

September 2024

Industry Highlights on
Healthcare



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



- ▶ On September 23rd, **Bradford Health Services (“Bradford Health”)**, a US-based provider of addiction treatment and recovery services, a portfolio company of US-based **Lee Equity Partners**, announced the acquisition of **Lakeview Health Systems, LLC**, a US-based provider of specialized addiction treatment and behavioral health services, for an undisclosed amount. The acquisition broadens Bradford Health’s geographic footprint across the Southeast and provides a broader range of specialized care options to patients
- ▶ On September 20th, **Cardinal Health, Inc (“Cardinal Health”) (NYSE: CAH)**, a US-based manufacturer and distributor of pharmaceuticals, medical and laboratory products, and a provider of performance and data solutions for healthcare facilities, announced that it has entered into a definitive agreement to acquire **Integrated Oncology Network**, a US-based physician-led independent community oncology network, for US\$1.1 billion. The deal accelerates the development of Navista, Cardinal Health’s oncology practice alliance, adding more than 100 providers at more than 50 community-based sites delivering broad-reaching oncology and urology care across 10 states
- ▶ On September 18th, **CareSource Ohio, Inc. (“CareSource”)**, a US-based nonprofit managed care organization that offers a variety of health insurance plans, agreed to acquire **Community Care, Inc. (“Community Care”)**, a US-based managed care organization and provider of comprehensive care services, for an undisclosed amount. This merger strengthens CareSource’s long-term care services for older adults and adults with disabilities across Wisconsin and furthers its ability to serve diverse government programs for individuals with complex health needs
- ▶ On September 6th, **Amulet Capital Partners LP (“Amulet”)**, a US-based middle-market PE firm focused exclusively on the healthcare sector, acquired **Genetics & IVF Institute, Inc. (“GIVF”)**, a US-based provider of reproductive tissue banking and related reproductive technology services, for an undisclosed amount. This is Amulet’s second platform investment in the sector and GIVF will benefit from Amulet’s resources and expertise as it enters its next stage of growth
- ▶ On September 5th, **Birch Hill Equity Partners**, a Canada-based mid-market PE firm, entered into an agreement with **McKesson Corp. (NYSE-MCK)** to acquire **Rexall Pharmacy Group**, a leading pharmacy retailer in Canada, and **Well.ca**, a Canadian online supplier of health and wellness products. Rexall operates 385 pharmacies across Canada and employs approximately 8,000 team members. Terms of the deal were not disclosed. With the right investment strategy, there is a significant opportunity for Birch Hill to strengthen the role Rexall plays in the healthcare landscape, providing more services to Canadians from more locations, including pharmacy primary care to address critical healthcare needs
- ▶ On September 3rd, **Better Choice Company Inc. (NYSEAM:BTTR)**, a US-based provider of pet health and wellness services, announced signing a definitive agreement to acquire **SRx Health Solutions Inc. (“SRx Health”)**, a Canada-based healthcare service provider specializing in the specialty pharmacy, for C\$125 million. In 2023, SRx Health generated C\$161.5 million in revenue and C\$11.4 million in pro forma adjusted EBITDA. The combined entity will leverage operational synergies including infrastructure and distribution, as well as implement growth strategies across both entities to launch into new verticals and geographies

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
dentalcorp Holdings Ltd.	1,566.2	2,845.8	1.8x	1.7x	10.1x	9.0x	97.1%
CareRx Corporation	111.8	193.8	0.5x	0.5x	6.0x	5.0x	76.5%
Average			1.2x	1.1x	8.0x	7.0x	86.8%

- ▶ On September 18th, **RLDatix Ltd. (“RLDatix”)**, a UK-based provider of connected healthcare operations software and services, announced its acquisition of **SocialClimb, LLC**, a US-based healthcare technology company supplying patient satisfaction, reputation management and revenue growth solutions to provider groups, hospitals and health systems, for an undisclosed amount. The acquisition will help RLDatix empower healthcare organizations with advanced tools for provider reputation management and deeper insights into patient experience data
- ▶ On September 16th, **Scriptology Health Inc (“Scriptology”)**, a US-based tech-enabled medication management company focused on precision care solutions, announced that it has acquired **RxLive, Inc.**, a US-based telehealth clinical pharmacy services company specializing in comprehensive medication management and virtual care programs, for an undisclosed amount. The acquisition will enhance Scriptology's technology portfolio and extend its market reach, augmenting its capabilities to offer personalized medication management at scale
- ▶ On September 12th, **AssureCare, LLC (“AssureCare”)**, a US-based provider of population health management and value-based care software, announced the acquisition of **Clinigence Health, Inc. (“Clinigence”)**, a US-based provider-based population health platform, for an undisclosed amount. Clinigence's strong presence in the provider space, paired with AssureCare's payor analytics expertise, creates a unique offering for current and potential customers
- ▶ On September 9th, **EQT AB (“EQT”) (OM:EQT)**, a Sweden-based PE firm, announced that it has acquired **GeBBS Healthcare Solutions, Inc. (“GeBBS”)**, a US-based specialist in revenue cycle management, health information management, and medical billing services, from Mauritius-based **ChrysCapital**, for US\$855 million. EQT's deep experience in healthcare technology will support GeBBS's next phase of accelerated growth
- ▶ On September 4th, **Integrated Ventures Inc. (“Integrated Ventures”) (OTCQB:INTV)**, a US-based holding company focused on e-commerce technology, digital assets and consumer-focused investments, announced the acquisition of **Healthy Lifestyle USA LLC**, a US-based provider of telemedicine-based weight loss solutions, for an undisclosed amount. This strategic move positions Integrated Ventures at the forefront of the rapidly expanding GLP-1 powered medical weight loss industry
- ▶ On September 3rd, **OneOncology, LLC**, a US-based national platform for independent oncology practices, backed by **TPG**, a US-based global alternative asset firm, and **Cencora (formerly AmerisourceBergen)**, a US-based healthcare services company, announced the acquisition of **Navigating Cancer, Inc. (“Navigating Cancer”)**, a US-based comprehensive patient engagement and care management platform specializing in remote patient symptom monitoring, for an undisclosed amount. The acquisition will bring significant product investment to Navigating Cancer's oncology-centric patient portal and care management solution

Key Indicators

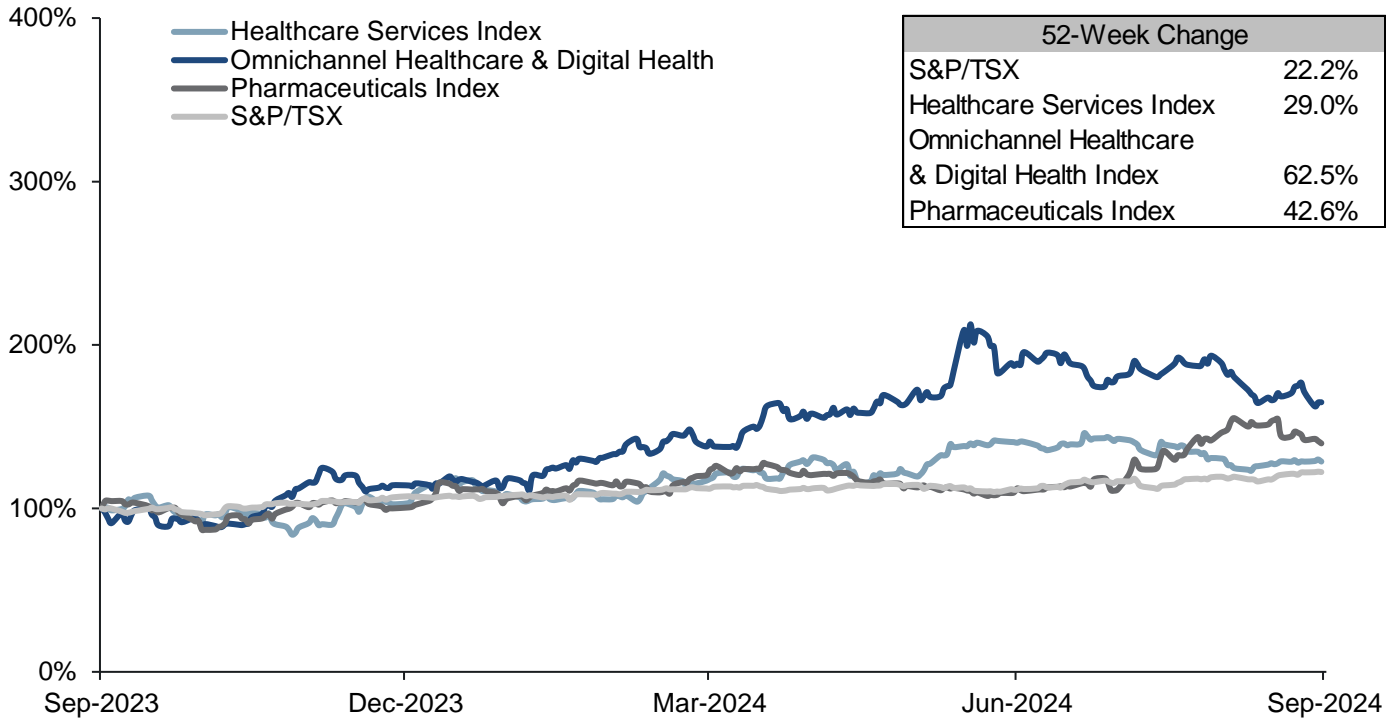
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
WELL Health Technologies Corp.	1,075.4	1,314.9	1.3x	1.2x	10.3x	8.8x	85.5%
Vitalhub Corp.	434.5	363.3	5.6x	4.9x	21.0x	16.8x	93.9%
Healwell AI Inc.	203.3	208.7	na	3.0x	neg	neg	41.4%
LifeSpeak Inc.	25.1	102.4	2.1x	1.9x	9.4x	6.8x	55.9%
Average			3.0x	2.7x	13.6x	10.8x	69.2%

- ▶ On September 23rd, **Telix Pharmaceuticals Limited (“Telix”)** (ASX:TLX), an Australia-based commercial-stage biopharmaceutical company, agreed to acquire **RLS (USA) Inc.**, a US-based radiopharmacy distributor of PE, SPECT and therapeutic radiopharmaceuticals, for USD\$250-million. The acquisition significantly expands Telix’s North American manufacturing footprint and establishes the basis of a next generation radiometal production network to benefit Telix and select strategic commercial partners
- ▶ On September 23rd, **Vitalograph Ltd. (“Vitalograph”)**, a UK-based manufacturer and supplier of spirometers and other respiratory-focused medical devices, announced the acquisition of **Morgan Scientific, Inc.**, a US-based pulmonary function testing (PFT) equipment and accessories manufacturer, for an undisclosed amount. The acquisition strengthens Vitalograph’s US commercial footprint and ability to meet growing global demand for advanced PFT solutions
- ▶ On September 20th, **Stryker Corporation (“Stryker”)** (NYSE:SYK), a US-based medical technology company, announced that it has completed the acquisition of **NICO Corporation**, a US-based company providing a systematic approach to minimally invasive surgery for tumor and intracerebral hemorrhage (ICH) procedures, for an undisclosed amount. This acquisition further strengthens Stryker’s commitment to neurotechnology through tumor and stroke care
- ▶ On September 18th, **Organon & Co. (“Organon”)** (NYSE:OGN), a US-based healthcare company with a portfolio of therapies and products in women’s health and biosimilars, entered into a definitive agreement to acquire **Dermavant Sciences Inc (“Dermavant”)**, a US-based company dedicated to developing and commercializing therapeutics in immuno-dermatology, from **Roivant Sciences Ltd. (NASDAQ: ROIV)**, a UK-based commercial-stage biopharmaceutical company, for US\$1.5 billion. This transaction will combine Dermavant’s strong dermatology commercial and field medical organization in the US with Organon’s market access capabilities, regulatory expertise and worldwide commercial reach
- ▶ On September 12th, **Nihon Kohden Corporation (“Nihon Kohden”)** (TSE:6849), a Japan-based medical equipment developer, announced a definitive agreement to acquire a 71.4% stake in **Ad-Tech Medical Instrument Corporation**, a US-based provider of electrodes for the surgical treatment of intractable epilepsy, for up to US\$112 million. The deal will strengthen Nihon Kohden’s core human machine interface (HMI) technology used in invasive testing and treatment
- ▶ On September 4th, **Veridian Healthcare, LLC (“Veridian”)**, a US-based outsourced manufacturer of private label and branded in-home diagnostic, pain care management, and personal care products, completed the acquisition of **Zewa, Inc. (“Zewa”)**, a US-based supplier of a comprehensive suite of consumer retail, telehealth, and remote patient monitoring (RPM) devices, for an undisclosed amount. This combination expands Veridian's RPM, consumer medical product portfolio, and telehealth segments

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.	3,917.5	25,930.5	2.0x	2.0x	6.0x	5.7x	70.2%
Knight Therapeutics Inc.	596.0	496.6	1.4x	1.3x	8.5x	8.0x	94.7%
Cipher Pharmaceuticals Inc.	364.6	317.0	7.2x	4.7x	12.2x	8.1x	72.4%
HLS Therapeutics Inc.	111.3	161.8	2.1x	1.9x	7.6x	6.0x	63.9%
Theratechnologies Inc.	73.6	96.9	0.8x	0.7x	7.8x	4.3x	46.6%
Medexus Pharmaceuticals Inc.	63.7	102.1	0.7x	0.8x	4.3x	8.9x	76.4%
Average			2.4x	1.9x	7.7x	6.8x	70.7%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index increased 22.2% over the last 12-months, up from August's increase of 16.3%, with the larger-than-expected 50bps cut from the Fed driving bullish price action across equities
- ▶ Our Healthcare Services Index reflects a 12-month increase of 29.0%, up from August's increase of 14.2%, signifying increased buyer activity
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded an increase of 62.5% over the past 12-months, down from August's 154.1% increase, due to investor rotation out of digital healthcare investments and into other opportunities
- ▶ Our Pharmaceuticals Index increased 42.6% over the last 12-months, down from August's 56.9% increase, as moderating product development outlook triggered selling pressure for a couple of companies in the group

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 a leading North American independent investment bank that provides value added corporate finance specializing in mergers and acquisitions, capital raising, restructuring, and merchant banking delivered by experienced professionals. Our clients engage us for our dedicated, high level of service and independent advice to address their strategic and financial plans.



OMP Healthcare Team



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



LAWRENCE RHEE
MANAGING DIRECTOR
lawrence.rhee@originmerchant.com