

April 2024

Industry Highlights on  
**Healthcare**



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



- ▶ On April 18<sup>th</sup>, **Community Health Systems, Inc. (NYSE: CYH)**, a US-based healthcare company, announced that it has entered into a definitive agreement to sell its 351-bed **Tennova Healthcare Cleveland** in Tennessee to **Hamilton Health Care System, Inc. (“HHCS”)**, a US-based healthcare company, for US\$160 million. HHCS anticipates the hospitals’ complementary platforms will make the area more attractive for clinicians specializing in medical subspecialties, bringing additional services to the region
- ▶ On April 15<sup>th</sup>, **Prime Healthcare Services, Inc. (“Prime”)**, the largest physician-founded and led health system in the US, announced that it has completed the purchase of real estate of four facilities that comprise **Saint Clare’s Health** and **St. Francis Medical Center** from **Medical Properties Trust, Inc. (“MPT”) (NYSE: MPW)**, a US-based REIT focused on acquiring and developing net-leased hospital facilities, for US\$350 million. The transaction results in a US\$215 million reduction in Prime’s debt obligations to MPT related to these assets
  - On April 12<sup>th</sup>, **MPT** announced that it has sold 75% of its stake in five Utah hospitals to an undisclosed asset manager, for US\$886 million. The proceeds are expected to be used to reduce outstanding debt
- ▶ On April 9<sup>th</sup>, **Ascend Plastic Surgery Partners (“Ascend”)**, a US-based plastic surgery physician practice management company, a portfolio company of US-based **Sheridan Capital Partners**, announced that it has acquired **Ponte Vedra Plastic Surgery (“PVPS”)**, a renowned institution in the field of plastic and cosmetic surgery, for an undisclosed amount. PVPS expands Ascend's presence into Florida, adding a fifth state, six additional surgeons, and six new locations its footprint
- ▶ On April 3<sup>rd</sup>, **Eurofins Scientific S.E (“Eurofins”) (ENXTPA:ERF)**, a France-based global leader in bioanalytical testing, announced the closing of its acquisition of **Ascend Clinical, LLC (“Ascend”)**, the largest independent laboratory for kidney dialysis testing in the US, for an undisclosed amount. The acquisition further reinforces Eurofins’ footprint in transplant testing and associated renal care, broadening its clinical client base
- ▶ On April 2<sup>nd</sup>, **Viemed Healthcare, Inc. (“Viemed”) (NASDAQ:VMD)**, a US-based provider of respiratory care and technology-enabled home medical equipment services, announced the finalization of its strategic partnership with **East Alabama Health (“EAH”)**, providing Viemed with the controlling interest of **East Alabama HomeMed, LLC (“HomeMed”)**, which provides home medical equipment services to patients within the EAH network as well as those in the surrounding areas, for an undisclosed amount. The acquisition enhances Viemed’s in-home medical services offering
- ▶ On April 1<sup>st</sup>, **Kentucky Counseling Center**, a mental health provider, announced the acquisition of **Flourish Psychotherapy**, a mental health company based in Ohio, with offices in Cincinnati and Columbus, for an undisclosed amount. Following the acquisition, Flourish Psychotherapy will rebrand as **Counseling Now**, and will accept Medicare, Medicaid, and most major insurance plans, allowing it to scale services throughout Ohio faster

## Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
dentalcorp Holdings Ltd.	1,239.5	2,551.0	1.6x	1.5x	8.9x	7.9x	72.4%
CareRx Corporation	139.6	230.5	0.6x	0.6x	7.2x	5.9x	95.9%
<b>Average</b>			<b>1.1x</b>	<b>1.0x</b>	<b>8.0x</b>	<b>6.9x</b>	<b>84.2%</b>

- ▶ On April 18<sup>th</sup>, **CareMetx**, a US-based technology-enabled hub services platform facilitating patient access to specialty medications, announced that it has acquired **PX Technology**, a US-based company specializing in digitizing healthcare processes, for an undisclosed amount. The acquisition combines CareMetx’s high-touch patient support services with PX Technology’s advanced digital access solutions, streamlining the journey from initiation to adherence
- ▶ On April 16<sup>th</sup>, **AngelEye Health**, a US-based technology provider for neonatal and pediatric family engagement services, announced the acquisition of **NICU2Home**, a US-based company that develops an application that provides real-time updates and communication on NICU newborns, for an undisclosed amount. The acquisition boosts AngelEye’s family engagement capabilities and streamlines NICU navigation
- ▶ On April 10<sup>th</sup>, **DotCom Therapy**, a US-based pediatric digital health company which provides team-based virtual IEP and schoolwide mental health and wellbeing solutions for students aged 0-21, announced that it has rebranded to **Huddle Up** and completed its Series C fundraise, led by US-based **Kayne Anderson Growth Capital**, with continued participation from existing investors **New Capital Partners**, **LRV Health**, **HealthX Ventures** and **OSF Ventures**. The terms of the transaction were not disclosed. Huddle Up will use the funds to accelerate its expansion into K-12 schools and beyond
- ▶ On April 9<sup>th</sup>, **Volt Athletics (“Volt”)**, a US-based provider of AI-powered personalized performance training technology for athletes and coaches, announced its acquisition of **ZAMA Health**, a US-based developer of a digital behavioral health and wellness platform for athletes, for an undisclosed amount. With the acquisition, Volt is able to create a holistic digital platform that delivers both physical training and mental wellbeing resources to athletes at scale
- ▶ On April 9<sup>th</sup>, **Cariloop**, a US-based developer and provider of a digital support platform for seniors and caregivers aimed at providing information related to geriatric care provider availability, pricing, and services, announced the successful closure of its Series C funding round, raising US\$20 million, led by US-based **ABS Capital**, with participation from existing investors **Noro-Moseley Partners**, **KCRise Fund**, **Revolution’s Rise of the Rest Seed Fund**, and **Patterson Thoma Family Office**. The investment will primarily fuel an expansion in Cariloop’s market reach with employers and caregivers as well as a number of key investments in its digital and concierge-level offerings, as well as deepening its engagements with existing members
- ▶ On April 3<sup>rd</sup>, **SnapCare**, a US-based healthcare workforce solutions provider, announced that it has acquired **Medecipher, Inc.**, a US-based provider of cloud-based predictive analytics staffing decision support tool, for an undisclosed amount. The acquisition is part of SnapCare’s expansion, aimed at providing the full suite of technical and staffing solutions facilities need to optimally care for their patients

## Key Indicators

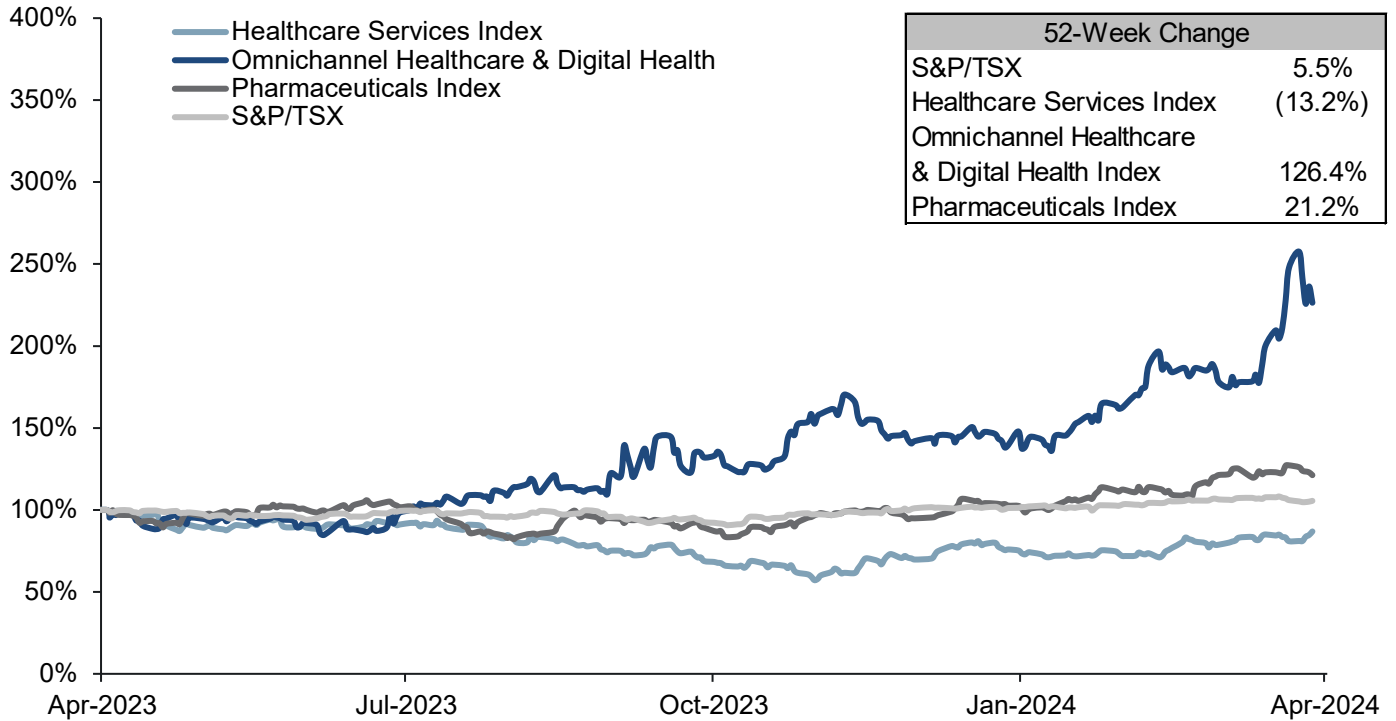
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
WELL Health Technologies Corp.	870.2	1,270.6	1.3x	1.2x	10.0x	8.4x	59.6%
Vitalhub Corp.	303.7	270.7	4.5x	4.0x	16.5x	13.5x	87.5%
Healwell AI Inc.	179.4	190.0	16.1x	6.6x	neg	neg	81.3%
LifeSpeak Inc.	37.3	120.0	2.3x	2.0x	9.4x	7.0x	82.9%
CloudMD Software & Services Inc.	25.9	36.5	0.4x	na	9.6x	na	42.5%
<b>Average</b>			<b>4.9x</b>	<b>3.5x</b>	<b>11.4x</b>	<b>9.6x</b>	<b>70.8%</b>

- ▶ On April 11<sup>th</sup>, **Peak Rock Capital (“Peak Rock”)**, a US-based PE firm, announced that it has signed a definitive agreement with **STERIS plc (“STERIS”)** (NYSE:STE), an Ireland-based medical equipment company specializing in infection prevention, to acquire its dental segment, **HuFriedyGroup**, for US\$800 million. The acquisition expands Peak Rock’s healthcare portfolio and provides HuFriedyGroup a platform to accelerate its growth
- ▶ On April 11<sup>th</sup>, **Arvinas, Inc. (“Arvinas”)** (Nasdaq: ARVN), a US-based clinical-stage biotechnology company creating a new class of drugs based on targeted protein degradation, announced that it has entered into an exclusive strategic license agreement with **Novartis (NYSE: NVS)** for the worldwide development and commercialization of **ARV-766**, Arvinas’ second generation PROTAC androgen receptor (AR) degrader for patients with prostate cancer, for up to US\$1.16 billion, including contingent milestone payments. The transaction also includes an asset purchase agreement for the sale of Arvinas’ preclinical AR-V7 program to Novartis. The deal is expected to accelerate and broaden the development of ARV-766 as a potential first-in-class treatment option for patients with prostate cancers
- ▶ On April 10<sup>th</sup>, **Vertex Pharmaceuticals Incorporated (“Vertex”)** (Nasdaq: VRTX), a US-based biotechnology company, announced that it has entered into a definitive agreement to acquire **Alpine Immune Sciences, Inc. (“Alpine”)** (Nasdaq: ALPN), a US-based clinical stage biotechnology company focused on discovering and developing protein-based immunotherapies, for US\$4.9 billion. Alpine’s protein engineering and immunotherapy expertise augments Vertex’s toolbox and capabilities
- ▶ On April 5<sup>th</sup>, **Johnson & Johnson (NYSE: JNJ)** announced that it has entered into a definitive agreement to acquire **Shockwave Medical, Inc. (“Shockwave”)** (Nasdaq: SWAV), a US-based first-to-market provider of intravascular lithotripsy (IVL) technology for the treatment of calcified CAD and PAD, for US\$13.1 billion. For the year ending December 31, 2023, Shockwave had a revenue of US\$730 million and an EBITDA of US\$176 million. The acquisition further extends Johnson & Johnson MedTech’s position in cardiovascular intervention and accelerates its shift into higher-growth markets
- ▶ On April 5<sup>th</sup>, **Abceutics, Inc. (“Abceutics”)**, a startup preclinical-stage biopharmaceutical company that was spun out of the laboratory of **University at Buffalo** researcher Joseph P. Balthasar, PhD, announced that it has been acquired by **Merck**, for up to US\$208 million, including contingent milestone payments. Merck will focus on helping Abceutics further develop its “payload-binding selectivity enhancers” (PBSEs) class of drugs aimed at killing cancer cells
- ▶ On April 3<sup>rd</sup>, **Genmab A/S (“Genmab”)** (Nasdaq: GMAB), a Denmark-based developer of antibody therapeutics for the treatment of cancer and other diseases, announced that it has entered into a definitive agreement to acquire **ProfoundBio, Inc.**, a US-based clinical-stage biotechnology company developing next-generation ADCs and ADC technologies for the treatment of certain cancers, for US\$1.8 billion. The transaction will further broaden Genmab’s mid-to late-stage clinical pipeline and complement Genmab’s already validated suite of proprietary technology platforms

## 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.	4,217.8	26,807.8	2.1x	2.1x	6.0x	6.0x	75.6%
Knight Therapeutics Inc.	581.8	481.0	1.4x	1.4x	8.2x	7.6x	96.6%
Cipher Pharmaceuticals Inc.	204.2	164.7	5.7x	5.6x	9.6x	9.3x	84.9%
HLS Therapeutics Inc.	157.8	223.5	2.5x	2.2x	8.0x	6.6x	69.5%
Theratechnologies Inc.	82.3	103.0	0.9x	0.8x	5.4x	4.1x	30.7%
Medexus Pharmaceuticals Inc.	38.2	82.2	0.5x	0.5x	2.9x	2.4x	44.2%
<b>Average</b>			<b>2.2x</b>	<b>2.1x</b>	<b>6.7x</b>	<b>6.0x</b>	<b>66.9%</b>

## Indexed Segment Performance<sup>1</sup>



## Charting the Course

- ▶ The TSX index increased 5.5% over the last 12-months, down from March's 52-week increase of 13.3%, with the market taking a breather after its recent run up as The Fed signaled greater uncertainty regarding rate cuts this year given mixed inflation data
- ▶ Our Healthcare Services Index reflects a 12-month decrease of 13.2%, up from March's decrease of 19.3%, signifying increased buyer activity after a period of inactivity
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded an increase of 126.4% over the past 12-months, up significantly from March's 25.9% increase, as Healwell AI's stock rocketed 80% over the past month, now up more than 700% over the past year
- ▶ Our Pharmaceuticals Index increased 21.2% over the last 12-months, up slightly from March's 20.6% increase, as investors continue to gradually step in

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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