

September 2023

Industry Highlights on
Healthcare



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



- ▶ On September 19th, **ELNA Medical Group ("ELNA")**, Canada's largest integrated network of medical clinics, announced its acquisition of **Physimed Health Group ("Physimed")**, a provider of private, public and corporate medicine in Quebec, for an undisclosed amount. The integration of Physimed's extensive corporate health services into ELNA's existing corporate network, primarily centered in Alberta and Saskatchewan, represents ELNA's initial expansion into Quebec's occupational and executive health sector
- ▶ On September 19th, **Schweiger Dermatology Group ("Schweiger")**, a US-based, fast-growing dermatology practice on the East Coast, announced that it has acquired **Allergy & Asthma Care of New York**, a leading specialist in the evaluation and management of allergic and immunologic disorders, for an undisclosed amount. The allergy and asthma specialization will complement Schweiger's existing dermatological expertise
- ▶ On September 18th, **Unifeye Vision Partners ("UVP")**, a US-based network of comprehensive eye care providers, a portfolio company of US-based **Waud Capital**, announced its acquisition of **Insight Vision Group**, a comprehensive eyecare platform across California, for an undisclosed amount. The transaction adds 10 new clinics and 2 new ambulatory surgery centers to UVP's growing presence across the State of California and mark UVP's entry into the Los Angeles market
- ▶ On September 13th, **CLS Health**, formerly known as Clear Lake Specialties, a multispecialty group practice providing comprehensive and specialized medical care in the Greater Houston area, announced that it has finalized the acquisition of **Southeast Houston Cardiology**, a leading cardiology practice, for an undisclosed amount. This move is part of CLS Health's strategic expansion in the Houston metropolitan area and comes shortly after its recent merger with Clear Lake Cardiovascular Consultants
- ▶ On September 5th, **Enlyte**, a US-based provider of cost containment technology, provider networks, clinical services, pharmacy benefit management (PBM), and disability management, announced that it has finalized its acquisition of **Therapy Direct**, a US-based physical therapy provider network, for an undisclosed amount. The acquisition offers a natural extension of Enlyte's position as a market leader in provider network access, care management and workers' compensation services
- ▶ On September 1st, **The Pennant Group, Inc. ("Pennant") (NASDAQ: PNTG)**, a US-based provider of affiliated home health, hospice, home care and senior living facilities, announced that it has acquired **Valor HospiceCare**, which provides skilled hospice services in Tucson, Green Valley, and Sierra Vista, Arizona, for an undisclosed amount. The deal expands Pennant's operations in Arizona, complementing its Emblem Hospice and Agape Hospice agencies in Tucson and Green Valley

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2023E	2024E	2023E	2024E	
dentalcorp Holdings Ltd.	1,148.5	2,404.8	1.7x	1.5x	9.2x	8.1x	60.4%
Neighbourly Pharmacy Inc.	599.4	890.7	1.0x	0.9x	9.5x	7.8x	52.5%
CareRx Corporation	105.6	205.9	0.5x	0.5x	7.2x	6.0x	54.3%
Akumin Inc.	17.3	2,207.2	2.1x	2.0x	10.8x	8.9x	6.5%
Average			1.3x	1.2x	9.2x	7.7x	43.4%

- ▶ On September 27th, **Virgin Pulse**, the **Marlin Equity (“Marlin”)** backed leading global digital-first health, wellbeing and navigation company, and **HealthComp**, a **New Mountain Capital (“NMC”)** backed benefits administrator, announced they will combine in an estimated US\$3 billion deal. The combination will create a tech-enabled platform that can design novel benefit plans, leverage AI to track and improve outcomes and lower employer costs. NMC will hold a majority of the combined company’s equity and Marlin a minority, with additional backing from Blackstone and Morgan Health
- ▶ On September 21st, **InformedDNA**, a US-based applied genomics company, announced its acquisition of **gWell Health (“gWell”)**, a US-based digital health, genomics, and wellness company, for an undisclosed amount. InformedDNA’s existing clinical genetics experts will expand the existing gWell platform of proactive health management and patient experience tools utilized for musculoskeletal health to bring precision healthcare to oncology, drug metabolism, and maternity care
- ▶ On September 21st, **SUNRx**, a US-based healthcare technology company and 340B administrator, announced that it has acquired **AuthorityRx**, a US-based technology and pharmacy consulting firm, for an undisclosed amount. The acquisition complements SUNRx’s current offering, adding audit and enhanced compliance, as well as two cloud-based applications
- ▶ On September 19th, **Avel eCare**, a US-based provider of clinician-to-clinician telemedicine services, announced the acquisition of **Fident Health**, a US-based virtual hospitalist provider dedicated to delivering high-quality telemedicine care to rural and suburban communities, for an undisclosed amount. The deal helps strengthen and scale Avel eCare’s acute and post-acute care telemedicine services to meet the growing demand for hospitalist and senior care support amidst challenges of clinician burnout and staffing shortages
- ▶ On September 6th, **NextGen Healthcare, Inc. (“NextGen”)** (Nasdaq: NXGN), a US-based provider of cloud-based healthcare technology solutions, announced that it has entered into a definitive agreement to be acquired by **Thoma Bravo**, a US-based software investment firm, for US\$1.8 billion, including debt. For the year ending June 30th, 2023, NextGen revenue was US\$678 million and EBITDA US\$56 million. NextGen will benefit from increased capital, expertise and strategic flexibility to accelerate its leadership in mission-critical EMR software and surround solutions for ambulatory practices
- ▶ On September 5th, **PracticeTek**, a US-based provider of software and payments solutions to the retail healthcare market, a portfolio company of **Lightyear Capital**, announced that it has acquired **Integrated Practice Solutions**, a US-based practice management and electronic health record software platform, for an undisclosed amount. The combined company will be one of the largest retail healthcare solutions providers in the US, delivering comprehensive software workflow with pre-encounter, encounter, and post-encounter solutions made available to the 500,000 providers in the market
- ▶ On September 5th, **CoachCare**, a US-based remote patient monitoring (RPM) and virtual health company, announced that it has acquired **WebCareHealth**, an US-based remote patient monitoring company, for an undisclosed amount. WebCareHealth’s expertise will add unique at-home international normalized ratio (INR) blood testing and monitoring capabilities to CoachCare’s suite of RPM, chronic care management and other services

Key Indicators

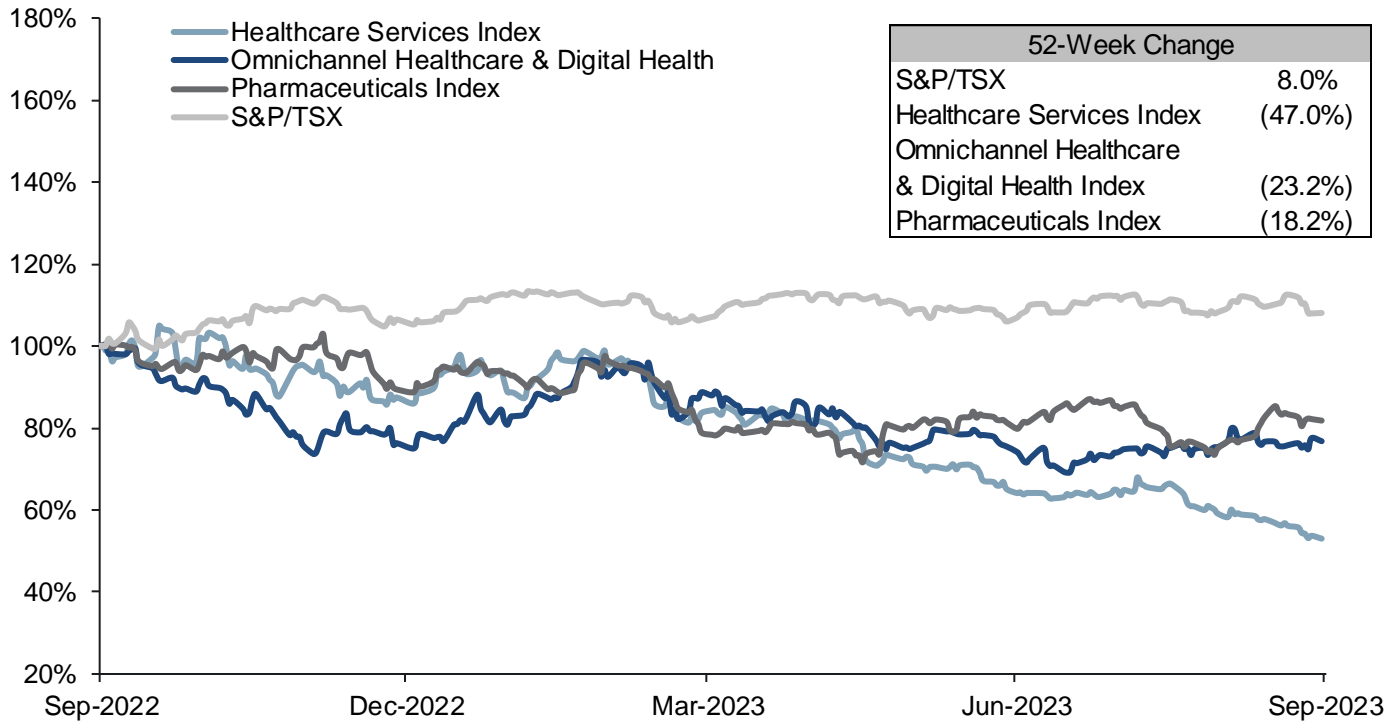
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2023E	2024E	2023E	2024E	
WELL Health Technologies Corp.	1,026.4	1,400.6	1.9x	1.6x	12.2x	10.2x	72.7%
Vitalhub Corp.	129.7	107.5	2.1x	1.9x	9.0x	7.3x	99.7%
CloudMD Software & Services Inc.	43.9	50.1	0.5x	0.4x	neg	13.1x	47.5%
MCI Onehealth Technologies Inc.	28.0	44.9	na	na	na	na	49.5%
LifeSpeak Inc.	25.1	105.3	2.0x	1.8x	7.5x	6.3x	23.9%
Think Research Corporation	18.7	64.6	0.7x	0.6x	12.0x	7.5x	34.8%
Average			1.4x	1.3x	10.2x	8.9x	54.7%

- ▶ On September 25th, **Envovis Corp (“Enovis”)** (NYSE: ENOV), a US maker of orthopedic bracing, surgical implants and footwear solutions, has agreed to acquire Italian surgical implant manufacturer **LimaCorporate SpA** for €800 million, including debt. The acquisition will bolster Enovis’ reconstructive business, which makes shoulder, hip, and knee implants used in surgeries, and expand its international footprint
- ▶ On September 21st, **Abpro Corporation (“Abpro”)**, a US-based biotechnology company developing next-generation antibody therapies, and **Atlantic Coastal Acquisition Corp. II (NASDAQ: ACAB)**, a US-based SPAC, announced a term sheet to enter into a definitive business combination, for US\$725 million. The transaction will result in Abpro becoming a publicly listed company and will help advance its drug pipeline to clinical trials
- ▶ On September 19th, **Boston Scientific Corporation (“Boston Scientific”)** (NYSE: BSX), a US-based medical technology company, announced that it has entered into a definitive agreement to acquire **Relivant Medsystems, Inc.**, a US-based medical technology company that has developed and commercialized the Intracept Intraosseous Nerve Ablation System to treat vertebrogenic pain, a form of chronic lower back pain, for US\$850 million plus undisclosed additional contingent payments. The acquisition is intended to expand Boston Scientific’s neuromodulation portfolio
- ▶ On September 6th, **Laborie Medical Technologies, Inc. (“Laborie”)**, a diagnostic and therapeutic medical technology company headquartered in the US, and a portfolio company of Sweden-based **Investor AB**, signed a definitive agreement to acquire **Urotronic, Inc.**, a US-based medical device company pioneering the application of its Optilume drug-coated balloon technology for use in interventional urology, for up to US\$600 million, including potential milestone payments. The acquisition expands Laborie’s urology portfolio
- ▶ On September 6th, **Idorsia Ltd (SIX: IDIA)**, a Switzerland-based biopharmaceutical company, announced that it has entered into an agreement with US-based **Janssen Biotech Inc.**, one of the **Janssen Pharmaceutical Companies of Johnson & Johnson**, for the reacquisition of the world-wide development and commercialization rights to Aprocitentan, for US\$343 million. Aprocitentan has demonstrated significant and clinically meaningful sustained blood pressure lowering benefits with a good safety profile, particularly suited to the high-risk patient population with resistant hypertension
- ▶ On September 5th, **ScanTech Identification Beam Systems, LLC (“ScanTech”)**, a US-based developer of next-generation 'fixed-gantry' computed tomography (CT) screening systems, and **Mars Acquisition Corp. (Nasdaq: MARX)**, a US-based SPAC, announced that they have entered into a definitive business combination agreement, for US\$149.5 million. The deal will result in ScanTech becoming a publicly listed company and further the development of its CT technology
- ▶ On September 1st, **Otsuka Pharmaceutical Co., Ltd. (“Otsuka”)**, a Japan-based pharmaceutical and nutraceutical company, announce that it has entered into a definitive agreement to acquire **Mindset Pharma, Inc. (“Mindset”)** (CNSX:MSET), a Canada-based developer of psychedelic medicines to treat neurological and psychiatric disorders, for US\$59 million. For the year ending March 31st, 2023, Mindset had a revenue of US\$5.9 million. The acquisition strengthens Otsuka’s pipeline in neurological and psychiatric disorders

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In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2023E	2024E	2023E	2024E	
Bausch Health Companies Inc.	4,022.4	24,929.4	2.2x	2.1x	6.2x	5.6x	80.5%
Knight Therapeutics Inc.	470.3	399.4	1.2x	1.3x	7.4x	8.0x	78.9%
HLS Therapeutics Inc.	167.4	240.5	2.8x	2.2x	8.2x	5.7x	78.9%
Cipher Pharmaceuticals Inc.	110.4	74.4	2.7x	2.6x	4.6x	4.6x	46.3%
Theratechnologies Inc.	68.0	109.3	1.0x	0.9x	neg	10.1x	95.2%
Medexus Pharmaceuticals Inc.	61.0	118.2	0.7x	0.7x	3.8x	3.6x	18.7%
Average			1.8x	1.6x	6.0x	6.3x	66.4%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index increased 8.0% over the last 12-months, up marginally from August's 52-week increase of 7.6%, as the Canadian Central Bank kept rates steady in its last meeting, potentially signaling visibility to the end of its current tightening cycle and a possible soft landing for the economy. Economic uncertainty seems to prevail, driving relatively sideways markets overall
- ▶ Our Healthcare Services Index reflects a 12-month decrease of 47.0%, up slightly from August's decrease of 48.5%, reflecting views of a more stable outlook for costs of capital and labour
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded a decline of 23.2% over the past 12-months, down from August's 20.6% drop, with the largest companies in our index continuing to outperform the smaller, more highly leveraged companies
- ▶ Our Pharmaceuticals Index decreased 18.2% over the last 12-months, roughly in line with August's 18.7% decline, as the market takes a wait and see approach to incoming data

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