



Healthcare Industry Highlights

April 22nd, 2021



COVID-19 DEVELOPMENTS¹

News Scan

- On April 20th, **Johnson & Johnson** submitted an application requesting approval to conduct a safety and immunogenicity study of its COVID-19 vaccine in India. This application comes as India struggles with a second wave of COVID-19 cases that has caused severe shortages of oxygen and medications
- On April 19th, scientists at the **Texas A&M University Global Health Research Complex** identified a new variant of COVID-19. This BV-1 variant could present a new challenge to public health. The BV-1 variance is related to the UK variance of SARS-CoV-2, in which the 'BV' stands for Brazos Valley, the seven-county region of Texas where Texas A&M is located
- On April 19th, the **University of Oxford** announced a new study to re-expose COVID-19 patients to the virus that causes it, in hopes to see their immune response and learn how to best protect against re-infection. This study will take place in two phases over 12 months, with different healthy participants aged 18-30 in each phase
- On April 16th, Health Canada announced it is reviewing a submission from **Pfizer-BioNTech** ("**Pfizer**") to expand the use of its COVID-19 vaccine to children aged 12 and older. Last month, Pfizer said its Phase 3 clinical trials showed its COVID-19 vaccine is safe and 100% effective in 12–15-year-old individuals. Despite these positive test results, the vaccine has not yet received approval from the U.S. Food and Drug Administration for use in children
- On April 13th, Canada confirmed its first case of a rare blood clotting complication called vaccine-induced prothrombotic immune thrombocytopenia ("**VIPIT**") that has occurred in some recipients of the AstraZeneca COVID-19 vaccine. At that time, Canada had administered 500,000 doses of this vaccine
- On April 13th, the U.S. federal health agencies recommended pausing the use of **Johnson & Johnson's** ("**J&J**") single-dose COVID-19 vaccine after six recipients developed a rare disorder involving blood clots. All six recipients were women between the ages of 18 and 48. The CDC and the U.S. Food and Drug Administration said in a joint statement that the adverse events appear to be extremely rare
- On April 1st, **AbCellera**, a British Columbia based biotechnology company, expressed concerns over decisions made at the provincial and territorial level, not to use authorized antibody treatments. Bamlanivimab, AbCellera's therapy, is an antibody treatment that acts as a synthetic form of immunity

1. Sourced from Reformulary Group's COVID-19 DEW Report (reformulary.com/covid19) and other news sources



HEALTHCARE SERVICES

News Scan

- On April 19th, **CareRx Corporation** (“**CareRx**”), Canada’s leading provider of pharmacy services to seniors communities, announced it has entered into a definitive agreement to acquire the **Long-Term Pharmacy Division** of **Medical Pharmacies Group Limited**, comprising 18 fulfillment centers serving approximately 36,000 residents of long-term care, assisted living and other congregate care settings across Ontario, Alberta, and British Columbia. The acquisition is expected to be immediately accretive with significant synergies, adding approximately \$150 million in annual revenue. **Origin Merchant Partners** was financial advisor to CareRx on this transaction
- On April 15th, **MCI Onehealth Technologies Inc.** (“**MCI**”) announced an investment of C\$250,000 with **Acorn Biolabs Inc.** (“**Acorn**”), a Toronto-based biotechnology company. This investment will allow MCI, a clinician-led healthcare technology company focused on increasing access to and quality of healthcare, to accelerate execution of its precision health and technology roadmap
- On April 1st, **CRH Medical Corporation** (“**CRH**”) announced the completion of the previously announced 51% majority interest acquisition of **Middle Arkansas Sedation Associates LLC** (“**MASA**”), a gastroenterology anesthesia practice located in Little Rock, Arkansas. This will represent CRH’s 33rd acquisition and will provide anesthesia services to a single ambulatory surgery center
- On April 1st, **Akumin Inc.** (“**Akumin**”), a leading provider of fixed site outpatient diagnostic imaging services in the US, announced it has entered into definitive agreements to acquire six freestanding, fixed-site outpatient diagnostic imaging clinics located in Florida for an aggregate purchase price of US\$39 million. This acquisition will enable Akumin to continue its growth and consolidation strategy

Key Indicators

(in USD millions, unless otherwise indicated)

	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2020E	2021E	2020E	2021E	
CareRx Corporation	125.8	176.9	1.3x	1.1x	17.6x	10.4x	97.8%
CRH Medical Corporation	284.7	390.8	3.8x	2.9x	15.4x	11.0x	78.7%
Akumin Inc.	220.4	698.0	2.7x	2.4x	10.2x	9.9x	94.4%
MCI Onehealth Technologies Inc.	120.9	130.5	4.5x	3.4x	44.9x	neg	66.5%
Average			3.1x	2.4x	22.0x	10.4x	84.4%



HEALTHCARE TECHNOLOGY & DIGITAL HEALTH

News Scan

- On April 12th, **Microsoft Corp.** (“**Microsoft**”) and **Nuance Communications** (“**Nuance**”) announced they have entered into a definitive agreement under which Microsoft will acquire Nuance for US\$56.00 per share, implying a 23% premium to the same day closing price of Nuance. The transaction is valued at US\$19.7 billion and will be financed entirely through cash on hand. Nuance, a software leader for healthcare enterprises, will accelerate Microsoft’s efforts to enter the rapidly growing technology-enabled healthcare services vertical
- On April 8th, **WELL Health Technologies Corp.** (“**WELL**”) announced it has entered into a purchase agreement to acquire all of the issued and outstanding shares of **ExecHealth Inc.** (“**ExecHealth**”), an omni-channel healthcare provider located in Ottawa. Exechealth specializes in corporate, primary care and integrated health services
- On April 8th, **CloudMD Software & Services Inc.** (“**CloudMD**”), a healthcare technology company revolutionizing the delivery of care, announced it has signed into a binding agreement to acquire **Oncidium Inc.** (“**Oncidium**”), one of Canada’s leading healthcare providers to employers. Oncidium has an ecosystem of over 500 clients, 1,000 healthcare providers, and 2 million employees across the country
- On April 6th, **Carebook Technologies Inc.** (“**Carebook**”), a leading Canadian digital health company offering innovative digital health and virtual care solutions for pharmacies, employers, and insurers, closed its previously announced acquisition of **InfoTech Inc.** (“**InfoTech**”). InfoTech is a global leader in health and productivity risk management. The cash component of the C\$14 million transaction price was financed through recently announced C\$11 million credit facilities
- On April 2nd, **Bank of America** (“**BoA**”) announced the acquisition of **Axia Technologies** (“**Axia**”), a healthcare and technology company, as it seeks to advance payment solutions for its healthcare clients. Axia was founded in 2015 to enable healthcare providers to offer patients an omnichannel, end-to-end gateway and terminal software solutions for payments

Key Indicators

(in USD millions, unless otherwise indicated)	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2020E	2021E	2020E	2021E	
WELL Health Technologies Corp.	819.4	816.5	20.7x	4.6x	neg	23.5x	72.1%
Profound Medical Corp.	362.8	319.8	44.1x	20.7x	neg	neg	63.7%
CloudMD Software & Services Inc.	166.1	159.5	13.8x	2.2x	neg	nmf	57.1%
Mindbeacon Holdings Inc.	106.3	102.9	12.7x	6.2x	neg	neg	46.4%
Think Research Corporation	101.7	117.1	8.4x	3.6x	neg	nmf	61.6%
Average			22.8x	8.4x	n.a	23.5x	59.8%



PHARMACEUTICALS

News Scan

- On April 15th, **Thermo Fisher Scientific Inc. (“Thermo Fisher”)** announced the acquisition of **PPD Inc. (“PPD”)**, a leading contract research organization for US\$17.4 billion. The transaction will comprise of US\$47.50 per share, a 24% premium to the same day closing price. This acquisition will further boost Thermo Fisher’s pharmacy services business, as PPD helps companies in the drug development process through preclinical consulting
- On April 15th, **Siemens Healthineers (“Siemens”)** announced it has finalized the acquisition of **Varian Medical Systems (“Varian”)** for US\$16.4 billion. The acquisition is expected to position the two companies to accelerate advancements in cancer care and overall healthcare services. Siemens expects the acquisition will enhance its capabilities to support customers and patients throughout the cancer care continuum
- On April 6th, **ANI Pharmaceuticals Inc. (“ANI”)** announced the acquisition of the new drug applications for **OXISTAT® Lotion**, **VEREGEN® Ointment**, and **Pandel® Cream** from **Sandoz Inc. (“Sandoz”)**. The acquisition coordinates with ANI’s strategy of expanding its established brands business through accretive deals. Further, the acquisition will continue to leverage the commercial infrastructure and North American footprint that ANI has built
- On April 5th, **Amneal Pharmaceuticals Inc. (“Amneal”)** announced the completion of its 98% majority interest acquisition of **Kashiv Specialty Pharmaceuticals LLC (“Kashiv”)**, a wholly owned subsidiary focused on the development of complex generics, innovative drug delivery platforms and novel 505(b)(2) drugs. This acquisition will further expand Amneal’s 505(b)(2) branded products pipeline and complex generics
- On April 1st, **Servier** announced it has completed the acquisition of **Agius Pharmaceuticals’ (“Agius”)** commercial, clinical and research-stage oncology portfolio for up to US\$2 billion. The acquisition will strengthen Servier’s commercial presence in the US malignant hematology market and provides the potential for long-term growth in the solid tumor space

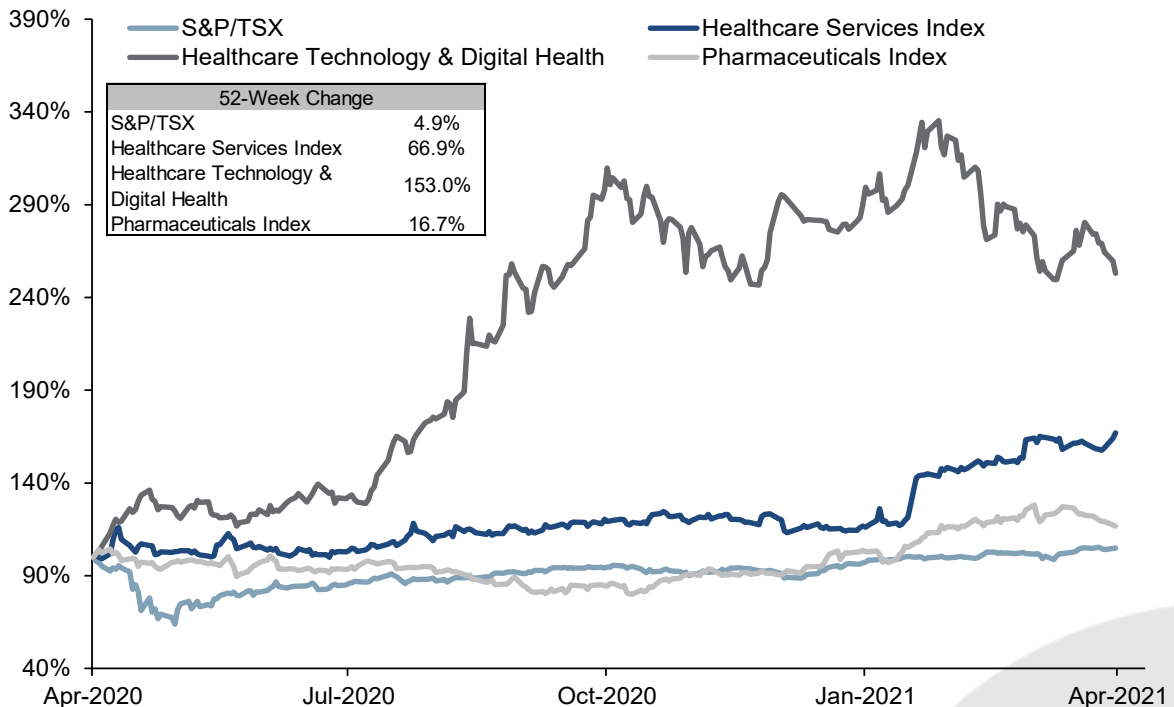
Key Indicators

	Market		TEV / Revenue		TEV / EBITDA		Price % of
	Cap	TEV	2020E	2021E	2020E	2021E	52-Week High
<i>(in USD millions, unless otherwise indicated)</i>							
Bausch Health Companies Inc.	10,488.3	34,022.3	4.3x	3.9x	10.4x	9.9x	84.9%
Knight Therapeutics Inc.	547.1	228.3	1.5x	1.4x	17.8x	12.9x	64.9%
HLS Therapeutics Inc.	484.7	543.6	9.8x	7.2x	24.5x	17.4x	87.6%
Theratechnologies Inc.	276.4	299.3	4.6x	3.4x	neg	neg	83.9%
Average			5.1x	4.0x	17.6x	13.4x	80.3%



MARKET PERFORMANCE

Indexed Segment Performance¹



Charting the Course

- The end of March signaled the one-year anniversary of the March 2020 market bottom. The TSX index increased 4.9% over the last 12 months, driven by defensive sectors such as consumer staples, financials, and utilities. In contrast to the outperformance of growth equities vs. value in recent months, tech and biotech lagged as rising rates drove sector rotation
- Our Healthcare Services index increased 66.9% over the last 12 months, as the race to consolidate a small pool of assets to advance offerings has caused a rise in inorganic growth activity
- Our Healthcare Technology and Digital Health Index lagged in performance to previous issues, increasing only 153.0% over the last 12 months. Reflation, an upswing of the economic cycle where both growth and inflation are accelerating, has caused investor sentiment to move away from technology-enabled growth equities
- Our Pharmaceuticals Index has increased 16.7% over the last 12 months. The rebound in contract research organizations, a key partner for pharmaceutical businesses, is expected, after a year riddled with complications from COVID-19

1. Index segments are comprised of equally weighted market prices for the companies in each category as noted in the earlier pages of the report



About Origin Merchant Partners

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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