SRX's technology platform and TWRS's extensive network of healthcare industry relationships will drive significant growth for the company and reduce costs for its customers
- On September 8<sup>th</sup>, **Headversity**, a Canadian provider of preventative mental health solutions for employers, announced that it has acquired the assets of **Health Improvement Solutions**, an evidence-based provider of health and wellness program planning, evaluation and related services, based in the US, for an undisclosed amount. The acquisition introduces a robust health risk assessment methodology into the Headversity platform
- On September 7<sup>th</sup>, **ClearCourse**, a UK-based group of technology brands providing an integrated payments platform and software, has acquired **Blue Zinc**, a Belfast-based healthcare technology company. The value of the transaction was not disclosed. With ClearCourse's support, Blue Zinc plans to scale and extend the services provided, while bringing innovation to new areas of healthcare
- On September 6<sup>th</sup>, **PrepMD RMS ("PrepMD")**, a US-based cardiac clinical services company, has acquired **LindaCare**, a US-based digital health company specializing in remote monitoring. The value of the transaction was not disclosed. The acquisition expands PrepMD's capability to provide services in the remote monitoring space

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In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2022E	2023E	2022E	2023E	
WELL Health Technologies Corp.	682.3	1,072.5	1.9x	1.7x	10.4x	9.1x	41.8%
Dialogue Health Technologies Inc.	151.9	92.7	1.0x	0.7x	neg	neg	25.9%
Vitalhub Corp.	101.1	75.0	1.9x	1.7x	8.1x	7.0x	67.5%
LifeSpeak Inc.	94.1	171.4	3.4x	2.6x	16.6x	8.1x	22.4%
CloudMD Software & Services Inc.	77.8	84.8	0.5x	0.5x	neg	nmf	na
MCI Onehealth Technologies Inc.	46.6	62.8	1.1x	0.9x	neg	28.0x	39.7%
Think Research Corporation	25.3	65.2	0.8x	0.7x	neg	13.2x	20.0%
<b>Average</b>			<b>1.8x</b>	<b>1.4x</b>	<b>12.9x</b>	<b>12.2x</b>	<b>34.3%</b>



## PHARMACEUTICALS AND MED-TECH

- On September 28<sup>th</sup>, **Apotex Pharmaceutical Holdings Inc.** (“Apotex”), a Canadian developer, manufacturer and distributor of pharmaceutical products, announced that it has agreed to be acquired by **SK Capital Partners, LP** (“SK Capital”), a US-based PE firm focused on the specialty materials, specialty chemicals, and pharmaceuticals sectors, for an undisclosed amount. SK Capital’s sectoral expertise will support Apotex’s next phase of growth and continued innovation for patient affordability
- On September 20<sup>th</sup>, **Walgreens Boots Alliance, Inc.** (“WBA”) announced its acquisition of the remaining 30% stake in **Shields Health Solutions** (“Shield”), a US-based company that builds and accelerates growth of hospital-owned specialty pharmacies, for US\$1.37 billion. Shield’s integrated model is helping WBA expand access to payor partners and lower costs as it aligns capabilities across primary care, specialty pharmacy care, post-acute care and home care
- On September 19<sup>th</sup>, **Intelrad Medical Systems**, a Canada-based medical imaging software provider backed by **Hg, TA Associates** and **ST6**, with offices located across six countries, acquired **Life Image**, a US-based provider of diagnostic imaging for research, for an undisclosed amount. Life Image’s digital platform connects 13,000 facilities with more than 160,000 US providers and 58,000 global clinics. The combined network will manage over 80 billion images globally
- On September 12<sup>th</sup>, **BioIVT** a leading US-based provider of biospecimens, research models and services for drug and diagnostic development, acquired **XenoTech**, a provider of products for ADME-Tox in vitro models and contract research services. The value of the transaction was not disclosed. This transaction supports BioIVT’s commitment to provide its biopharmaceutical customers with a comprehensive portfolio of research models and services
- On September 12<sup>th</sup>, **Ra Medical Systems, Inc.**, a US-based medical device company, announced it is planning to combine its business with **Catheter Precision**, a US-based developer of electrophysiology products to provide patients, hospitals, and physicians with technologies to improve the lives of patients with cardiac arrhythmias, in a reverse merger transaction. The resulting entity will combine both companies’ work to develop catheter-based systems used in vascular procedures
- On September 7<sup>th</sup>, **Good Therapeutics Inc.**, a US-based biotechnology company that develops biotherapeutics and self-regulating drugs, announced that it has entered into a definitive merger agreement to be acquired by **Roche**, a leading Swiss-based pharmaceuticals and diagnostics company, for approximately US\$250 million. With this acquisition, Roche will gain rights to Good Therapeutics’ innovative, conditionally active, PD-1-regulated IL-2 program and an exclusive right to the platform technology for the development of PD-1-regulated IL-2 receptor agonist therapeutics
- On September 7<sup>th</sup>, **Canadian Blood Services** (“CBS”), a Canadian non-profit charitable organization that provides blood and blood products, stem cells, and organs and tissues to patients, announced that it has signed an agreement with **Grifols**, a private healthcare company headquartered in Spain, which specializes in producing plasma medicines. The value of the transaction was not disclosed. Grifols will help CBS meet national targets for plasma supply by both collecting paid-for plasma and by turning Canadian plasma into immunoglobulins for Canadian patients
- On September 1<sup>st</sup>, **Novo Nordisk**, a Denmark-based leading global healthcare company, and **Forma Therapeutics, Holdings Inc.**, a US-based clinical-stage biopharmaceutical company focused on developing novel treatments for rare blood diseases and cancers, announced that they have entered into a definitive agreement under which Novo Nordisk will acquire Forma Therapeutics for total equity value of approximately US\$1.1 billion. Forma’s lead product candidate is etavopivat, an oral once-daily under evaluation in a global Phase II/III trial for patients with sickle cell disease

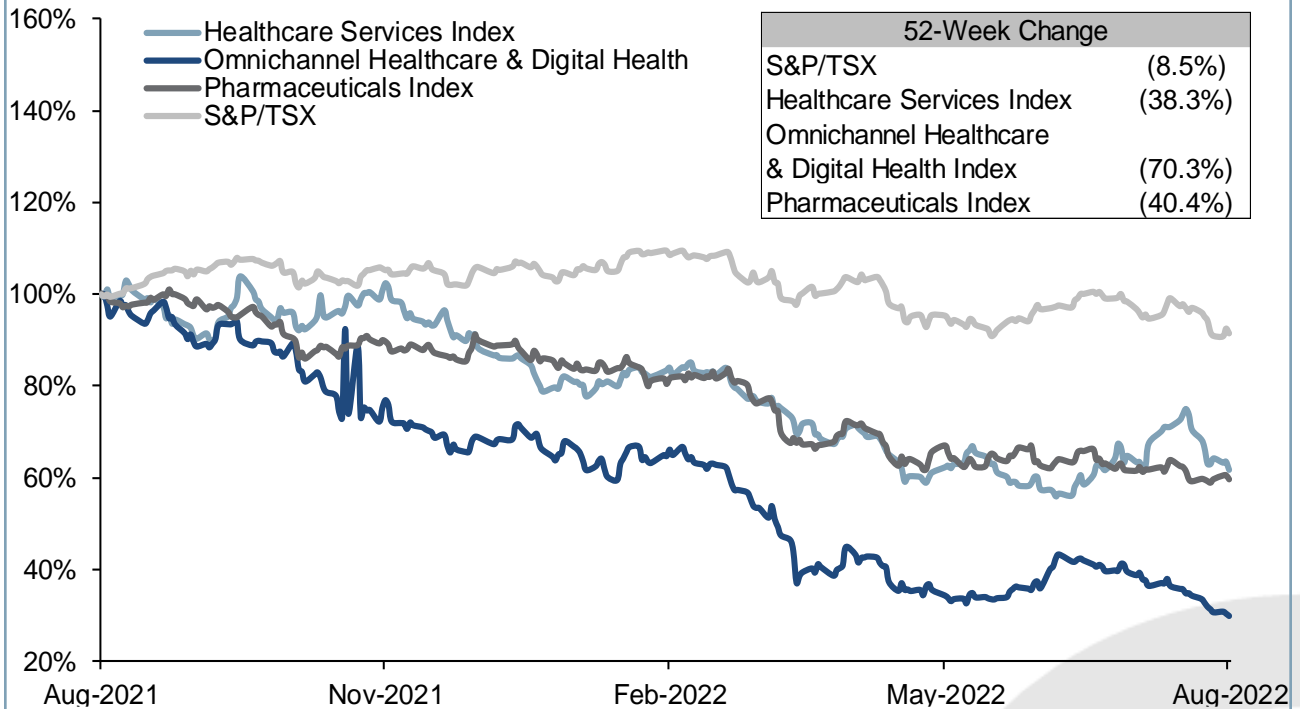
### Key Indicators

In \$CAD millions	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2022E	2023E	2022E	2023E	
Bausch Health Companies Inc.	3,440.0	25,541.0	2.3x	2.2x	6.1x	5.6x	26.2%
Knight Therapeutics Inc.	610.0	501.1	1.9x	1.7x	10.3x	9.1x	86.0%
Theratechnologies Inc.	299.6	324.6	3.1x	2.7x	neg	30.5x	65.2%
HLS Therapeutics Inc.	292.7	363.2	3.9x	2.2x	9.8x	5.2x	44.0%
<b>Average</b>			<b>2.8x</b>	<b>2.2x</b>	<b>8.7x</b>	<b>12.6x</b>	<b>55.4%</b>



## MARKET PERFORMANCE

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



### Charting the Course

- The TSX index decreased 8.5% over the last 12-months, down from last month's 52-week decrease of 4.8%. The decline is largely attributable to continued economic growth concerns, lowered expectations for the upcoming earnings season and sharp rate hikes by the Bank of Canada and US Federal Reserve
- Our Healthcare Services Index reflects a 12-month decrease of 38.3%, down from last month's decrease of 31.9%, consistent with current market conditions
- Our Omnichannel Healthcare & Digital Health Index has recorded a decline of 70.3% over the past 12-months, in line with last month's 65.8% drop, due to the inflationary impact alongside the broader market sentiment for tech and growth names
- Our Pharmaceuticals Index decreased 40.4% over the last 12-months, down from last month's 35.9% decrease, due to moderating revenue outlook for the year

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

### Origin Merchant Partners

220 Bay Street, Suite 1500

P.O. Box 23

Toronto, Ontario

M5J 2W4

### OMP Healthcare Team:

#### Cathy Steiner

Principal

T: 416-775-3602

cathy.steiner

@originmerchant.com

#### Lawrence Rhee

Principal

T: (416) 305-0644

lawrence.rhee

@originmerchant.com

#### David Kideckel

Principal

T: 416-587-2549

david.kideckel

@originmerchant.com