

November 2023

Industry Highlights on
Healthcare



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



- ▶ On November 22nd, **ARC Health**, a US-based group of mental healthcare practices, a portfolio company of US-based **Thurston Group**, announced the acquisition of **Manhattan Psychology Group, PC ("MPG")**, a behavioral health practice with multiple locations catering to the Greater New York City Metro Area, for an undisclosed amount. MPG is one of the few practices in NYC providing both mental health services and Applied Behavioral Analysis under one roof, which resonates with ARC Health's devotion to offering comprehensive healthcare solutions
 - On November 3rd, **ARC Health** announced the acquisition of **GROW Counseling**, a mental health group with multiple locations across the Atlanta metroplex, for an undisclosed amount. This acquisition also includes the integration of the GROW Counseling Network, a platform providing employee mental health support in 46 states, tackling concerns that traditional EAPs are unable to address. The deal expands ARC Health's service footprint in the US
- ▶ On November 17th, **Novant Health**, a US-based integrated network of hospitals, physician clinics and outpatient facilities, announced that it has signed a definitive agreement to acquire three hospitals and associated physician practices and hospital operations in South Carolina, from **Tenet Healthcare Corporation (NYSE: THC)**, a US-based diversified healthcare services company, for US\$2.4 billion. The acquisition will bring expanded access to high-quality care in South Carolina
- ▶ On November 16th, US-based **Fulcrum Equity Partners ("Fulcrum")** announced its acquisition of **Defining Wellness Centers**, a drug and alcohol addiction treatment facility located in Mississippi, for an undisclosed amount. The acquisition aims to propel the expansion of Defining Wellness Centers, leveraging Fulcrum's financial support and industry expertise to broaden its impact in the Mississippi market and beyond
- ▶ On November 9th, **Sienna Senior Living Inc. ("Sienna") (TSX: SIA)**, a Canada-based provider of a full range of seniors' living options, announced that it has entered into an agreement to acquire the remaining 60% interest in **Nicola Lodge**, a Canada-based 256-bed long-term care community offering specialized services for bariatric care, dementia and mental health care, for US\$39 million. The acquisition will expand Sienna's presence in British Columbia
- ▶ On November 7th, **Everest Clinical Research**, a US-based full service CRO with deep expertise in clinical data management, biostatistics and statistical programming, announced it has acquired **August Research**, providing a European beachhead for clinical trial and pharmacovigilance services. Everest is a portfolio company of Washington, DC-based Arlington Capital Partners. Financial terms were not disclosed
- ▶ On November 7th, **Apollo Medical Holdings, Inc. ("ApolloMed") (NASDAQ: AMEH)**, a US-based healthcare management company focused on value-based care, announced that it has entered into a definitive agreement to acquire **Community Family Care Medical Group IPA, Inc. ("CFC")**, a US-based provider of management services to healthcare networks and federally qualified health centers, for up to US\$202 million. For 2023, CFC is expected to generate approximately US\$190 million in revenue and US\$25 million in adjusted EBITDA. CFC's Restricted Knox Keene (RKK) license will help ApolloMed to increase its ability to manage a person's total health across its entire Medicaid business

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2023E	2024E	2023E	2024E	
dentalcorp Holdings Ltd.	1,081.9	2,331.8	1.6x	1.5x	9.0x	8.1x	56.8%
Neighbourly Pharmacy Inc.	780.4	1,071.7	1.2x	1.1x	11.5x	9.5x	68.3%
CareRx Corporation	77.3	175.1	0.5x	0.5x	6.2x	5.2x	42.1%
Average			1.1x	1.0x	8.9x	7.6x	55.8%

- ▶ On November 16th, **GTCR**, a US-based PE firm, announced that it has signed a definitive agreement to acquire **Cloudbreak Health, LLC (“Cloudbreak”)**, a US-based provider of tech-enabled, healthcare-focused language interpretation services, from **UpHealth, Inc. (“UpHealth”)** (NYSE: UPH), a US-based digital health company, for US\$180 million. GTCR’s substantial experience in healthcare technology will strengthen Cloudbreak’s position as a high-quality provider of interpretive telehealth services in a growing end-market
- ▶ On November 16th, **Sonic Healthcare Limited (“Sonic”)** (ASX: SHL), an Australia-based anatomical pathology provider, announced that it has signed binding agreements to acquire **Pathology Watch**, a US-based company that has developed and commercialized an end-to-end digital pathology platform for skin pathology, for US\$130 million. The acquisition accelerates Sonic’s transition to digital pathology and promotes significant synergies with Franklin.ai, Sonic’s AI partner
- ▶ On November 15th, **Healwell AI Inc. (“Healwell”)**, a Canada-based innovative AI health-tech company, announced they have entered into an agreement to acquire a majority stake of Canada-based **Pentavere Research Group Inc. (“Pentavere”)**, a healthcare AI company. Pentavere’s commercialization of real word evidence studies and partnerships with major hospital networks aligns with Healwell’s commitment to improving preventative care. Healwell will pay approximately \$6 million in cash and stock on closing, and a further \$1.2 million to acquire newly issued shares from treasury, with an option to buy the remaining stake over the next three years
- ▶ On November 9th, **T-Medical Group Inc. (“T-Medical”)**, a US-based holding company in the telemedicine space, announced that it has acquired **365Televet.com**, a US-based provider of virtual veterinary care, for an undisclosed amount. The acquisition marks T-Medical’s entry into the high-growth veterinary telemedicine market
- ▶ On November 2nd, **Viome Life Sciences (“Viome”)**, a US-based longevity and preventative healthcare company, announced the acquisition of **Naring Health**, a US-based digital health and wellness company providing access to individualized clinical and molecular data to empower informed decisions, for an undisclosed amount. The acquisition brings together Viome’s expertise in microbiome analysis with Naring Health’s proficiency in multi-omics to offer customers more comprehensive health solutions
 - **Viome** will also be acquiring **DiscernDX**, a US-based provider of regular health monitoring, early disease detection, and personalized care, and **Foodome**, a US-based company that identifies bioactive compounds in food and connects diet, genetic pathways, and disease, for an undisclosed amount. The combination will provide Viome with the ability to further enhance its personalized health solutions with even more precise recommendations
- ▶ On November 1st, **Mirion (NYSE: MIR)**, a US-based provider of advanced radiation safety solutions, announced the acquisition of **ec² Software Solutions (“ec²)**, a US-based developer of nuclear medicine and molecular imaging software, including the BioDose/NMIS and Numa platforms, for US\$33 million. ec² will complement Capintec, Mirion’s nuclear medicine and molecular imaging portfolio

Key Indicators

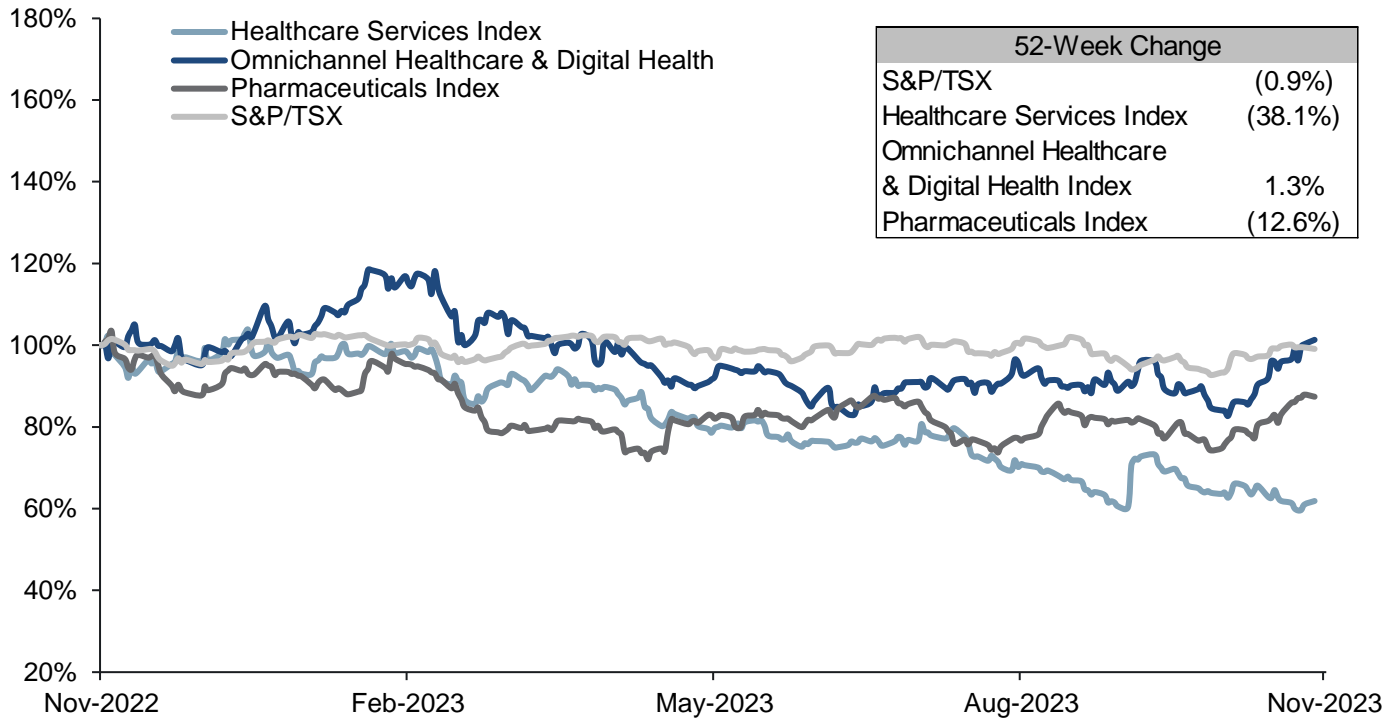
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2023E	2024E	2023E	2024E	
WELL Health Technologies Corp.	905.4	1,335.6	1.8x	1.5x	11.8x	10.3x	63.3%
Vitalhub Corp.	187.4	158.3	3.0x	2.7x	12.5x	10.4x	99.5%
Healwell AI Inc.	63.2	78.6	na	5.8x	neg	neg	94.0%
CloudMD Software & Services Inc.	36.3	42.5	0.4x	0.4x	neg	11.2x	48.0%
LifeSpeak Inc.	26.0	107.9	2.1x	2.0x	8.1x	7.3x	48.6%
Think Research Corporation	18.1	65.3	0.8x	0.7x	14.2x	9.8x	33.3%
Average			1.6x	2.2x	11.6x	9.8x	64.5%

- ▶ On November 21st, **Merck (NYSE: MRK)**, a US-based biopharmaceutical company, announced that it has entered into a definitive agreement to acquire **Caraway Therapeutics, Inc.**, a US-based preclinical biopharmaceutical company focused on treatment of genetically defined neurodegenerative and rare diseases, for up to US\$610 million, including an undisclosed upfront payment as well as contingent milestone payments. The acquisition underscores Merck’s ongoing commitment to developing treatments for neurodegenerative diseases
- ▶ On November 15th, **LENZ Therapeutics**, a US-based late-stage biopharmaceutical company focused on developing and commercializing therapies to improve vision, and **Graphite Bio, Inc. (NASDAQ: GRPH)**, a US-based clinical-stage, next-generation gene editing company, announced that they have entered into a definitive merger agreement to combine the companies in an all-stock transaction worth US\$231.6 million. The combined company is expected to trade on Nasdaq under the ticker “LENZ.” and will focus on advancing LENZ Therapeutics’ lead assets for the treatment of presbyopia
- ▶ On November 13th, **Ajinomoto Co., Inc. (“Ajinomoto Co.”) (TYO: 2802)**, a Japan-based food and biotechnology company, announced that it has entered into a definitive agreement to acquire **Forge Biologics**, a US-based hybrid gene therapy contract manufacturing and clinical-stage therapeutics development company, for US\$620 million. The acquisition extends global capabilities in Adeno-associated virus (AAV) and plasmid gene therapy manufacturing for Ajinomoto, Co., diversifying and strengthening their current contract development and manufacturing services
- ▶ On November 9th, **TekniPlex Healthcare (“TekniPlex”)**, a US-based provider of medical device and healthcare packaging solutions, announced that it has signed a definitive agreement to acquire **Seisa Medical**, a US-based full-service contract manufacturer of Class II and Class III medical devices and specialty components, for US\$200 million. The acquisition will enhance and expand TekniPlex’s technology solutions platform in the minimally invasive and interventional therapies sector
- ▶ On November 1st, **CooperCompanies (Nasdaq: COO)**, a US-based medical device company, announced it has closed the acquisition of select assets focused primarily on the obstetrics, doppler monitoring, and gynecology surgery markets, from **Cook Medical**, a US-based medical device company, for US\$300 million. For the year ended September 30, 2023, the acquired assets had a revenue of US\$56 million. The acquisition will strengthen CooperCompanies’ position as a leading global fertility and women’s health company
- ▶ On November 1st, **Inari Medical, Inc. (“Inari”) (NASDAQ: NARI)**, a US-based medical device company, announced that it has entered into a definitive agreement to acquire **LimFlow**, a France-based developer of minimally-invasive technology for the treatment of chronic limb-threatening ischemia (CLTI), for up to US\$415 million, including a US\$250 million upfront payment and up to US\$165 million in milestone payments. The acquisition brings clinically differentiated CLTI solution to Inari’s portfolio while leveraging Inari’s proven track record of performance in the venous thromboembolism (VTE) space

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	Cap	TEV	2023E	2024E	2023E	2024E	
Bausch Health Companies Inc.	3,393.0	26,008.0	2.2x	2.1x	6.3x	5.8x	67.9%
Knight Therapeutics Inc.	557.3	496.8	1.5x	1.5x	8.3x	8.9x	97.1%
Cipher Pharmaceuticals Inc.	150.4	108.6	3.7x	3.7x	6.2x	6.2x	98.6%
HLS Therapeutics Inc.	107.8	176.7	2.0x	1.9x	6.3x	5.6x	29.9%
Theratechnologies Inc.	92.9	128.2	1.1x	1.0x	neg	16.9x	16.8%
Medexus Pharmaceuticals Inc.	35.5	88.1	0.5x	0.5x	2.9x	2.5x	41.1%
Average			1.8x	1.8x	6.0x	7.7x	58.6%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index decreased 0.9% over the last 12-months, up from October's 52-week decrease of 2.9%, on the back of better-than-expected inflation data in Canada, raising hopes that it might finally close the door on further rate hikes by the Bank of Canada
- ▶ Our Healthcare Services Index reflects a 12-month decrease of 38.1%, up from October's decrease of 42.5%, as buyers continue to step in after spending some time on the sidelines
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded an increase of 1.3% over the past 12-months, up significantly from October's 22.2% drop, due to soaring optimism about AI-related advancements and robust demand for digital health solutions
- ▶ Our Pharmaceuticals Index decreased 12.6% over the last 12-months, up from October's 22.8% decline, in line with the broader market rally

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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