

May 2024

Industry Highlights on
Healthcare



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



- ▶ On May 23rd, **Goldman Sachs Alternatives (“Goldman Sachs”)** announced the acquisition of **Xpress Wellness (“Xpress”)**, a US-based provider of urgent care and other healthcare services to rural communities, from **Latticework Capital Management**, a US-based PE firm focused on healthcare, for an undisclosed amount. Goldman Sachs aims to leverage its global network and resources to expand Xpress’s urgent care services to more underserved communities, enhance the development of new markets, and build out additional healthcare services
- ▶ On May 20th, **Resurgia Health Solutions (“Resurgia”)**, a home-based primary care provider with deep roots in Georgia US, announced the acquisition of the Georgia Housecalls Practice from **Ennoble Care (“Ennoble”)**, a US multi-state provider of home-based primary, palliative, and hospice care, for an undisclosed amount. This acquisition will enhance healthcare access in Georgia by integrating Ennoble’s services into Resurgia’s operations, expanding geographic coverage, and improving resource availability for home-based care
- ▶ On May 16th, **The Pennant Group, Inc. (“Pennant”) (NASDAQ: PNTG)**, a US-based provider of home health, hospice, home care and senior living services, announced its acquisition of **Nurses on Wheels, Inc.**, a hospice service provider in Corpus Christi, Texas, for an undisclosed amount. This acquisition expands Pennant’s footprint into South Texas
 - On May 1st, **The Pennant Group, Inc. (“Pennant”) (NASDAQ: PNTG)** announced its acquisition of **South Davis Home Health and South Davis Hospice (“South Davis”)**, a provider of skilled home health and hospice services in Davis County, Utah, for an undisclosed amount. The acquisition will expand Pennant's footprint in central and northern Utah, complementing its existing agencies and enhancing its ability to provide comprehensive hospice services to residents in Davis County and surrounding communities
- ▶ On May 14th, **Versant Diagnostics (“Versant”)**, a US-based independent physician services company, announced its acquisition of **Associate Pathologists of Joliet, Ltd.**, a multi-specialty pathology practice in Joliet, Illinois, for an undisclosed amount. The deal expands Versant Diagnostics’ nationwide network of pathology practices and increases its presence in the Midwest, enhancing access to advanced pathology services
- ▶ On May 8th, 2024, **Veterinary Pharmaceutical Solutions (“VPS”)**, a licensed animal compounding pharmacy and portfolio company of US-based **Granite Creek Capital Partners**, announced the acquisition of **Diamond Animal Health**, a contract manufacturer and researcher of animal vaccines and pharmaceuticals utilized by veterinarians of production and companion animals. The combined business is expected to have expanded capabilities and market reach, offering a full suite of solutions to meet veterinarians' needs while remaining a valuable partner to other pharmaceutical companies
- ▶ On May 2nd, **Integrated Oncology Network, LLC (“ION”)**, a US-based provider of oncology and urology services, a portfolio company of **Silver Oak Services Partners, LLC**, a US-based PE firm, announced the acquisition of **Urology Partners, LLC (“Urology Partners”)**, a private practice urology group in Cleveland, for an undisclosed amount. This acquisition brings together Urology Partners with Southwest Urology and Northern Ohio Regional Cancer Center, ION’s partners in the region, to expand their services and improve urologic care for patients in the greater Cleveland area

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
dentalcorp Holdings Ltd.	1,255.4	2,550.2	1.7x	1.5x	9.0x	8.0x	82.9%
CareRx Corporation	123.9	209.8	0.6x	0.5x	6.4x	5.4x	84.8%
Average			1.1x	1.0x	7.7x	6.7x	83.8%

- ▶ On May 22nd, **Click Therapeutics (“Click”)**, a US-based medical app developer, announced they will acquire the assets of **Better Therapeutics**, including AspyreRx, the first digital therapeutic to receive FDA de novo clearance for Type 2 diabetes, along with apps in development for MASH, high cholesterol and high blood pressure. Click intends to modify AspyreRx to work within its AI-enabled platform and connect it to its development stage app for obesity, potentially to serve as a companion to GLP-1 medications. Financial terms were not disclosed
- ▶ On May 20th, **Centivo**, a US-based healthcare company providing health plans for self-funded employers, announced the acquisition of **Eden Health (“Eden”)**, a US-based employer-centered virtual-first medical provider, for an undisclosed amount. The acquisition aims to integrate Eden’s clinical services and technology into Centivo, enhancing Centivo’s virtual advanced primary care practice and broadening its clinical services to include mental health care, urgent care, and workplace pop-up clinics
- ▶ On May 15th, **CloudMD Software & Services Inc. (“CloudMD”)** (TSXV: DOC), a Canada-based health services company that integrates advanced technology with healthcare services, announced that it has entered into a definitive agreement to be acquired by **CPS Capital**, a Canada-based investment firm, for C\$27 million, including debt. For the year ending December 31st, 2023, CloudMD had revenue of C\$91 million. The transaction aims to address CloudMD’s liquidity issues and provide the necessary capital to support the company’s business and ensure its ongoing viability and growth initiatives
- ▶ On May 2nd, **Avel eCare (“Avel”)**, a US-based provider of clinician-to-clinician telemedicine services, announced its acquisition of **Horizon Virtual (“Horizon”)**, a US-based virtual hospitalist services provider, for an undisclosed amount. The acquisition aims to enhance Avel’s hospitalist services, expand its telemedicine capabilities, and support hospitals and health systems nationwide with an improved acute inpatient model
- ▶ On May 1st, **Radformation, Inc. (“Radformation”)**, a US-based leader in automation solutions for cancer care, announced its acquisition of **Limbus AI (“Limbus”)**, a Canada-based provider of automated contouring software for radiation therapy, for an undisclosed amount. This acquisition integrates Limbus’s AI-driven contouring technology with Radformation’s existing solutions, aiming to improve the accuracy and speed of treatment planning and enhance clinical workflows
- ▶ On May 1st, **Versaterm**, a Canada-based global leader in public safety solutions, announced its acquisition of **Mindbase**, a US-based provider of a data-driven mental health and wellness platform for first responders, for an undisclosed amount. The acquisition aims to integrate Mindbase’s confidential and secure mental health solution into Versaterm’s public safety ecosystem, enhancing proactive engagement and real-time insights for early identification and intervention in first responder wellness programs

Key Indicators

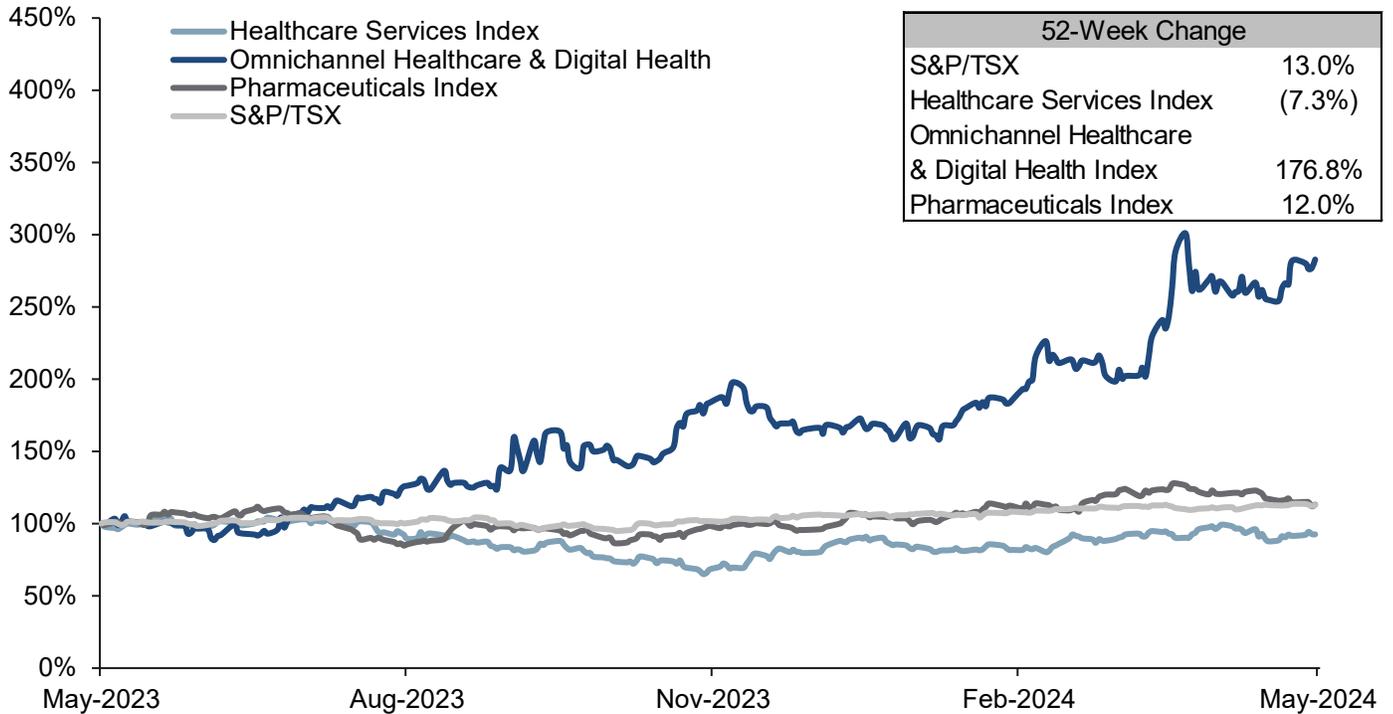
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
WELL Health Technologies Corp.	917.5	1,290.4	1.3x	1.2x	10.1x	8.6x	67.2%
Vitalhub Corp.	355.2	322.4	5.1x	4.7x	18.9x	15.7x	98.2%
Healwell AI Inc.	223.3	246.6	na	8.4x	neg	neg	89.1%
LifeSpeak Inc.	29.6	104.7	2.1x	1.9x	9.5x	6.8x	65.8%
CloudMD Software & Services Inc.	13.7	28.1	0.3x	na	7.4x	na	23.7%
Average			2.2x	4.0x	11.5x	10.4x	68.8%

- ▶ On May 22nd, **Biogen Inc. (“Biogen”)** (Nasdaq: BIIB), a US-based biotechnology company, announced that it has entered into a definitive agreement to acquire **Human Immunology Biosciences**, a US-based clinical-stage biotechnology company focused on targeted therapies for patients with severe immune-mediated diseases, for up to US\$1.8 billion, including potential milestone payments. The acquisition bolsters Biogen’s late-stage pipeline and expands its immunology portfolio
- ▶ On May 22nd, **MilliporeSigma**, the US and Canada Life Science business of **Merck KGaA (XTRA:MRK)**, a Germany-based science and technology company, announced the signing of a definitive agreement to acquire **Mirus Bio**, a US-based life science company specializing in the development and commercialization of transfection reagents such as TransIT-VirusGEN, from US-based **Gamma Biosciences**, for US\$600 million. The acquisition strengthens MilliporeSigma’s upstream portfolio and will help it provide a fully integrated and comprehensive solution for viral vector manufacturing
- ▶ On May 16th, **Johnson & Johnson (“JNJ”)** (NYSE: JNJ) announced that it has entered into a definitive agreement to acquire **Proteologix, Inc.**, a US-based biotechnology company focused on bispecific antibodies for immune-mediated diseases, for US\$850 million in cash, with potential for an additional milestone payment. The acquisition advances JNJ’s dermatology portfolio with opportunity to address significant unmet needs of patients with moderate to severe atopic dermatitis (AD)
- ▶ On May 13th, **OnKure, Inc.**, a US-based clinical-stage biopharmaceutical company focused on the development of novel precision medicines in oncology, announced that it has entered into a definitive agreement to acquire **Reneo Pharmaceuticals, Inc. (Nasdaq: RPHM)**, a US-based pharmaceutical company focused on the development and commercialization of therapies for patients with rare genetic mitochondrial diseases, for US\$170 million. The combined company will have enough cash to advance OnKure’s portfolio through multiple clinical milestones into 4Q26
- ▶ On May 3rd, **Medline**, a leading US-based hospital supply company, announced the acquisition of the surgical solutions business from **Ecolab**, a US-based water solutions company for US\$950 million. The deal includes sterile drape solutions for surgery and Ecolab’s fluid temperature management system, and is poised to bolster Medline’s design and development capabilities, and provide complementary products that safeguard patients and sophisticated equipment in surgical suites. Prior year sales for the unit were more than US\$400 million
- ▶ On May 2nd, **Novartis (SWX: NOVN)**, the global pharmaceutical giant, announced that it has entered into an agreement to acquire **Mariana Oncology**, a preclinical-stage biotechnology company based in Watertown, Massachusetts focused on developing novel radioligand therapies (RLTs) to treat cancers with high unmet patient need, for up to US\$1.75 billion, including potential milestone payments. The transaction bolsters the Novartis RLT pipeline and expands its research infrastructure and clinical supply capabilities

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In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
Bausch Health Companies Inc.	3,150.7	25,432.7	2.0x	1.9x	5.9x	5.7x	56.4%
Knight Therapeutics Inc.	608.3	486.3	1.4x	1.4x	8.4x	7.7x	96.5%
Cipher Pharmaceuticals Inc.	209.3	167.6	5.6x	5.7x	9.3x	8.8x	84.0%
HLS Therapeutics Inc.	123.4	189.1	2.4x	2.1x	8.4x	6.8x	54.5%
Theratechnologies Inc.	81.8	102.5	0.9x	0.8x	5.3x	4.1x	32.0%
Medexus Pharmaceuticals Inc.	39.9	83.9	0.5x	0.5x	3.0x	2.4x	46.2%
Average			2.1x	2.1x	6.7x	5.9x	61.6%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index increased 13.0% over the last 12-months, up from April’s 52-week increase of 5.5%, with the market resuming its upward march on the back of a softer inflation print, providing further credence to a potential rate cut this year
- ▶ Our Healthcare Services Index reflects a 12-month decrease of 7.3%, up from April’s decrease of 13.2%, signifying increased buyer activity after a period of inactivity
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded an increase of 176.8% over the past 12-months, up significantly from April’s 126.4% increase, as constituents posted impressive revenue growth and outlook
- ▶ Our Pharmaceuticals Index increased 12.0% over the last 12-months, down from April’s 21.2% increase, with flagging interest in certain names correlated with slowing revenue growth and declining profitability

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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