

January 2024

Industry Highlights on
Healthcare



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



- ▶ On January 17th, **AllerVie Health**, a US-based network of board-certified allergists and immunologists, backed by US-based **Noro-Moseley Partners**, announced its entry into the Chicago area with the acquisition of **Allergy & Asthma Associates of DuPage**, a Chicago-based clinic with locations in Naperville and Downers Grove, for an undisclosed amount
- ▶ On January 17th, **MODIS Dental Partners (“MODIS”)**, a US-based dental service organization focused on implant-oriented dental practices, launched by **Thurston Group**, a US-based healthcare-focused PE firm in September 2023, announced the acquisition of **Innovative Dental of Springfield (“Innovative Dental”)**, a Missouri-based super general practice providing transformative procedures, including dental implants, full smile restorations, orthodontics, and cosmetic dentistry, for an undisclosed amount. The acquisition expands MODIS’ presence in Missouri
- ▶ On January 15th, **Neighbourly Pharmacy (“NBLY”)(TSX:NBLY)**, Canada’s largest and fastest growing network of independent pharmacies, announced it has entered into a definitive agreement with shareholder **Persistence Capital Partners (“PCP”)**, whereby PCP will acquire all of the common shares of NBLY, other than those already owned by PCP or its affiliates, for \$18.50 per common share in cash plus one contingent value right per common share, entitling the shareholder to an additional cash payment of \$0.61 if the target pro-forma 2026 Adjusted EBITDA is achieved. The transaction will enable NBLY to accelerate its growth and advance the role of independent pharmacies across Canada, creating value for its customers, patients, employees, and partners
- ▶ On January 9th, **Dental Care Alliance**, a US-based multi-branded dental support organization and a portfolio company of US-based **Harvest Partners** and Abu Dhabi-based **Mubadala Capital**, announced that it has acquired **Gentle Dental World**, a New York-based dental practice, for an undisclosed amount, deepening its network in New York City
- ▶ On January 9th, **Schweiger Dermatology Group (“Schweiger”)**, a US-based multi-location dermatology practice, announced that it has acquired **United Skin Specialists**, a dermatology-directed practice management group with 10 office locations across Illinois, Minnesota, and Missouri, from US-based **Tonka Bay Equity Partners**, for an undisclosed amount. The acquisition marks Schweiger’s entrance into the US Midwest
- ▶ On January 9th, **SportsMed Physical Therapy (“SportsMed”)**, a US-based multi-disciplinary physical therapy company, a portfolio company of **Hildred Capital Management**, a US-based healthcare-focused PE firm, announced the acquisition of **Red Bank Physical Therapy**, for an undisclosed amount. The deal expands SportsMed’s services in Monmouth County, NJ
- ▶ On January 5th, **ARC Health**, a US-based group of mental healthcare practices and a portfolio company of US-based **Thurston Group**, announced the acquisition of **Mindsoother Therapy Center**, a mental health practice providing behavioral healthcare services to Livingston, New Jersey residents, for an undisclosed amount. The acquisition broadens ARC Health’s reach in the region

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
dentalcorp Holdings Ltd.	1,286.7	2,536.6	1.6x	1.5x	8.7x	7.8x	67.5%
Neighbourly Pharmacy Inc.	820.6	1,154.5	1.2x	1.1x	10.3x	9.4x	73.2%
CareRx Corporation	99.3	197.1	0.5x	0.5x	5.9x	5.2x	62.9%
Average			1.1x	1.0x	8.3x	7.5x	67.8%

- ▶ On January 17th, **PointClickCare Technologies (“PointClickCare”)**, a Canada-based, leading healthcare technology platform, announced the acquisition of **American HealthTech, Inc. (“AHT”)**, a subsidiary of **Computer Programs and Systems, Inc. (“CPSI”)**(NASDAQ: CPSI) and leading provider of electronic health record (EHR) solutions and related services for the post-acute care market, for an undisclosed amount. CPSI, a community healthcare solutions company, announced the divestment of AHT and selected PointClickCare to continue supporting AHT customers into the future
- ▶ On January 16th, **Innovaccer Inc. (“Innovaccer”)**, a US-based provider of unified patient data across systems and care settings, announced that it has acquired **Cured**, a US-based digital marketing and CRM platform for healthcare, for an undisclosed amount. Cured's expertise in patient and member outreach, engagement, and growth strategy complements Innovaccer's CRM capabilities while also adding over 20 health systems and digital health clients to its current portfolio of over 95 customers
- ▶ On January 11th, **Silver Rock Group**, a UAE-based investment firm, announced that it plans to invest US\$300 million in equity financing in **Doc.com**, a Mexico-based decentralized telehealth platform providing free basic healthcare and health education to people worldwide, at an enterprise value of US\$1.3 billion. Doc.com will use this funding to bring its telehealth offering to the US market
- ▶ On January 9th, **McKesson (NYSE:MCK)**, a US-based provider of pharmaceuticals, medical supplies, laboratory solutions and health information products and services, announced that it has acquired **Compile**, a US-based healthcare data platform that aggregates and integrates data from across the US healthcare system to characterize providers and their patient panels, for an undisclosed amount. The acquisition will provide a centralized commercial data platform for McKesson and accelerate its capabilities in commercializing data and providing insights to biopharma customers
- ▶ On January 8th, **GE HealthCare (NASDAQGS:GEHC)**, a US-based provider of medical technology, pharmaceutical diagnostics and digital solutions, announced that it has entered into an agreement to acquire **MIM Software**, a US-based provider of medical imaging analysis and artificial intelligence (AI) solutions across multiple care areas, including oncology, urology, neurology, and cardiology, for an undisclosed amount. The acquisition aligns with GE HealthCare's precision care strategy with the goal of strengthening its digital solutions across care pathways
- ▶ On January 4th, **Healthcare Outcomes Performance Company (“HOPCo”)**, a US-based provider of musculoskeletal (MSK) clinical outcomes management solutions and orthopedic value-based care, announced its acquisition of **MoonlightOrtho**, a US-based provider of MSK care to patients through on-demand or asynchronous video telecommunication, for an undisclosed amount. The acquisition expands HOPCo's digital health platform, with patients now able to send video messages or 'digital encounters' to subspecialized MSK providers highlighting areas of pain, symptoms and other health indicators

Key Indicators

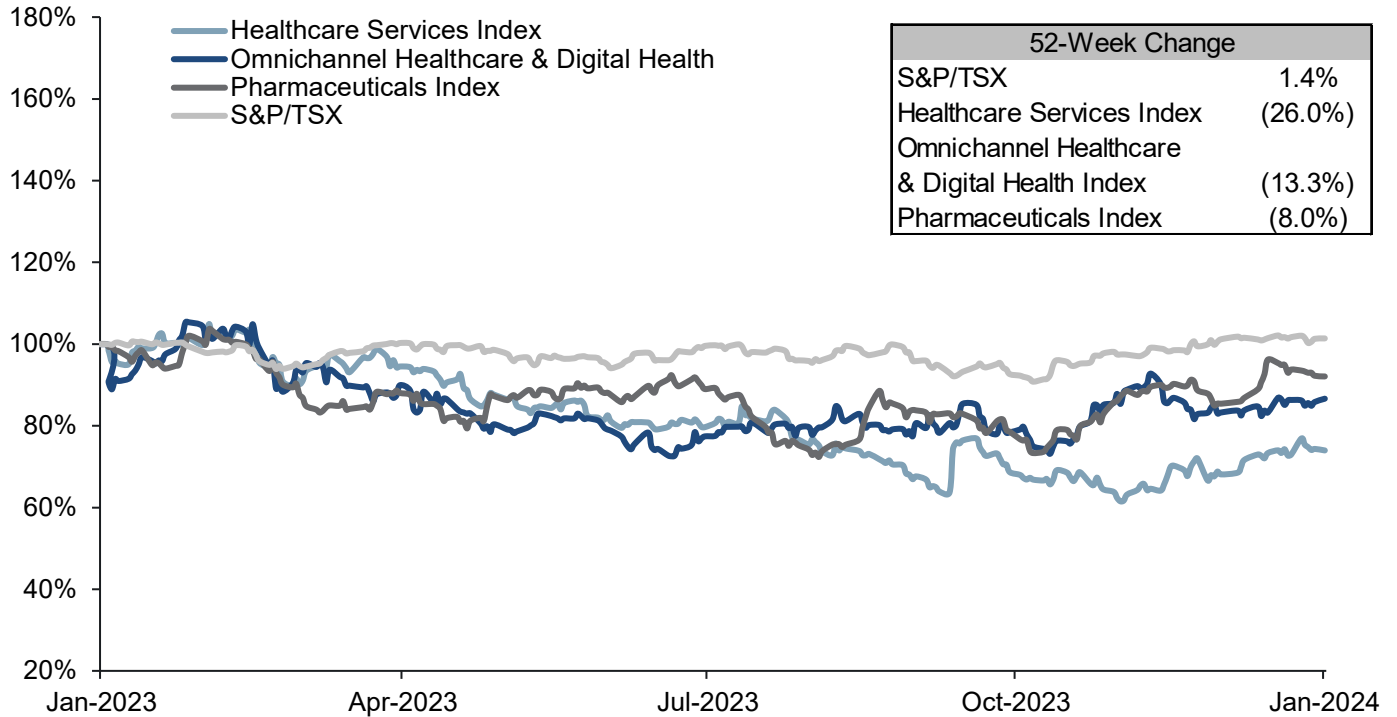
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
WELL Health Technologies Corp.	878.2	1,308.5	1.4x	1.3x	10.2x	8.1x	61.8%
Vitalhub Corp.	195.4	166.3	2.8x	2.6x	10.9x	8.9x	98.7%
Healwell AI Inc.	66.0	81.4	na	4.2x	neg	neg	72.1%
LifeSpeak Inc.	32.6	114.5	2.1x	na	7.8x	na	67.4%
CloudMD Software & Services Inc.	24.4	35.0	0.3x	na	10.9x	na	34.0%
Think Research Corporation	18.2	65.4	0.7x	na	9.9x	na	33.3%
Average			1.5x	2.7x	9.9x	8.5x	61.2%

- ▶ On January 16th, **Bora Pharmaceuticals Co., Ltd. (“Bora”)** (TWSE: 6472), a Taiwan-based pharmaceutical manufacturer, announced its acquisition of **Upsher-Smith Laboratories, Inc. (“Upsher-Smith”)**, a US-based generics manufacturer, from shareholders Japan-based **Sawai Group Holdings** and **Sumimoto Corporation**, for total consideration of up to US\$210 million. Through this acquisition, Bora gains a portfolio of 48 generic products and manufacturing facilities in Minnesota to support its CDMO business, marking a significant expansion of Bora’s business in the US
- ▶ On January 9th, **GSK plc (“GSK”)** (LSE/NYSE: GSK) announced that it has entered into an agreement to acquire **Aiolos Bio, Inc.**, a US-based clinical-stage biopharmaceutical company focused on addressing the unmet treatment needs of patients with certain respiratory and inflammatory conditions, for up to US\$1.4 billion, including US\$400 million of potential milestone payments. The acquisition expands GSK’s respiratory pipeline adding AIO-001, a phase II-ready, long-acting monoclonal anti-thymic stromal lymphopoietin antibody
- ▶ On January 8th, **Boston Scientific Corporation (“Boston Scientific”)** (NYSE: BSX), a US-based medical technology company, announced that it has entered into a definitive agreement to acquire **Axonics, Inc. (“Axonics”)** (Nasdaq: AXNX), a US-based medical technology company focused primarily on novel devices for urinary and bowel dysfunction, for US\$3.4 billion. For the year ending September 30th, 2023, Axonics posted revenue of US\$343 million. The acquisition will expand Boston Scientific’s urology portfolio with differentiated technologies to treat urinary and bowel dysfunction
- ▶ On January 8th, **Johnson & Johnson (NYSE: JNJ)** announced that it has entered into a definitive agreement to acquire **Ambrx Biopharma, Inc. (NASDAQ: AMAM)**, a US-based clinical-stage biopharmaceutical company with a proprietary synthetic biology technology platform to design and develop next-generation antibody drug conjugates (ADCs), for US\$1.9 billion. The acquisition presents a distinct opportunity for Johnson & Johnson to design, develop and commercialize targeted oncology therapeutics
- ▶ On January 8th, **Veracyte, Inc. (“Veracyte”)** (Nasdaq: VCYT), a US-based cancer diagnostics company, announced that it has reached a definitive agreement to acquire **C2i Genomics, Inc.**, a US-based minimal residual disease (MRD) detection company, for an undisclosed amount. The acquisition will add whole-genome MRD capabilities to Veracyte’s novel diagnostics platform and expand its offerings along the cancer care continuum
- ▶ On January 8th, **Merck (NYSE: MRK)** announced that it has entered into a definitive agreement to acquire **Harpoon Therapeutics, Inc. (“Harpoon”)** (Nasdaq: HARP), a US-based clinical-stage immunotherapy company, for US\$680 million. For the year ending September 30th, 2023, Harpoon had a revenue of US\$37 million. The acquisition complements and diversifies Merck’s oncology pipeline
- ▶ On January 2nd, **Tome Biosciences, Inc. (“Tome”)**, a US-based programmable genomic integration (PGI) company, announced that it has acquired **Replace Therapeutics Inc. (“Replace”)**, a US-based biotechnology company developing a novel PGI method capable of inserting and deleting small DNA sequences, for up to US\$185 million, including US\$120 million in potential milestone payments. Replace’s novel small DNA editing technology complements Tome’s large DNA integration technology

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
Bausch Health Companies Inc.	4,008.0	26,623.0	2.2x	2.2x	6.0x	5.6x	80.2%
Knight Therapeutics Inc.	570.6	492.7	1.5x	1.4x	9.0x	7.4x	98.1%
Cipher Pharmaceuticals Inc.	137.5	95.7	3.2x	3.2x	5.5x	5.3x	86.9%
HLS Therapeutics Inc.	130.8	199.7	2.1x	2.1x	6.5x	5.1x	40.7%
Theratechnologies Inc.	122.0	157.4	1.3x	1.1x	25.2x	8.2x	42.5%
Medexus Pharmaceuticals Inc.	61.4	114.0	0.6x	0.6x	3.3x	2.2x	71.1%
Average			1.8x	1.8x	9.2x	5.6x	69.9%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index increased 1.4% over the last 12-months, up from November’s 52-week decrease of 0.9%, on the back of a modest Santa rally due to a surprise pickup in Canada’s headline inflation in December after 3 months of declining or flat prices
- ▶ Our Healthcare Services Index reflects a 12-month decrease of 26.0%, up from November’s decrease of 38.1%, as buyers continue to step in after spending some time on the sidelines
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded a decrease of 13.3% over the past 12-months, down from November’s 1.3% increase, with tech names taking a breather after a prolonged period of optimism about AI-related advancements and digital health solutions
- ▶ Our Pharmaceuticals Index decreased 8.0% over the last 12-months, up from November’s 12.6% 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

Origin Merchant Partners
Chicago | Montreal | Toronto
www.originmerchant.com

OMP Healthcare Team



CATHY STEINER
MANAGING DIRECTOR, HEALTHCARE LEAD
cathy.steiner@originmerchant.com



LAWRENCE RHEE
MANAGING DIRECTOR
lawrence.rhee@originmerchant.com