

February 2024

Industry Highlights on
Healthcare



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



- ▶ On February 13th, **Welltower Inc. (NYSE: WELL) ("Welltower")**, a US-based healthcare-focused REIT, announced that it has entered into a definitive agreement to acquire a portfolio of 25 purpose-built active adult communities from **Affinity Living Communities**, a US-based vertically integrated developer and operator of age-restricted and age-targeted wellness housing, for US\$969 million. The transaction will result in the expansion of Welltower's in-place and under development Wellness Housing portfolio to nearly 25,000 units
- ▶ On February 8th, **Premier Radiology Services, LLC ("Premier Radiology")**, a US-based provider of teleradiology services, announced the acquisition of **Specialists in Diagnostic Imaging, LLC (d/b/a "NationalRad")**, a US-based provider of subspecialty teleradiology services, for an undisclosed amount. NationalRad's focus on musculoskeletal imaging and neuroradiology MRI exams will expand Premier Radiology's suite of subspecialty offerings
- ▶ On February 8th, **Everside Health** and **Marathon Health**, two US-based providers of advanced primary care and occupational health for employer and union-sponsored clients, announced the closing of their merger. The combined entity will operate under the name Marathon Health and will aim to meet the accelerating employer demand for advanced primary care services while providing meaningful cost savings to patients. Financial terms were not disclosed
- ▶ On February 6th, **Orthopedic Care Partners ("OCP")**, a US-based orthopedic practice management platform and portfolio company of **Varsity Healthcare Partners**, a US-based PE firm, announced the acquisition of **The Orthopedic Partners ("TOP")**, a premier orthopedic practice based in Park City, Utah, for an undisclosed amount. The acquisition extends OCP's presence into a fifth state, marking a significant expansion in the Western United States, with TOP's four state-of-the-art locations in Park City, Heber City, Salt Lake, and the Park City Surgery Center significantly strengthening OCP's comprehensive network of orthopedic care providers
- ▶ On February 4th, **Vertava Health**, a US-based behavioral healthcare provider for mental health and substance use disorders, announced its acquisition of **Connections Wellness Group**, a US-based behavioral healthcare system for mental health and substance use disorders, for an undisclosed amount, expanding options for patient care in North Texas
- ▶ On February 1st, **ELNA Medical Group ("ELNA")**, a Canada-based integrated network of medical clinics, announced that it has acquired the **Brunswick Health Group**, which owns and operates the Brunswick Medical Centre, a multi-specialty medical complex in Quebec, for an undisclosed amount. This transaction will enable Brunswick Health Group to improve the quality, diversity, and accessibility of their services using ELNA's breadth of expertise and resources
- ▶ On February 1st, **Eye Health America (EHA)**, a southeastern US-based integrated eyecare platform, announced its partnership with **Loris Eye Associates**, marking their 24th partnership in the Southeast and strengthening their network in the region. Established in 2018 by LLR Partners, EHA provides support to partner practices comprising over 100 physicians across 53 locations and 10 ambulatory surgical centers

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
dentalcorp Holdings Ltd.	1,372.6	2,622.5	1.7x	1.5x	9.1x	8.1x	73.8%
Neighbourly Pharmacy Inc.	825.2	1,156.1	1.2x	1.1x	11.2x	9.7x	73.5%
CareRx Corporation	92.8	190.6	0.5x	0.5x	5.8x	5.1x	62.5%
Average			1.1x	1.1x	8.7x	7.6x	69.9%

- ▶ On February 16th, **Think Research Corporation (“Think”) (TSXV: THNK)**, a Canada-based provider of digital health software solutions, announced that it has entered into a definitive agreement to be acquired by **Beedie Capital**, the investment arm of **Beedie**, a Canada-based industrial and residential development company, for cash consideration of \$0.32 for each common share other than common shares owned by Beedie Capital. For the year ending September 30th 2023, Think’s revenue was US\$63 million. The transaction eliminates the burden of continuing as a reporting issuer and allows Think to focus on accelerating growth using Beedie’s expertise
- ▶ On February 6th, **Fluent**, a US-based dental data management and analytics company, announced that it has acquired **Delegated DDS**, a US-based organization accredited by NCOA in credentialing that provides technology-enabled services to Dental Support Organizations (DSOs) and dental insurance carriers, for an undisclosed amount. Delegated DDS’s offerings will complement Fluent’s acquisition of Dentistat, a Credentials Verification Organization, completed last year
- ▶ On February 5th, **Hamilton Beach Brands Holding Company (NYSE: HBB)**, a subsidiary of the US-based housewares firm, announced its acquisition of **HealthBeacon PLC**, an Ireland-based digital health platform for injectable medication management, and an HBB strategic partner since 2021. HealthBeacon, whose technologies help patients with chronic conditions such as diabetes, arthritis, and more, to improve injectable medication adherence at home, will support HBB’s strategy to expand in home health and wellness and strengthen participation in the home medical category. Financial terms were not disclosed
- ▶ On February 5th, **Inovalon**, a US-based provider of cloud-based software solutions empowering data-driven healthcare, announced the acquisition of **Vigilanz**, a US-based SaaS-based clinical surveillance and patient safety software and data company, for an undisclosed amount. The acquisition enriches Inovalon’s provider and life sciences solution portfolios, expands its customer base, and increases its clinical data connectivity
- ▶ On February 1st, **Avation Medical**, a US-based neuromodulation and digital health company, announced more than US\$22 million in equity financing in its oversubscribed Series C round, led by new investors **ShangBay Capital** and **Asahi Kasei**, which also included **Angelini Ventures**, **JobsOhio Growth Capital Fund**, and others. Additional investments were also provided by multiple existing investors, including **Arboretum Ventures**, **Tonkawa**, **Medtronic**, and **Avestria Ventures**. The funding will be used for the US launch of the company’s Vivaly System
- ▶ On February 1st, **Cohere Health**, a US-based provider of clinical intelligence and prior authorization automation, announced that it has closed US\$50 million in additional equity funding, in a round led by **Deerfield Management**, with participation from **Define Ventures**, **Flare Capital Partners**, **Longitude Capital**, and **Polaris Partners**. This brings the total raised by Cohere to US\$106 million, with the latest round of funding aimed at fueling its expansion to meet the increasing demand for Cohere’s intelligent prior authorization platform

Key Indicators

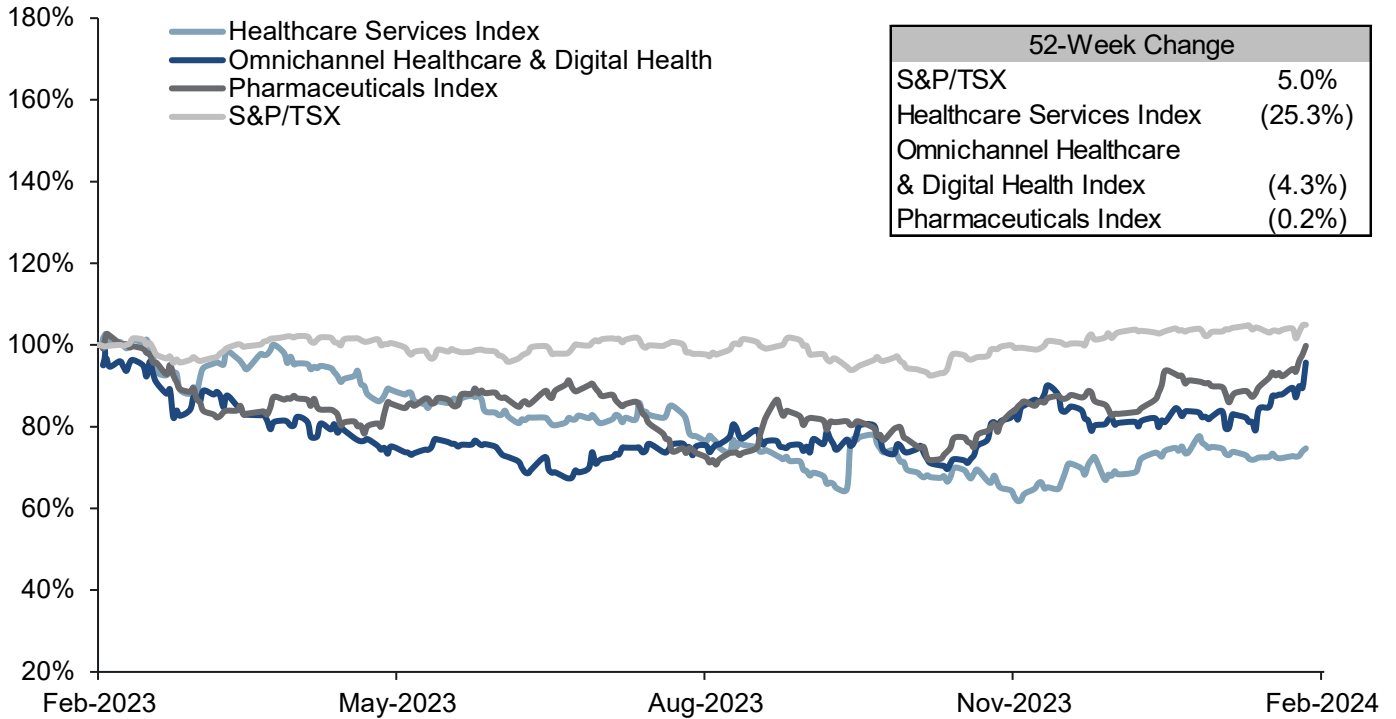
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
WELL Health Technologies Corp.	918.1	1,348.4	1.5x	1.3x	10.5x	8.9x	63.6%
Vitalhub Corp.	254.8	225.7	3.8x	3.4x	14.5x	12.0x	100.0%
Healwell AI Inc.	91.0	106.4	na	3.5x	neg	nmf	79.8%
LifeSpeak Inc.	31.1	113.0	2.1x	na	7.7x	na	76.3%
CloudMD Software & Services Inc.	24.4	35.0	0.3x	na	10.9x	na	35.6%
Think Research Corporation	23.7	70.9	0.8x	na	10.8x	na	43.5%
Average			1.7x	2.7x	10.9x	10.4x	66.5%

- ▶ On February 16th, **XOMA Corporation (“XOMA”) (NASDAQ: XOMA)**, a US-based biotechnology royalty aggregator, announced that it has entered an agreement to acquire **Kinnate Biopharma Inc. (NASDAQ: KNTE)**, a US-based clinical-stage precision oncology company, for US\$122 million. The acquisition will further add to XOMA’s cash balance as well as potentially add several early-stage programs to its royalty portfolio
- ▶ On February 12th, **Gilead Sciences, Inc. (“Gilead”) (Nasdaq: GILD)**, a US-based biopharmaceutical company, announced that it has entered into a definitive agreement to acquire **CymaBay Therapeutics, Inc. (“CymaBay”) (Nasdaq: CBAY)**, a US-based clinical-stage biopharmaceutical company, for US\$4.3 billion. The addition of CymaBay’s investigational lead product candidate, seladelpar, for the treatment of primary biliary cholangitis, will expand Gilead’s liver portfolio
- ▶ On February 12th, **IBEX Technologies Inc. (“IBEX”) (TSX Venture: IBT)**, a Canada-based manufacturer and supplier of high purity recombinant enzymes, announced that it has entered into a binding agreement to be acquired by **BBI Solutions (“BBI”)**, a UK-based provider of immunoassay products and services to the global diagnostics and life sciences industries, for US\$22.6 million. For the year ending October 31st 2023, IBEX had revenue of US\$5.8 million and EBITDA of US\$1.3 million. The acquisition bolsters BBI’s fast-growing portfolio of recombinant proteins
- ▶ On February 6th, **Immunome, Inc. (“Immunome”) (Nasdaq: IMNM)**, a US-based biotechnology company dedicated to cancer therapies, announced that it entered into a definitive asset purchase agreement with **Ayala Pharmaceuticals, Inc. (OTCQX: ADXS)**, a US-based clinical-stage oncology company, to acquire AL102 and related drug candidate AL101 from Ayala, for up to US\$87.5 million. The acquisition will complement Immunome’s existing portfolio of targeted cancer agents that are approaching Phase 1 trials
- ▶ On February 5th, **Merck Animal Health**, a division of **Merck & Co., Inc. (“Merck”) (NYSE:MRK)**, a US-based biopharmaceutical company, announced that it has signed a definitive agreement to acquire the aqua business of **Elanco Animal Health Incorporated (NYSE: ELAN)**, a US-based animal health company, for US\$1.3 billion. The acquisition bolsters Merck’s position in the aqua industry and complements its warm water vaccine portfolio
- ▶ On February 5th, **Novo Holdings**, the holding and investment company that is responsible for managing the assets and wealth of the **Novo Nordisk Foundation**, a Denmark-based pharmaceutical company, announced that it has entered into a definitive agreement to acquire **Catalent, Inc. (“Catalent”) (NYSE: CTLT)**, a US-based contract development and manufacturing organization for personalized medicines and consumer health brand extensions, for US\$16.5 billion. For the year ending December 31st 2023, Catalent had a revenue of US\$4.1 billion and an EBITDA of US\$312 million. Catalent will leverage Novo Holdings’ significant resources to accelerate growth and enhance key offerings

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.	4,152.6	26,767.6	2.2x	2.2x	6.1x	5.7x	83.1%
Knight Therapeutics Inc.	564.5	486.6	1.5x	1.4x	8.7x	7.3x	97.0%
Cipher Pharmaceuticals Inc.	184.7	143.0	4.9x	4.8x	8.2x	8.0x	98.7%
HLS Therapeutics Inc.	131.7	200.6	2.2x	2.1x	6.7x	5.1x	43.4%
Theratechnologies Inc.	109.7	145.1	1.2x	1.0x	23.3x	7.5x	38.2%
Medexus Pharmaceuticals Inc.	42.8	86.9	0.6x	0.5x	3.3x	2.6x	49.6%
Average			2.1x	2.0x	9.4x	6.0x	68.3%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index increased 5.0% over the last 12-months, up from January’s 52-week increase of 1.4%, with investors continuing to price in a ‘soft landing’ for the US economy despite recent hotter-than-expected inflation data
- ▶ Our Healthcare Services Index reflects a 12-month decrease of 25.3%, up slightly from January’s decrease of 26.0%, as buyers gradually return to the market after a period of sitting on the sidelines
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded a decrease of 4.3% over the past 12-months, up from January’s 13.3% decrease, as expectations of rate cuts later this year continue to mount
- ▶ Our Pharmaceuticals Index decreased 0.2% over the last 12-months, up from January’s 8.0% 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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