



Healthcare Industry Highlights

May 19th, 2021



COVID-19 DEVELOPMENTS¹

News Scan

- On May 18th, **Medicago** and **GlaxoSmithKline** announced the results from their Phase 2 trials of their vaccine candidate, which reported ten times higher immunogenicity than individuals recovering from COVID-19
- On May 14th, A British study concluded that the **Pfizer-BioNTech** COVID-19 vaccine generates antibody responses three-and-a-half times larger in the older population when a second dose is delayed to 12 weeks after the first. This aligns perfectly with Canada and the U.K.'s vaccine rollout strategy to delay second dose of vaccinations for at least three months
- On May 13th, Dr. Rochelle Walensky, the Director of the **Centers for Disease Control and Prevention**, announced that people fully vaccinated against COVID-19 do not need to wear masks or practice social distancing indoors or outdoors
- On May 11th, the Ontario Government paused the administration of the **AstraZeneca-Oxford** COVID-19 vaccine as a first dose after eight recipients developed rare blood clots. This decision was prompted by the increasing supply of alternatives and the increased reporting of blood clots associated with the vaccine rising from one in one hundred thousand to one in sixty thousand over the preceding few days
- On May 5th, **Moderna** announced that early trial studies indicate that a third booster shot of Moderna's current vaccine or their new experimental candidate, increases immunity against more dangerous variants that originated in South Africa and Brazil. Results of these studies show that the booster increased antibodies against all variants and had a stronger response against the South African variant than the original two-shot vaccine
- On May 5th, **Health Canada** announced that the **Pfizer-BioNTech** COVID-19 vaccine is safe to give to children ages 12 and older. The trial found the vaccine to be 100 percent effective in children aged 12 to 15, up from the 95 percent efficacy in the older age groups trials
- On May 4th, **Health Canada** announced that it is monitoring emerging data around the safety and efficacy of mixing and matching COVID-19 vaccines. This comes in the wake of Health Canada raising concerns about cases of rare blood clots in people who received the **AstraZeneca-Oxford** and **Johnson & Johnson** vaccines
- On May 4th, results from a research study about whether Vitamin D may help people avoid and mitigate the effects of COVID-19 concluded that a high dose of Vitamin D had no effect in controlling or managing the symptoms of the virus. The research also indicated that there was no evidence that Vitamin D made a person less likely to be admitted to the intensive care unit or less likely to need intubation

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



HEALTHCARE SERVICES

News Scan

- On May 10th, **CRH Medical Corporation** (“**CRH**”) announced an 85% majority interest acquisition of **New England Anesthesia Associates LLC**, a provider of anesthesia services to an ambulatory surgical centre located in Guilford, Connecticut. This will represent CRH’s 34th acquisition to date and continues CRH’s roll-up strategy to strengthen their anesthesia footprint
- On May 4th, **Akumin Inc.** (“**Akumin**”), a leading provider of fixed site outpatient diagnostic imaging services in the US, announced it has closed the previously announced acquisition of six freestanding, fixed-site outpatient diagnostic imaging clinics located in Florida for an aggregate purchase price of US\$39 million. In addition, Akumin also acquired a single clinic in South Florida for an undisclosed amount, bringing the total number of clinics acquired to seven
- On April 26th, **CareRx Corporation** (“**CareRx**”), Canada’s leading provider of pharmacy services to seniors’ communities, announced it has entered into a definitive agreement with the **Rexall Pharmacy Group** (“**Rexall**”) to acquire a portion of Rexall’s long term care pharmacy services business for \$3.5 million in cash. This acquisition will add approximately 4,200 residents to CareRx’s service, bringing the total number to over 90,000 residents, adding to the largest seniors care pharmacy platform in Canada
- On April 23rd, **Sun Life Financial Inc.** announced that it has agreed to acquire **Pinnacle Care International Inc.** (“**PinnacleCare**”), a leading US medical intelligence and health-care navigation provider, for US\$85 million. The acquisition will expand Stop-Loss & Health beyond the traditional model that reimburses employers for costs after an employee’s care has occurred. Through PinnacleCare, Stop-Loss & Health will engage with the employee at diagnosis to help improve the entire care experience. This acquisition creates a unique offering in the stop-loss market

Key Indicators

(in USD millions, unless otherwise indicated)	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2021E	2022E	2021E	2022E	
CareRx Corporation	147.6	197.7	1.5x	1.1x	19.7x	11.2x	98.2%
CRH Medical Corporation	296.7	416.8	4.0x	na	16.4x	na	71.9%
Akumin Inc.	211.4	710.4	2.7x	2.4x	10.4x	10.0x	86.6%
Average			2.8x	1.8x	15.5x	10.6x	85.6%



OMNICHANNEL HEALTHCARE & DIGITAL HEALTH

News Scan

- On May 16th, **AMN Healthcare Services Inc.** (“AMN”) completed its acquisition of **Synzi**, a full-service virtual care provider, for \$42.5 million in an all-cash deal. According to AMN CEO, Susan R. Salka, this acquisition serves to help the company weather the current “severe shortages of talent” within healthcare and ensures that it remains competitive in the shift to digital healthcare services
- On May 7th, **Walmart** announced that its healthcare division, **Walmart Health**, plans to acquire **MeMD**, a provider of telehealth solutions, for an undisclosed amount. This acquisition allows Walmart to expand its Walmart Health service across the United States without the need for a brick-and-mortar location. Walmart plans to provide telehealth services for urgent, behavioural and primary care with this acquisition
- On May 6th, **MCI Onehealth Technologies Inc.** (“MCI”) announced the signing of a binding letter of intent to acquire **Terrace Wellness Group.**, an innovative provider of mental health services to individuals and employers. The acquisition is expected to build MCI’s patient and corporate client base, for which measurable virtual and in-person mental health and addictions care is a growing priority
- On May 3rd, **WELL Health Technologies Corp.** announced it had completed the previously announced purchase agreement to acquire all of the issued and outstanding shares of **ExecHealth Inc.**, an omni-channel healthcare provider located in Ottawa, for approximately US\$13 million in a combination of both stock and cash.
- On April 23rd, **WELL Health Technologies Corp.** (“WELL”) announced it had completed the acquisition of **CRH Medical** for US\$4.00 per share in cash for a total transaction value of approximately US\$372.9 million, which includes CRH’s credit facility. With this acquisition, its largest to date, WELL becomes an emerging leader in the tech enabled healthcare market

Key Indicators

(in USD millions, unless otherwise indicated)	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2021E	2022E	2021E	2022E	
WELL Health Technologies Corp.	1,124.2	1,069.9	27.2x	5.5x	neg	26.8x	70.4%
Dialogue Health Technologies Inc.	726.5	622.3	na	10.3x	na	neg	64.9%
CloudMD Software & Services Inc.	258.7	215.9	18.8x	2.9x	neg	nmf	53.9%
Think Research Corporation	132.1	139.6	10.0x	4.2x	neg	neg	64.9%
MCI Onehealth Technologies Inc.	111.6	102.9	3.6x	2.5x	35.4x	na	56.0%
MindBeacon Holdings Inc.	77.6	30.2	3.7x	1.7x	neg	neg	31.4%
Average			18.6x	5.7x	n.a	26.8x	63.5%



PHARMACEUTICALS

News Scan

- On May 12th, **PerkinElmer, Inc. (“PKE”)** announced it entered into an agreement to acquire **Nexcelom Bioscience**, a developer and marketer of image cytometry products for cell analysis in life science and biomedical research, for US\$260 million in cash. This acquisition enables PKE to expand their efforts to help academic, government and biopharmaceutical organizations streamline their workflows, and will support efforts to accelerate time to market for novel therapies
- On April 28th, **Pfizer Inc. (“PFE”)** announced the acquisition of **Amplix Pharmaceuticals Inc.**, a private company that develops therapies to treat debilitating and life-threatening diseases in people with compromised immune systems, for an undisclosed amount. This acquisition serves to advance PFE’s expertise in infectious diseases
- On April 23rd, **GW Pharmaceuticals** received approval from shareholders to be acquired by **Jazz Pharmaceuticals**, a biopharmaceutical company which develops life-changing medicines for people with serious diseases and limited treatment options. The purchase price of \$220 per share, comprised of \$200 in cash and \$20 in Jazz ordinary shares, translates into a total value of \$7.2 billion. This acquisition will broaden and strengthen Jazz Pharmaceuticals neuroscience portfolio as well as diversify revenue streams and drive long-term value creation opportunities
- On April 23rd, **Knight Therapeutics Inc. (“Knight”)** announced it will acquire the exclusive rights for Canada and Latin America to manufacture, market and sell Exelon®, a prescription drug that helps treat dementia in Alzheimer’s patients, from **Novartis AG**. Knight will pay US\$168 million in cash, and an additional milestone payment of up to US\$12 million for Exelon®, which is the first drug that Knight will distribute across all of its regional markets.

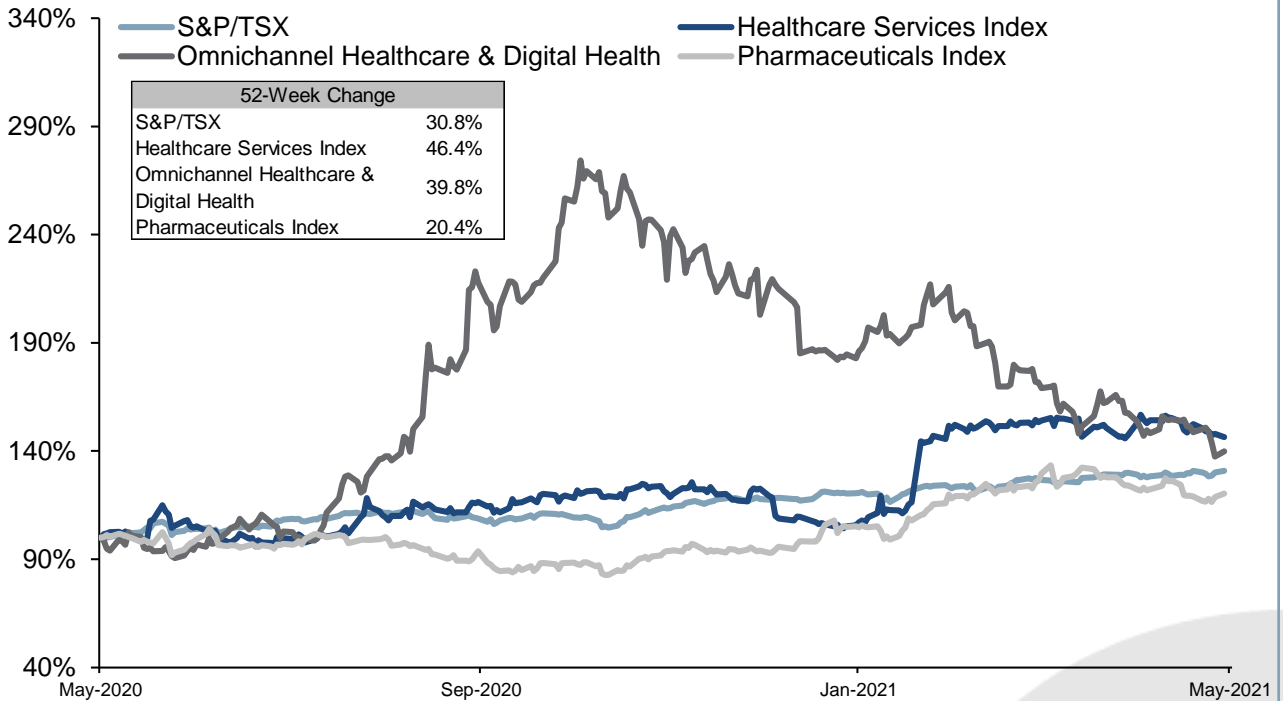
Key Indicators

	Market		TEV / Revenue		TEV / EBITDA		Price % of
	Cap	TEV	2021E	2022E	2021E	2022E	52-Week High
<i>(in USD millions, unless otherwise indicated)</i>							
Bausch Health Companies Inc.	10,583.4	33,715.4	4.2x	3.9x	10.4x	9.8x	84.9%
Knight Therapeutics Inc.	576.4	291.1	1.9x	1.6x	22.7x	10.8x	71.2%
HLS Therapeutics Inc.	444.8	526.8	9.5x	7.7x	23.7x	19.8x	77.0%
Theratechnologies Inc.	358.8	357.9	5.5x	4.0x	neg	neg	85.6%
Average			5.3x	4.3x	18.9x	13.5x	79.7%



MARKET PERFORMANCE

Indexed Segment Performance¹



Charting the Course

- The TSX index increased 30.8% over the last 12 months, posting gains across the board. However volatility continued through the month of April, as investor concerns about inflation and rising interest rates drove recalibration of lofty valuation multiples downwards and sector rotation from growth into value, resulting in tech and biotech lagging again this month
- Our Healthcare Services Index increased 46.4% over the last 12 months, reflecting excellent financial performance, continuing consolidation and a scarcity of attractive investment opportunities in the space
- Our Omnichannel Healthcare & Digital Health Index lagged in performance relative to previous months, increasing 39.8% over the last 12 months. Valuation multiples for technology-enabled growth stocks in particular declined in the month
- Our Pharmaceuticals Index increased 20.4% over the last 12 months, as sales are getting back on track and clinical trial activity is resuming

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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