

June 2023

Industry Highlights on
Healthcare



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



- ▶ On June 22nd, **Fertility Specialists Network ("FSN")**, a US-based network of fertility clinics, and a portfolio company of **LongVue Capital**, a US-based PE firm, announced its acquisition of **Viera Fertility**, a fertility clinic based in Melbourne, Florida, for an undisclosed amount. The acquisition will further strengthen FSN's presence in the Florida market
- ▶ On June 20th, **Vivo Infusion**, a US-based provider of accessible and affordable ambulatory infusion services, announced that it has acquired **Specialty Infusion**, a US-based provider of ambulatory infusion and specialty pharmacy services, for an undisclosed amount. This acquisition will bring Vivo Infusion to 55 ambulatory infusion centers across ten states
- ▶ On June 14th, **Wedgewood Pharmacy**, one of the largest veterinary compounding pharmacies in the US, announced its merger with **Blue Rabbit**, a US-based provider of veterinary prescription management and pharmacy solutions, for an undisclosed amount. The merger combines Wedgewood Pharmacy's leadership in custom compounding pharmacy services with Blue Rabbit's innovative veterinary prescription management technology and five regional pharmacies
- ▶ On June 9th, **ARC Health**, a US-based group of mental healthcare practices, and a portfolio company of **Thurston Group**, a US-based PE firm, announced its acquisition of **Silver Lake Psychology ("SLP")**, a mental healthcare provider group, spanning across California, Tennessee, Colorado, and Virginia, for an undisclosed amount. SLP's broad range of specialties in multiple languages underline ARC Health's commitment to inclusivity and multicultural competency
- ▶ On June 6th, **Neighbourly Pharmacy Inc. ("Neighbourly") (TSX: NBLY)** announced its acquisition of seven pharmacies, five located in Saskatchewan and two in B.C., at a valuation consistent with their historical purchase multiples. The acquisition is estimated to contribute aggregate annualized Adjusted EBITDA of approximately \$4.4 million, based on their most recent fiscal years and implementation of synergies upon integration. The acquisition will be funded by cash on hand and drawings on Neighbourly's credit facility and is expected to close by the end of June 2023.
- ▶ On June 5th, **Amedisys, Inc. ("Amedisys") (NASDAQ: AMED)**, a US-based provider of home health, hospice and high-acuity care, announced that it received an unsolicited proposal from **UnitedHealthcare-owned Optum**, a US-based health services company, to acquire Amedisys for US\$3.8 billion, in an all-cash deal aimed at consolidating the fragmented home care market. For the 12-months ending March 31st, 2023, Amedisys had revenue of US\$2.2 billion and EBITDA of US\$201 million. Last month, Amedisys had entered into a definitive agreement to be acquired by **Option Care Health, Inc. ("Option")** for US\$3.6 billion. Option will receive a \$106 million termination fee.
- ▶ On June 1st, **Access & Integrated Practice Holdings ("A&I")**, a US-based comprehensive mobile medical services platform, and a portfolio company of **MGG Investment Group LP ("MGG")**, a US-based PE firm, announced its acquisition of **United Medical Systems Inc.**, a US-based provider of transportable and in-house urology solutions to hospitals, surgery centers, and offices, for an undisclosed amount. A&I will complement MGG's earlier investment in Sightpath, a provider of mobile ophthalmic services for cataract and refractive surgery

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2023E	2024E	2023E	2024E	
dentalcorp Holdings Ltd.	1,307.2	2,571.9	1.8x	1.6x	9.7x	8.7x	51.7%
Neighbourly Pharmacy Inc.	728.5	1,027.2	1.2x	1.0x	10.7x	8.2x	63.4%
CareRx Corporation	128.0	223.2	0.6x	0.6x	7.5x	6.0x	50.2%
Akumin Inc.	29.7	2,160.6	2.1x	2.0x	10.6x	9.4x	10.8%
Average			1.4x	1.3x	9.6x	8.1x	44.0%

- ▶ On June 23rd, **Babylon Holdings Limited (NYSE: BBLN)**, a US-based digital first, value-based care company, announced they have selected a take-private proposal from **MindMaze Group SA**, a Swiss-based developer of digital neurotherapeutics with a presence in 15 countries, and **AlbaCore Capital LLP**, a European alternative investment manager. Babylon and MindMaze believe that the combined entity will form a powerful digital-first global AI-driven healthcare business that will help transform the industry from sick care to predictive and preventative healthcare for a range of chronic conditions. The transaction will include immediate funding for business operations and a commitment to fund the combined business
- ▶ On June 20th, **Simulations Plus, Inc. ("SLP") (Nasdaq: SLP)**, a US-based provider of modeling and simulation software and services for pharmaceutical safety and efficacy, announced the acquisition of **Immunetrics, Inc.**, a US-based modeling and simulation company focused on accelerating drug development in oncology, immunology, and autoimmune diseases, for an undisclosed amount. The acquisition increases the breadth and depth of SLP's quantitative systems pharmacology (QSP) expertise and range of therapeutic applications
- ▶ On June 18th, **ClinicMind**, a US-based provider of multi-specialty electronic health records (EHR) software and revenue cycle management (RCM) services, announced its acquisition of **BulletProof Chiro**, a US-based provider of chiropractic documentation software, for an undisclosed amount. With this deal, ClinicMind broadens its software expertise in physical medicine and will now begin serving chiropractic clients
- ▶ On June 13th, **Apixio**, a US-based artificial intelligence company that supports health plans and provider groups in their delivery of value-based care, and a portfolio company of **New Mountain Capital**, a US-based PE firm, announced that it has completed its merger with **ClaimLogiq**, a US-based healthcare technology business that delivers savings for health plans by reducing claim errors prior to payment, for an undisclosed amount. The deal will accelerate the shift toward outcomes-based reimbursement models
- ▶ On June 12th, **Dotmatics**, a UK-based provider of R&D scientific software connecting science, data, and decision-making, backed by **Insight Partners**, a US-based VC and PE firm, announced that it has acquired **SoftGenetics**, a US-based bioinformatics software company that offers a range of advanced genetic analysis products for research, forensics, and healthcare applications, for an undisclosed amount. Through this acquisition, Dotmatics expands into clinical and forensic genetic analysis
- ▶ On June 7th, **DoseSpot**, a US-based SaaS platform that enables clinicians to write and transmit prescriptions to pharmacies electronically, backed by **PSG Equity**, a US-based PE firm, announced that it has acquired **pVerify**, a US-based SaaS that streamlines the front-end patient insurance eligibility and benefit verification processes, for an undisclosed amount. The acquisition expands DoseSpot's API-driven capabilities

Key Indicators

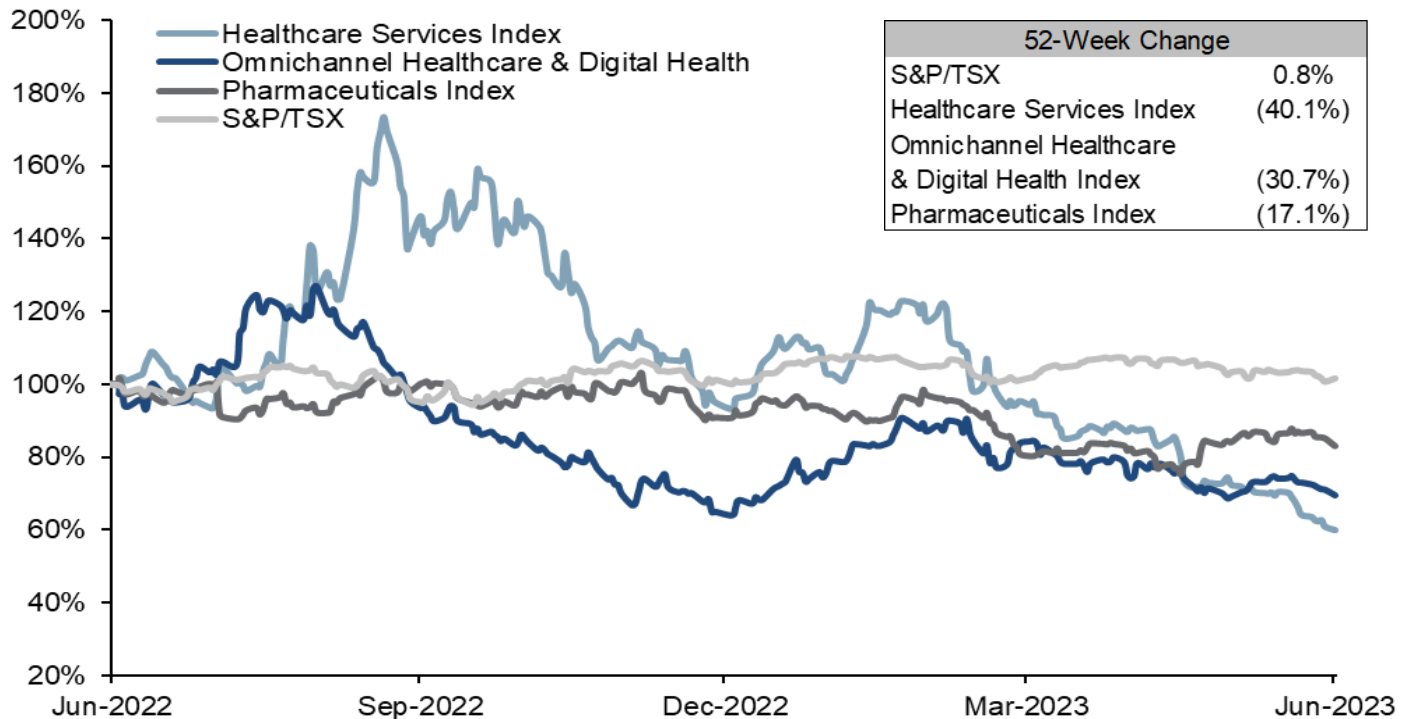
In \$CAD millions	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2023E	2024E	2023E	2024E	
WELL Health Technologies Corp.	1,119.2	1,514.3	2.2x	2.0x	13.1x	11.3x	80.3%
Dialogue Health Technologies Inc.	226.7	172.0	1.6x	1.3x	neg	31.8x	81.3%
Vitalhub Corp.	113.4	97.1	1.9x	1.7x	8.2x	6.7x	87.5%
CloudMD Software & Services Inc.	42.2	50.0	0.4x	0.4x	neg	10.8x	26.9%
Think Research Corporation	27.3	69.1	0.7x	0.7x	10.4x	6.5x	40.2%
LifeSpeak Inc.	22.1	102.0	1.8x	1.7x	6.5x	5.4x	17.3%
MCI Onehealth Technologies Inc.	9.7	28.7	na	na	na	na	11.3%
Average			1.5x	1.3x	8.9x	11.1x	45.3%

- ▶ On June 22nd, **Talaris Therapeutics, Inc. (Nasdaq: TALS)**, a US-based cell therapy company prior to its review of strategic alternatives, announced that it has entered into definitive merger agreement with **Tourmaline Bio, Inc. ("Tourmaline")**, a US-based late-stage clinical biotechnology company, for US\$230 million. The reverse merger will create a Nasdaq-listed company focused on developing Tourmaline's anti-IL-6 antibody (TOUR006) in thyroid eye disease (TED) and atherosclerotic cardiovascular disease (ASCVD)
- ▶ On June 20th, **Eli Lilly and Company ("Lilly") (NYSE: LLY)**, an Indiana-based pharmaceutical company, announced a definitive agreement to acquire **DICE Therapeutics, Inc. ("DICE") (NASDAQ: DICE)**, a US-based biopharmaceutical company developing novel oral therapeutic candidates to treat chronic diseases in immunology, for US\$2.4 billion. DICE's pipeline, including its oral IL-17 inhibitors, DC-806 and DC-853, will benefit from Lilly's resources and global reach and will help advance the fight against autoimmune diseases
- ▶ On June 20th, **STERIS plc ("STERIS") (NYSE: STE)**, a US-based provider of products and services focused on infection prevention, announced that it has signed a definitive agreement to purchase the surgical instrumentation, laparoscopic instrumentation and sterilization container assets from **Becton, Dickinson and Company ("BD") (NYSE:BDX)**, a US-based medical technology company, for US\$540 million. Annual revenue for these businesses collectively for BD's fiscal year ended September 30, 2023, is projected to be ~\$170 million, with adjusted EBIT of approximately \$45 million. The acquired assets are a natural extension for STERIS in the operating room and sterile processing department
- ▶ On June 20th, **Catalyst Pharmaceuticals, Inc. ("Catalyst") (Nasdaq: CPRX)**, a US-based commercial-stage biopharmaceutical company, announced that it has entered into an exclusive North American license, manufacturing and supply agreement with **Santhera Pharmaceuticals Holding (SIX: SANN)**, a Switzerland-based specialty pharmaceutical company, for vamorolone, a dissociative steroid currently under FDA review for the treatment of Duchenne Muscular Dystrophy, for up to US\$231 million. The deal strengthens Catalyst's position in rare neurological diseases
- ▶ On June 12th, **Novartis**, a multinational pharmaceutical corporation based in Switzerland, announced that it has entered into an agreement to acquire **Chinook Therapeutics ("Chinook")**, a US-based clinical stage biopharmaceutical company with two high-value, late-stage medicines in development for rare, severe chronic kidney diseases, for US\$3.5 billion. For the 12-months ended March 31st, 2023, Chinook had a revenue of US\$5.26 billion. The deal is fully in line with Novartis' strategy to focus on innovative medicines and will significantly expand its renal portfolio, complementing the existing pipeline
- ▶ On June 6th, **Paratek Pharmaceuticals, Inc. ("Paratek") (Nasdaq: PRTK)**, a US-based commercial-stage biopharmaceutical company, announced that it has entered into a definitive agreement to be acquired by **Gurnet Point Capital ("Gurnet Point")**, a US-based healthcare investment firm, and **Novo Holdings A/S**, the holding company for the Novo Nordisk Foundation, for US\$462 million. For the 12-months ended March 31st, 2023, Paratek had a revenue of US\$166.6 million. Gurnet Point aims to accelerate the commercialization of NUZYRA, Paratek's novel antibacterial drug

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In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of
	Cap	TEV	2023E	2024E	2023E	2024E	52-Week High
Bausch Health Companies Inc.	3,458.1	24,538.1	2.2x	2.2x	6.3x	5.8x	69.2%
Knight Therapeutics Inc.	506.0	410.9	1.3x	1.3x	8.1x	8.4x	74.7%
HLS Therapeutics Inc.	203.8	277.8	3.2x	2.2x	9.1x	5.5x	47.5%
Theratechnologies Inc.	113.5	150.3	1.2x	1.1x	neg	11.0x	31.2%
Cipher Pharmaceuticals Inc.	89.2	56.2	2.1x	1.9x	3.7x	3.4x	86.5%
Average			2.0x	1.7x	6.8x	6.8x	61.8%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index increased 0.8% over the last 12-months, an improvement from May's 52-week increase of 0.3%. The index showed an upward trend over the last month after the Fed skipped a rate hike at its latest meeting with inflation continuing to show persistent signs of moderating
- ▶ Our Healthcare Services Index reflects a 12-month decrease of 40.1%, falling slightly from May's decrease of 38.2%, as the market continues to digest the potential impact of higher costs of capital and labor on financial performance and growth
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded a decline of 30.7% over the past 12-months, up from May's 38.6% drop, buoyed by recovering interest in the technology sector due to easing inflationary pressures and optimism about AI-related advancements
- ▶ Our Pharmaceuticals Index decreased 17.1% over the last 12-months, roughly in line with May's 16.7% decline, as a number of factors weigh on performance, such as higher costs of borrowing, labour and raw materials as well as generic competition

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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