

January 2023

Industry Highlights on
Healthcare



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



- ▶ On January 20th, **Dollar General**, a value retailer, announced a partnership with **DocGo**, a US-based provider of last-mile mobile health services and integrated medical mobility solutions, to pilot consumer-focused mobile health clinics at three Tennessee stores. As Dollar General continues to grow its healthcare products and services, the clinics offer basic, preventative and urgent care services as well as lab testing, hosted in vans in parking lots
- ▶ On January 19th, **HGGC**, a US-based PE firm, announced that it has made a strategic growth investment in **Dentive**, a founder-run dental service organization (DSO) that provides management services to general and specialty dental practices primarily in the western US. The terms of the transaction were not disclosed. The relationship with HGGC will help Dentive expand and onboard partner practices at an increased pace
- ▶ On January 12th, **LongueVue Capital**, through its portfolio company **Fertility Specialists Network ("FSN")**, a US-based provider of clinical, operational, and administrative services to fertility practices, announced that it has acquired **Boca Fertility**, which offers state-of-the-art diagnostic and fertility treatment options in Boca Raton, FL, for an undisclosed amount. Through support from FSN, Boca Fertility will expand its brand and footprint in the Florida market
- ▶ On January 11th, **John Muir Health ("JMH")**, a US-based not-for-profit health care organization, announced that it has entered into a definitive agreement with **Tenet Healthcare**, a US-based healthcare services company, to acquire the remaining 51% stake in **San Ramon Regional Medical Center ("SRRMC")** in California, for US\$142.5 million. The deal will help JMH expand its non-profit community benefit programs to the SRRMC area
- ▶ On January 9th, **Triton Pacific Capital Partners**, through its portfolio company **Unio Health Partners ("Unio")**, a US-based multi-specialty physician practice management company, announced its acquisition of **inSite Digestive Health Care ("inSite")**, a US-based provider of a full range of GI services and procedures, for an undisclosed amount. Unio's urology division will benefit from the complementary nature of inSite's gastroenterological services, providing a holistic patient care platform
- ▶ On January 5th, **Akeso Occupational Health ("Akeso")**, which operates occupational medicine clinics throughout California, announced the acquisition of **Inland Empire Occupational Medicine**, an occupational health clinic in Riverside, CA, for an undisclosed amount. The acquisition allows Akeso to expand its services to the important Inland Empire region
- ▶ On January 3rd, **Help at Home**, a US-based provider of home care services, announced the acquisition of **Open Systems Healthcare** home care operations in Pennsylvania and Delaware, for an undisclosed amount. This acquisition advances Help at Home's growth strategy in Pennsylvania, while also providing it an opportunity to expand into Delaware
- ▶ On January 3rd, **BayCare Health System**, a not-for-profit health care system operating in Florida, announced its acquisition of **Northside Behavioral Health Center ("NBHC")**, a not-for-profit community mental health center in Tampa, FL, for an undisclosed amount. The deal will allow NBHC to expand its counseling, residential programs, crisis stabilization and the Florida Assertive Community (FACT) Team

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2023E	2024E	2023E	2024E	
dentalcorp Holdings Ltd.	1,641.8	2,862.5	2.0x	1.8x	10.5x	9.5x	53.6%
Neighbourly Pharmacy Inc.	1,071.6	1,183.6	1.3x	1.1x	10.9x	8.8x	64.4%
Akumin Inc.	167.2	2,340.1	2.3x	na	10.2x	na	45.2%
CareRx Corporation	131.1	250.5	0.6x	0.6x	7.1x	5.8x	45.6%
Average			1.5x	1.2x	9.7x	8.0x	52.2%

- ▶ On January 19th, **HealthEdge Investment Partners**, through its portfolio company **The Corridor Group Holdings, LLC (“Corridor”)**, a US-based provider of outsourced coding, revenue cycle and education solutions to the post-acute healthcare industry, announced that it has acquired the outsourced services business unit of **Select Data, LLC (“Select Data”)**, a US-based healthcare technology company focusing on post-acute care settings, for an undisclosed amount. The deal combines Corridor's existing best in class tech-enabled services with Select Data's unique AI technology
- ▶ On January 12th, **Summa Equity**, a Sweden-based PE firm, announced the formation of **Velsera**, a US-based precision medicine development platform, through the acquisition of **Pierian**, a US-based clinical genomics technology and services firm, **Seven Bridges**, a US-based biomedical data company, and **UgenTec**, a Belgium-based specialist in lab automation, PCR data analysis and clinical-grade software solutions. The terms of the transactions were not disclosed. Velsera hopes to enable the democratization of omics data across clinical and research applications
- ▶ On January 11th, **Cambridge Cognition**, a UK-based company that develops and markets digital solutions to assess brain health, announced its acquisition of **Winterlight**, a Canadian company engaged in monitoring cognitive impairment through free-speech analysis, for US\$8.5 million. The combined entity will have strengths across technology platforms for screen-based, structured voice-based and free speech-based cognitive assessments for clinical trials
- ▶ On January 8th, **Array Behavioral Care**, a US-based provider of virtual psychiatry and therapy, announced it has closed a US\$25 million equity financing led by **CVS Health** and including existing investors. The funding is earmarked to scale Array’s behavioral healthcare across the care continuum while providing expanded access to care with this new level of collaboration with CVS
- ▶ On January 6th, **Symphony Technology Group**, a US-based PE firm, through its portfolio company **CaseWorthy, Inc (“CaseWorthy”)**, a US-based provider of case management software, announced that it has made a majority investment in **MediSked, LLC. (“MediSked”)**, a US-based health and human services software provider, for an undisclosed amount. MediSked’s services will complement CaseWorthy’s mission critical social services to deliver a whole-person care solution
- ▶ On January 4th, **Certara, Inc. (“Certara”)** (Nasdaq: CERT), a US-based provider of proprietary biosimulation software, technology and services, announced that it has acquired **Vyasa Analytics, LLC**, a US-based provider of scalable deep-learning software to life sciences organizations for drug discovery and development, for an undisclosed amount. The acquisition will elevate Certara’s software with state-of-the-art artificial intelligence capabilities to its end-to-end platform
- ▶ On January 3rd, **HealthStream** (Nasdaq: HSTM), a US-based provider of workforce and provider solutions for the healthcare industry, announced that it has acquired substantially all of the assets of **Electronic Education Documentation System, LLC (d/b/a “eeds”)**, a US-based SaaS-based continuing education management system for healthcare organizations, for US\$7 million. The deal is a part of HealthStream’s focus on the inorganic growth of its CME (continuing medical education) and CE (continuing education) management applications specialty business line

Key Indicators

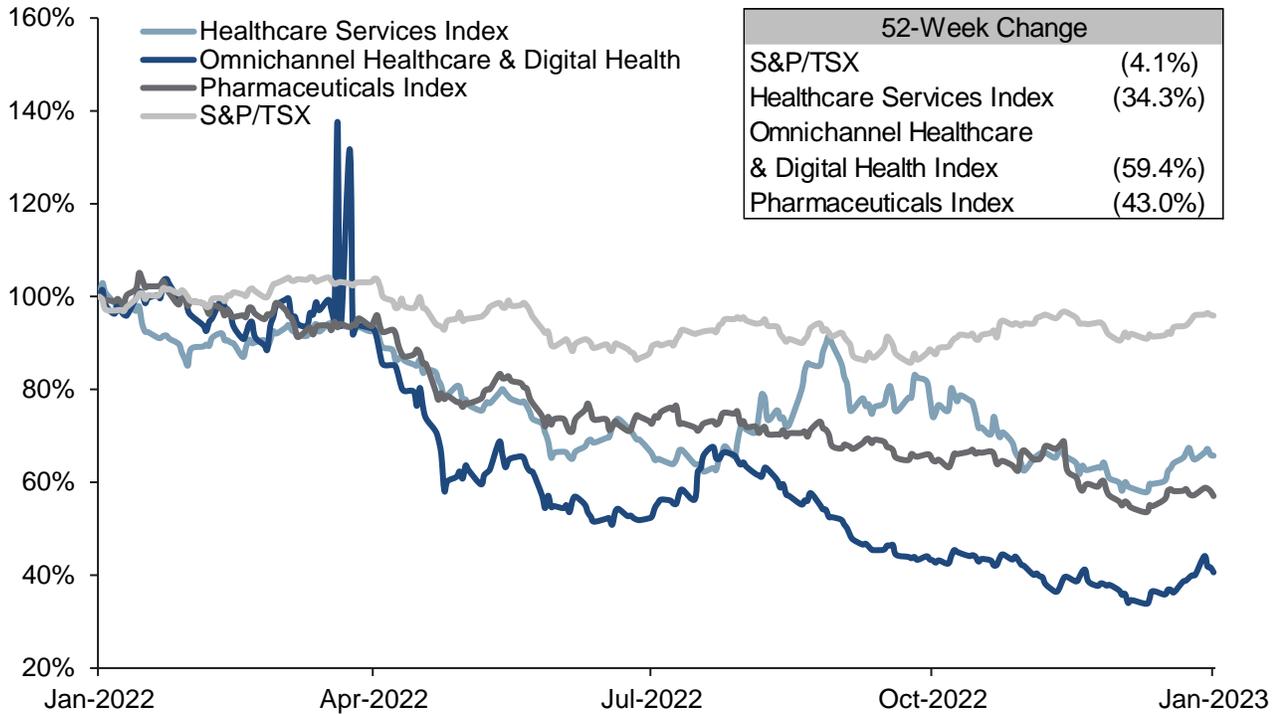
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2023E	2024E	2023E	2024E	
WELL Health Technologies Corp.	760.1	1,152.0	1.8x	1.6x	9.6x	8.7x	58.3%
Dialogue Health Technologies Inc.	199.0	141.8	1.2x	1.0x	neg	31.5x	46.9%
Vitalhub Corp.	120.2	94.2	2.0x	1.4x	8.2x	5.4x	80.0%
CloudMD Software & Services Inc.	66.2	70.3	0.6x	0.5x	neg	6.8x	24.5%
LifeSpeak Inc.	43.3	124.8	2.0x	1.8x	6.6x	5.3x	na
MCI Onehealth Technologies Inc.	32.0	50.4	0.8x	na	37.2x	na	40.0%
Think Research Corporation	22.4	66.2	0.8x	0.7x	15.6x	8.4x	23.1%
Average			1.4x	1.3x	14.0x	10.2x	40.4%

- ▶ On January 20th, **Bausch + Lomb Corporation** (NYSE/TSX: BLCO) (“Bausch + Lomb”), a leading global eye health company, announced that an affiliate of Bausch + Lomb has acquired **AcuFocus, Inc.** (“AcuFocus”), a privately held ophthalmic medical device company, for an undisclosed amount. AcuFocus’ lens replacement implant is designed to offer an extended depth of field and represents an important addition to Bausch + Lomb’s portfolio of intraocular lenses for people with cataracts
- ▶ On January 17th, **Shockwave Medical, Inc.** (NASDAQ: SWAV), a US-based developer of Intravascular Lithotripsy (IVL) to treat severely calcified cardiovascular disease, announced that it has entered into a definitive agreement to acquire **Neovasc Inc.** (“Neovasc”) (NASDAQ,TSX:NVCN), a Canadian company focused on the minimally invasive treatment of refractory angina, for US\$147 million. Neovasc reported revenue of US\$3.1 million in the 12-months ending Sep 30, 2022. Its innovative, CE-marked Reducer System will target the estimated US\$5 billion refractory angina market
- ▶ On January 9th, **AstraZeneca** announced that it has entered into a definitive agreement to acquire **CinCor Pharma, Inc.** (“CinCor”), a US-based clinical-stage biopharmaceutical company, focused on developing novel treatments for resistant and uncontrolled hypertension as well as chronic kidney disease, for US\$1.8 billion. The acquisition will bolster AstraZeneca’s cardiorenal pipeline by adding CinCor’s candidate drug, baxdrostat (CIN-107), an aldosterone synthase inhibitor for lowering blood pressure in treatment-resistant hypertension
- ▶ On January 9th, **Ipsen** (Euronext: IPN), a France-based biopharmaceutical company focused on medicines in oncology, rare disease and neuroscience, announced that it has entered into a definitive agreement to acquire **Albireo** (Nasdaq: ALBO), a US-based innovator in bile-acid modulators to treat pediatric and adult cholestatic liver diseases, for US\$952 million. Albireo reported revenue of US\$57.4 million in the 12-months ending Sep 30, 2022. Bylvay, the lead medicine in Albireo’s pipeline, will enrich Ipsen’s rare disease portfolio and pipeline
- ▶ On January 9th, **Carlyle** and **GTCR** backed **Resonetics**, a US-based contract manufacturer for the life sciences industries, announced that it has signed an agreement to acquire **Memry Corporation** and **SAES Smart Materials, Inc.**, which together provide solutions for nitinol material, components and implants, from **SAES Getters S.p.A**, an Italy-based advanced functional materials group, for US\$900 million. The deal expands Resonetics’ nitinol raw material and component manufacturing capabilities
- ▶ On January 5th, **Zimmer Biomet Holdings, Inc.** (“Zimmer Biomet”) (NYSE and SIX: ZBH), a US-based medical technology company, announced that it has reached a definitive agreement to acquire **Embody, Inc.**, a US-based medical device company focused on soft tissue healing, for US\$275 million. The deal strengthens Zimmer Biomet's growing sports medicine portfolio
- ▶ On January 3rd, **Quipt Home Medical Corp.** (“Quipt”) (NASDAQ and TSXV:QIPT), a US-based home medical equipment provider focused on end-to-end respiratory care, announced that it has acquired **Great Elm Healthcare, LLC** (“Great Elm”), a US-based operator of respiratory related durable medical equipment service locations, from **Great Elm Group, Inc.** (NASDAQ:GEG), for US\$80 million. Great Elm had unaudited revenues for the 12 months ended Aug 31, 2022, of \$60 million with adjusted EBITDA of \$13 million

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of
	Cap	TEV	2023E	2024E	2023E	2024E	52-Week High
Bausch Health Companies Inc.	3,783.7	25,470.7	2.3x	2.2x	6.0x	5.6x	31.3%
Knight Therapeutics Inc.	582.6	465.3	1.5x	1.5x	9.0x	9.1x	83.4%
HLS Therapeutics Inc.	313.8	392.3	3.1x	1.8x	7.8x	4.8x	59.0%
Theratechnologies Inc.	127.5	157.5	1.2x	1.1x	nmf	11.3x	32.4%
Average			2.0x	1.7x	7.6x	7.7x	51.5%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index decreased 4.1% over the last 12-months, up from November’s 52-week decrease of 5.6%. The improvement is largely attributable to rising expectations that the current cycle of aggressive central bank rate hikes is set to pause as inflation is finally showing signs of cooling
- ▶ Our Healthcare Services Index reflects a 12-month decrease of 34.3%, up from November’s decrease of 42.6%, due to the improving macroeconomic picture and broader market conditions
- ▶ Our Omnichannel Healthcare & Digital Health Index recorded a decline of 59.4% over the past 12-months, an improvement from November’s 70.8% drop, because the selloff of some of these companies was overdone relative to their still attractive growth prospects and fundamentals
- ▶ Our Pharmaceuticals Index decreased 43.0% over the last 12-months, down from November’s 39.3% decrease, due mainly to disappointing company-specific sales guidance and product news

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

Origin Merchant Partners

Chicago | Montreal | Toronto

www.originmerchant.com

OMP Healthcare Team

CATHY STEINER

PRINCIPAL, HEALTHCARE LEAD

cathy.steiner@originmerchant.com

LAWRENCE RHEE

PRINCIPAL

lawrence.rhee@originmerchant.com