

November 2022

Industry Highlights on
Healthcare



Innovative. Independent. Experienced.
North America's Middle Market M&A Advisory Boutique.



- ▶ On November 21st, **dentalcorp Holdings Ltd. ("dentalcorp")** (TSX: DNTL), Canada's largest network of dental practices, announced that its Board of Directors has formed a special committee of non-executive, independent directors to undertake, in consultation with its financial and legal advisors, a review and evaluation of strategic alternatives that may be available to the Company to unlock shareholder value. Dentalcorp's stock debuted at \$14.00 a share in its IPO, but fell to a low of \$5.65 last week, before rallying on the news to reach \$8.00 at close on November 21
- ▶ On November 17th, **Lorient Capital** announced its acquisition of five US-based home health care agencies: **Purpose Home Health, Alliance Home Health Services, A1 Home Health Care and A1 Nursing Care, Newsome Home Health Care and Honor Home Health**, through its portfolio company **PurposeCare**, a US-based provider of coordinated home health care services, for an undisclosed amount. The deals enhance PurposeCare's presence in the Midwest
- ▶ On November 15th, **Functionalab Group** and **FYi Medical Aesthetics** announced the merger of their companies, to create the largest network of premium aesthetic medicine clinics with 68 locations across Canada operating under the Dermapure and ProjectSkin MD brands. The merger is intended to strengthen the groups' industry leadership and position it for continued expansion
- ▶ On November 9th, **AmeriCare Medical, Inc. ("AmeriCare")**, a US-based provider of integrated healthcare solutions to hospitals, assisted care facilities, and private homes, announced that it has acquired **QCN Home Health Care**, a US-based provider of home health care, for an undisclosed amount. The acquisition will enable AmeriCare to offer in-home services to Medicare recipients
- ▶ On November 8th, **Albaron Partners ("Albaron")**, a US-based PE firm, announced its acquisition of **RMA of Michigan**, a provider of advanced fertility care, through its portfolio company **Innovation Fertility**, a US-based network of IVF clinics and laboratories, for an undisclosed amount. The deal will bolster Innovation Fertility's reproductive endocrinology expertise
- ▶ On November 7th, **Village Practice Management Company, LLC.**, a US-based provider of primary care, announced that it has entered a definitive agreement to acquire **Summit Health-CityMD**, a US-based provider of primary and specialty care, for US\$8.9 billion, with investments from **Walgreens Boots Alliance, Inc.** (Nasdaq: WBA) and a subsidiary of **Cigna Corporation** (NYSE:CI). The combined companies will create a multi-payor platform with broad geographic coverage to deliver accessible primary and specialty care to patients
- ▶ On November 3rd, **Alana Healthcare ("Alana")**, a US-based provider of healthcare solutions for patients with chronic diseases, announced its acquisition of **Preferred Home Health Providers**, a US-based provider of in-home health care services, for an undisclosed amount. The acquisition adds home health care to Alana's current home care offering in Florida

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2022E	2023E	2022E	2023E	
dentalcorp Holdings Ltd.	1,551.8	2,772.5	2.2x	1.9x	12.0x	10.1x	47.4%
Neighbourly Pharmacy Inc.	1,084.9	1,196.9	1.8x	1.3x	16.8x	11.0x	61.1%
Akumin Inc.	159.9	2,319.8	2.3x	2.2x	12.0x	10.2x	43.6%
CareRx Corporation	132.7	252.1	0.7x	0.6x	7.9x	7.1x	48.3%
Average			1.7x	1.5x	12.2x	9.6x	50.1%

- ▶ On November 17th, **Evolent Health, Inc. ("Evolent")** (NYSE: EVH), a US-based provider of clinical and administrative solutions to healthcare providers, announced that it has entered into a definitive agreement to acquire **National Imaging Associates, Inc. (a.k.a. Magellan Specialty Health)**, a specialty benefit management organization owned by **Centene Corporation (NYSE: CNC)**, for US\$800 million. NIA's 2023 revenue and adjusted EBITDA is expected to be US\$250 million and US\$50 million. The transaction enhances Evolent's presence in the value-based specialty care segment
- ▶ On November 15th, **SonderMind**, a leading provider of accessible, personalized mental health care for individuals, announced the acquisition of neuroscience company **Total Brain** for an undisclosed amount. The addition will enable a comprehensive offering of science backed, data-driven approaches to personalize and improve mental health
- ▶ On November 8th, **The Schumacher Group of Delaware Inc. ("SCP Health")**, a provider of clinical staffing and outsourced practice management, announced its acquisition of **Premiere MedConnect, LLC (doing business as "Premedex")**, which develops patient management data and communication software for healthcare organizations, for an undisclosed amount. The combined entity will serve more than 450 health systems, and offer comprehensive value-based care solutions
- ▶ On November 7th, **Anumana, Inc. ("Anumana")**, a health technology company that develops algorithms enabling early diagnosis and intervention of cardiovascular diseases, announced its acquisition of **NeuTrace, Inc.**, a company researching in-procedure AI applications for electrophysiology, for an undisclosed amount. The acquisition positions Anumana as a leader in AI medical software development for cardiac electrophysiology
- ▶ On November 4th, **Linden Capital Partners**, through its portfolio company, **Specialty Networks, LLC. ("Specialty Networks")**, a technology-enabled organization that serves urology practices, pharmaceutical companies, and medical device companies, announced the acquisition of **Gastrologix, LLC. ("Gastrologix")**, a gastrointestinal purchasing organization, for an undisclosed amount. Through Specialty Networks' platform, Gastrologix members will benefit from guidelines-driven therapeutic, diagnostic, and follow-up care pathways and workflows
- ▶ On November 2nd, **Sverica Capital Management LP**, through its portfolio company **Clarest Health ("Clarest")**, a US-based provider of professional solutions for personalized medication management, announced its acquisition of 2 medication management platforms: **CSS Health** and **Integrity Pharmacy**, for an undisclosed amount. While the former specializes in polychronic and complex patients, the latter adds a custom medication management platform to Clarest's offerings
- ▶ On November 1st, **Warburg Pincus LLC**, through its portfolio company **Qualifacts Systems, Inc. ("Qualifacts")**, a US-based SaaS provider of electronic health record (EHR) platforms for behavioral health, rehabilitative and human services organizations, announced its acquisition of **OnCall Health Inc. ("OnCall Health")**, a Canada-based provider of telehealth, patient portal, and client engagement technology designed for behavioral health organizations, for an undisclosed amount. The acquisition expands Qualifacts' suite of behavioral health software solutions to include virtual care

Key Indicators

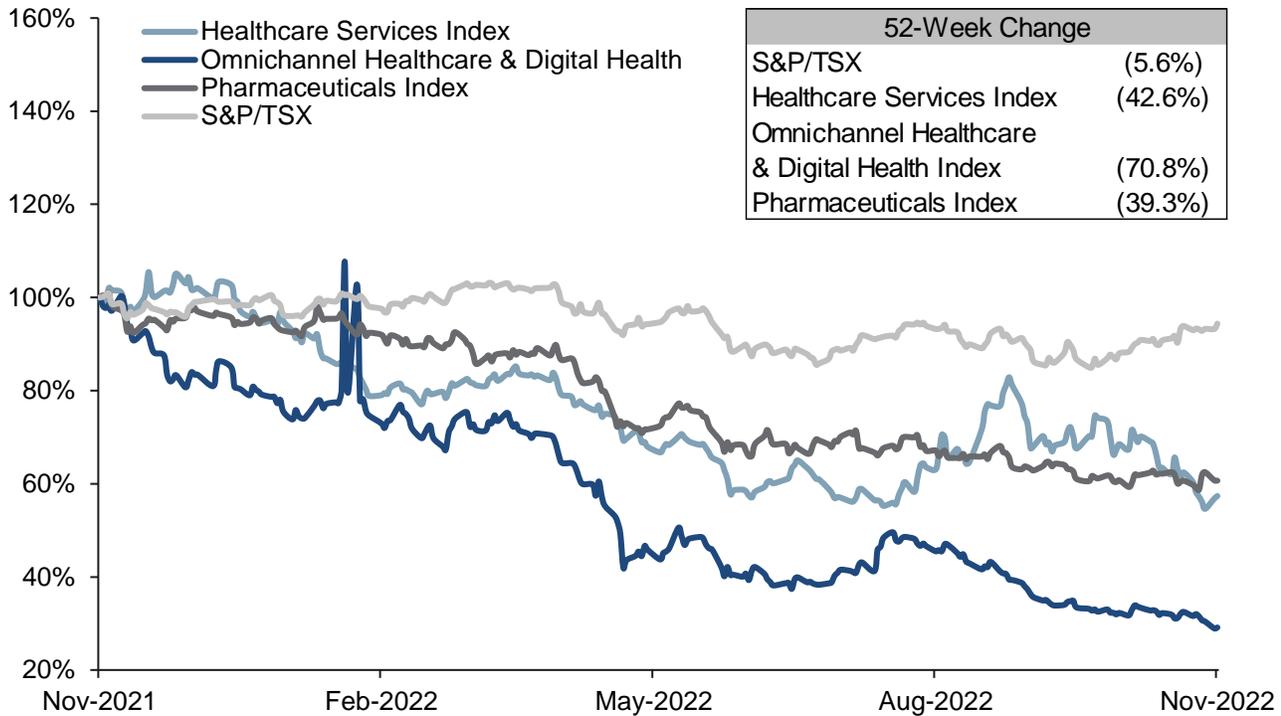
In \$CAD millions	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2022E	2023E	2022E	2023E	
WELL Health Technologies Corp.	664.5	1,056.4	1.9x	1.6x	10.1x	8.8x	47.3%
Dialogue Health Technologies Inc.	211.0	153.8	1.7x	1.3x	neg	neg	35.9%
Vitalhub Corp.	101.0	74.9	1.9x	1.6x	7.8x	6.4x	67.5%
CloudMD Software & Services Inc.	61.6	65.8	0.5x	0.5x	neg	neg	15.0%
LifeSpeak Inc.	41.8	123.3	2.6x	2.0x	12.7x	6.5x	na
MCI Onehealth Technologies Inc.	32.0	50.4	0.9x	0.8x	neg	37.2x	35.6%
Think Research Corporation	25.5	65.4	0.8x	0.7x	neg	13.0x	24.2%
Average			1.6x	1.3x	10.8x	13.1x	33.6%

- ▶ On November 21st, **Graybug Vision, Inc.** (Nasdaq: GRAY), a US-based clinical-stage biopharmaceutical company focused on developing medicines for ocular diseases, and **CalciMedica Inc. (“CalciMedica”)**, a US-based clinical-stage biopharmaceutical company focused on developing therapies for inflammatory diseases, announced that they have entered into a definitive merger agreement to combine the companies in an all-stock transaction, for an undisclosed amount. The combined entity will have sufficient funding to further develop CalciMedica’s lead product candidate Auxora, a CRAC channel inhibitor to treat life-threatening inflammatory diseases
- ▶ On November 14th, **Indivior PLC (“Indivior”)** (LSE:INDV), a UK-based developer of medicines to treat addiction and other serious mental illnesses, announced that it has entered into a definitive agreement to acquire **Opiant Pharmaceuticals, Inc. (“Opiant”)** (NASDAQCM:OPNT), a US-based developer of treatments for addiction and drug overdose, for US\$145 million. For the year ending Sep 30 2022, Opiant had revenue of US\$22.3 million. The deal adds OPNT003 – an investigational opioid overdose reversal agent with a ‘Fast Track Designation’ by the FDA – to Indivior’s product pipeline
- ▶ On November 14th, **The Jordan Company, L.P.**, through its portfolio company **ARCH Medical Solutions Corp. (“ARCH”)**, a US-based precision manufacturer of medical components, announced that it has acquired **Alpha Manufacturing & Design (“Alpha”)**, a US-based ISO 13485-certified contract manufacturer of complex surgical devices, for an undisclosed amount. The deal bolsters ARCH’s orthopedics manufacturing expertise
- ▶ On November 8th, **MML Ireland**, a PE-firm, through its portfolio company **Schivo Medical Limited (“Schivo”)**, an Ireland-based contract manufacturer in the minimally invasive surgical and life sciences spaces, announced that it has acquired **APN Mondial Inc.**, a Canada-based manufacturer of AFP valves, fittings, and tubing technologies for analytical instrumentation and minimally invasive surgical (MIS) devices, for an undisclosed amount. The acquisition increases Schivo’s presence in the North American complex MIS devices market
- ▶ On November 7th, **US Acute Care Solutions (“USACS”)**, a provider of integrated acute care, announced that it has acquired **MIDEO**, a US-based video-based advance care planning platform that provides individuals with the ability to visually and verbally communicate their wishes in any medical circumstance, for an undisclosed amount. MIDEO’s platform will help USACS reduce the rate of misinterpretation of living wills and DNR documentation during life-saving and end-of-life care
- ▶ On November 2nd, **Altaris Capital Partners, LLC**, through its portfolio company **Solesis Medical Technologies, (“Solesis”)** a US-based advanced biomaterials company, announced that it has acquired **Polyzen Inc.**, a US-based contract developer and manufacturer of custom medical-grade polymer components and products, for an undisclosed amount. The transaction will expand Solesis’ film and coating capabilities to the medical device and biopharma markets
- ▶ On November 1st, **Johnson & Johnson (NYSE:JNJ)** announced the acquisition of **Abiomed, Inc. (“Abiomed”)**, a US-based provider of cardiovascular medical technology, for US\$16.6 billion. For the year ended Sep 30 2022, Abiomed had revenue and EBITDA, respectively, of US\$1 billion and US\$274 million. Through this deal, JNJ gains a portfolio of first-in-kind treatments for coronary artery disease and heart failure as well as a promising cardiovascular product pipeline

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In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2022E	2023E	2022E	2023E	
Bausch Health Companies Inc.	3,353.2	25,040.2	2.3x	2.2x	6.2x	5.9x	25.6%
Knight Therapeutics Inc.	589.4	472.0	1.7x	1.6x	10.3x	9.1x	84.0%
Theratechnologies Inc.	274.0	304.0	2.8x	2.4x	neg	32.2x	64.7%
HLS Therapeutics Inc.	272.0	350.4	4.1x	2.6x	10.4x	6.6x	46.1%
Average			2.7x	2.2x	9.0x	13.5x	55.1%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index decreased 5.6% over the last 12-months, up from last month’s 52-week decrease of 10.3%. The improvement is largely attributable to increased expectations that the pace of interest rate hikes by central bankers will slow in the face of slowing inflation and anticipation of recession
- ▶ Our Healthcare Services Index reflects a 12-month decrease of 42.6%, down from last month’s decrease of 28.8%, as increasing borrowing costs drag down growth and cash flow forecasts
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded a decline of 70.8% over the past 12-months, down slightly from last month’s 68.4% drop, reflecting the sustained negative market sentiment around the technology sector
- ▶ Our Pharmaceuticals Index decreased 39.3% over the last 12-months, up from last month’s 42.8% decrease, an improvement consistent with broader market conditions

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



About Us

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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