

June 2024

Industry Highlights on
Healthcare



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



- ▶ On June 20th, **Chartwell Retirement Residences (“Chartwell”)** (TSX: CSH.UN), a Canada-based operator of seniors housing communities, announced that it has entered into definitive agreements for the acquisition of two seniors housing portfolios comprising 3,223 suites in Quebec, for an aggregate purchase price of C\$511 million. These acquisitions will enhance Chartwell's portfolio by adding high-quality, recently developed residences and increase its presence in the high-growth Greater Montreal and Quebec City areas
- ▶ On June 18th, **Princeton Medspa Partners (“PMP”)**, a US-based medspa acquisition platform, a portfolio company of US-based **Princeton Equity Group**, announced the acquisition of **Mirabile Beauty, Health & Wellness**, an aesthetic medical practice based in Overland Park, Kansas, for an undisclosed amount. This marks PMP's first acquisition since securing US\$120 million in growth financing from UK-based **BC Partners**, and the acquisition aims to expand PMP's footprint by leveraging Dr. Mirabile's expertise and extensive network to enhance service offerings and enter new markets
- ▶ On June 11th, **Tenex Capital Management (“Tenex”)**, a US-based PE firm, announced its acquisition of **Behavioral Innovations (“BI”)**, an Addison, Texas-based provider of center-based Applied Behavior Analysis (ABA) therapy for children with Autism Spectrum Disorder and other developmental disabilities, with 77 locations across Texas, Oklahoma, and Colorado, for an undisclosed amount. The acquisition will support BI's continued expansion and enhance access to high-quality autism therapy services
- ▶ On June 11th, **Meritus Health**, a US-based healthcare provider, announced that it will acquire **Brook Lane Health Services**, a US-based mental health organization, for an undisclosed amount. The partnership will combine resources to expand and integrate clinical offerings, improve service accessibility, maintain cultural and community values, and support the growing demand for mental health services
- ▶ On June 10th, **Addus HomeCare Corporation (“Addus) (Nasdaq: ADUS)**, a US-based provider of home care services, announced a definitive agreement with **Gentiva**, a US-based dedicated hospice, palliative, and personal care services company, to acquire its **Personal Care operations**, which serve over 16,000 patients per day in a seven-state service area, for US\$350 million. Gentiva's personal care operations have an annualized revenue of US\$280 million. The deal will help Addus establish a significant presence in Texas and Missouri while also allowing it to leverage its strong personal care experience to build scale in existing markets
- ▶ On June 6th, **Inception Fertility**, a US-based multi-brand platform for fertility care, a portfolio company of US-based **Lee Equity Partners**, through its subsidiary **The Prelude Network**, the largest and fastest-growing network of fertility centers in North America, announced its acquisition of **Reproductive Science Center of New Jersey**, a provider of comprehensive fertility services in Central New Jersey, for an undisclosed amount. The deal will expand Prelude's presence into New Jersey

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
dentalcorp Holdings Ltd.	1,537.2	2,832.0	1.8x	1.7x	10.0x	8.9x	97.7%
CareRx Corporation	137.1	222.9	0.6x	0.6x	6.7x	5.7x	94.2%
Average			1.2x	1.1x	8.4x	7.3x	96.0%

- ▶ On June 21st, **Sharecare, Inc. (“Sharecare”)** (NASDAQ: SHCR), a US-based digital health company, announced that it has entered into a definitive agreement to be acquired by **Altaris, LLC (“Altaris”)**, a US-based healthcare-focused investment firm, for US\$540 million. For the year ending March 31, 2024, Sharecare had a revenue of US\$420 million. This acquisition will enable Sharecare to leverage Altaris' deep healthcare industry expertise to enhance its virtual health platform and drive innovation across its enterprise, provider, and life sciences business channels
- ▶ On June 17th, **H.I.G. Growth Partners (“H.I.G. Growth”)**, the dedicated growth capital investment affiliate of US-based **H.I.G. Capital**, announced that it has completed the acquisition of **Mobile Health Consumer, Inc. (“Mobile Health”)**, a US-based end-to-end digital health, wellness, and virtual care SaaS platform, for an undisclosed amount. This acquisition will allow Mobile Health to leverage H.I.G. Growth's expertise to expand its scalable deployment capabilities and enhance its digital health and wellness offerings to a broader range of employers
- ▶ On June 12th, **Brightside Health (“Brightside”)**, a US-based provider of online mental health care services, announced the acquisition of **Lionrock Recovery**, a US-based pioneer in virtual substance abuse counseling, for an undisclosed amount. The deal expands Brightside's services into virtual intensive outpatient programs (IOP) for substance use disorder (SUD), creating a more comprehensive telemental health offering
- ▶ On June 11th, **HEALWELL AI Inc. (“HEALWELL”)** (TSX: AIDX), a Canada-based healthcare technology company, announced that it has entered into an agreement to acquire **VeroSource Solutions Inc. (“VeroSource”)**, a Canada-based multi-service technology company providing cloud-based health data interoperability solutions, for C\$24.5 million. This acquisition will enable HEALWELL to integrate VeroSource's digital health platform with its AI-powered disease detection and patient identification capabilities, enhancing its ability to deliver comprehensive, data-driven healthcare solutions
- ▶ On June 5th, **Mediktor**, a Spain-based digital healthcare company, announced the acquisition of **Sensely**, a US-based digital healthcare provider known for its empathy-driven conversational platform, for an undisclosed amount. This acquisition consolidates Mediktor's position as a leader in AI healthcare solutions, extending its global presence to over 35 countries and expanding its footprint in the US
- ▶ On June 4th, **Sword Health**, a Singapore-based provider of AI-powered virtual physical therapy, announced that it has raised US\$130 million in a financing round via a mix of primary and secondary sales which involved both new and existing investors, including **Khosla Ventures**. This brings its total funding to US\$340 million to date, and Sword Health is now valued at US\$3 billion. The funds will provide liquidity to employees and early investors, while Sword Health plans to hold the primary capital in reserve as it's already forecasted to be profitable by the end of the year

Key Indicators

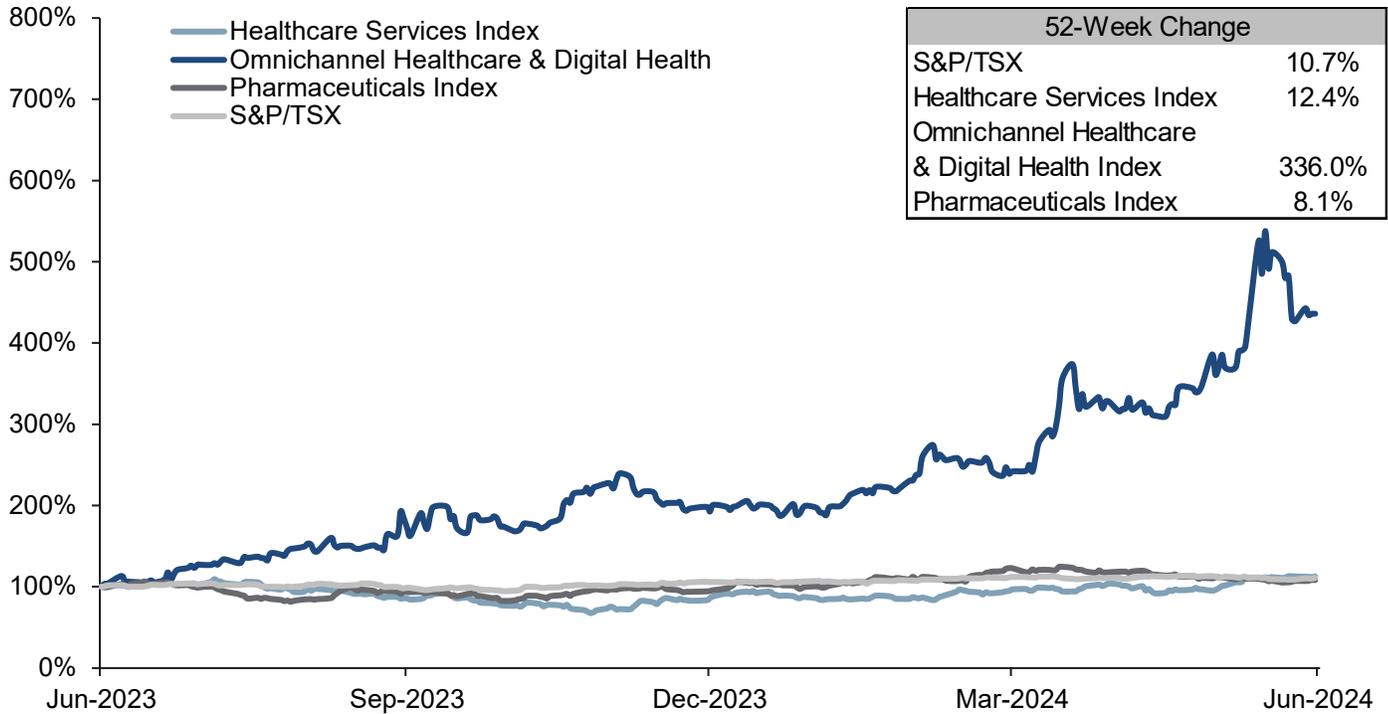
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
WELL Health Technologies Corp.	1,152.9	1,525.8	1.6x	1.4x	12.0x	10.2x	94.7%
Vitalhub Corp.	370.5	337.7	5.3x	4.7x	19.7x	16.0x	91.5%
Healwell AI Inc.	312.3	335.7	na	4.6x	neg	neg	71.8%
LifeSpeak Inc.	22.8	97.9	1.9x	1.8x	8.8x	6.4x	50.7%
CloudMD Software & Services Inc.	10.7	30.0	na	na	na	na	18.4%
Average			2.9x	3.1x	13.5x	10.9x	65.4%

- ▶ On June 27th, **AbbVie (NYSE: ABBV)**, a US-based global biopharmaceutical company, announced the acquisition of **Celsius Therapeutics, Inc. (“Celsius”)**, a US-based biotechnology company focused on inflammatory diseases, for US\$250 million. The acquisition aims to advance the development of Celsius' lead investigational asset, CEL383, a potential first-in-class anti-TREM1 antibody for the treatment of inflammatory bowel disease (IBD)
- ▶ On June 24th, **ANI Pharmaceuticals, Inc. (“ANI”) (Nasdaq: ANIP)**, a US-based company focused on branded and generic prescription pharmaceutical products, announced that it has agreed to acquire **Alimera Sciences, Inc. (“Alimera”) (Nasdaq: ALIM)**, a US-based company which develops and commercializes prescription ophthalmic retinal pharmaceuticals, for US\$381 million. For the year ended March 31, 2024, Alimera had revenue of US\$90 million and an EBITDA of US\$10 million. The transaction further strengthens ANI's Rare Disease business and expands its footprint into Europe
- ▶ On June 18th, **Boston Scientific Corporation (“Boston Scientific”) (NYSE: BSX)**, a US-based global medical technology company, announced that it has entered into a definitive agreement to acquire **Silk Road Medical, Inc. (“Silk Road Medical”) (NASDAQ: SILK)**, a US-based medical device company specializing in stroke prevention technologies, for US\$1.16 billion. For the year ending March 31, 2024, Silk Road Medical had a revenue of US\$186 million. The deal will add Silk Road Medical's innovative TCAR (transcarotid artery revascularization) technology to Boston Scientific's vascular portfolio, enhancing its capabilities in treating carotid artery disease and preventing strokes
- ▶ On June 17th, **Hikma Pharmaceuticals PLC (“Hikma”) (LSE: HIK)**, a UK-based pharmaceutical group, announced that it has agreed with **Xellia Pharmaceuticals**, a Denmark-based company which specializes in anti-infective treatments and critical care therapies, to acquire parts of its **US finished dosage form (FDF) business and assets**, for up to US\$185 million, including US\$50 million of contingent consideration. The acquisition aims to support the long-term growth of Hikma's Injectables business by diversifying its US portfolio, expanding manufacturing capacity, and enhancing R&D capabilities
- ▶ On June 17th, **Vapotherm, Inc. (“Vapotherm”) (OTCQX: VAPO)**, a US-based developer and manufacturer of advanced respiratory technology, announced that it has agreed to be acquired by **Perceptive Advisors, LLC (“Perceptive”)**, a US-based healthcare investment firm, for US\$128 million, including debt. For the year ending March 31, 2024, Vapotherm had a revenue of US\$70 million. This deal will strengthen Vapotherm's balance sheet, accelerate revenue growth, and enhance its focus on delivering high-velocity therapy to patients in respiratory distress
- ▶ On June 3rd, **Becton, Dickinson and Company (“BD”) (NYSE: BDX)**, a US-based global medical technology company, announced that it will acquire the **Critical Care product group**, a global leader in advanced monitoring solutions, from **Edwards Lifesciences (NYSE: EW)**, a US-based leader in patient-focused innovations for structural heart disease and critical care monitoring, for US\$4.2 billion. The acquisition will expand BD's portfolio of smart connected care solutions by adding advanced monitoring technologies and AI-enabled clinical decision tools

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.	3,407.5	25,689.5	2.0x	1.9x	6.0x	5.8x	61.0%
Knight Therapeutics Inc.	567.2	445.2	1.3x	1.2x	7.6x	7.0x	90.0%
Cipher Pharmaceuticals Inc.	203.8	162.1	5.4x	5.5x	9.0x	8.6x	81.8%
HLS Therapeutics Inc.	105.7	171.4	2.2x	1.9x	7.6x	6.1x	46.7%
Theratechnologies Inc.	88.3	109.0	0.9x	0.8x	5.3x	3.9x	38.1%
Medexus Pharmaceuticals Inc.	42.6	87.2	0.6x	0.6x	4.1x	3.1x	49.3%
Average			2.1x	2.0x	6.6x	5.7x	61.2%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index increased 10.7% over the last 12-months, down from May’s 52-week increase of 13.0%, with the market looking ahead to the likelihood of continued moderating inflation and near-term central bank rate cuts
- ▶ Our Healthcare Services Index reflects a 12-month increase of 12.4%, up from May’s increase of 7.3%, as positive company developments fueled increased buyer activity in certain names
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded an increase of 336.0% over the past 12-months, up significantly from May’s 176.8% increase, as enthusiasm about AI continues to inspire confidence in certain digital healthcare companies
- ▶ Our Pharmaceuticals Index increased 8.1% over the last 12-months, down from May’s 12.0% increase, as investors take a breather after a period of sustained activity

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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