



Healthcare Industry Highlights

August 26, 2021



COVID-19 DEVELOPMENTS¹

News Scan

- On August 25th, **Johnson & Johnson** said that a second dose of its COVID-19 vaccine was found in a study to generate a strong immune response, justifying a booster shot. **The Centers for Disease Control and Prevention** has said it expects single-dose Johnson and Johnson vaccine recipients would need boosters but has held off on making recommendations as it awaits more data
- On August 25th, **GlaxoSmithKline, Seqirus and Sanofi** said that they are prepping for near-record flu shot sales with deliveries set to match the historic figures reported in 2020, driven by the prevalence of the Delta variant
- On August 23rd, the **US Food and Drug Administration (“FDA”)** approved the **Pfizer-BioNTech (“Pfizer”)** COVID-19 vaccine. Pfizer is the first COVID-19 vaccine to gain full FDA approval. The vaccine continues to be available under emergency use authorization (EUA) for individuals 12 through 15 years of age and for the administration of a third dose in certain immunocompromised individuals
- On August 20th, **CDC data** showed that the pace of COVID-19 hospitalizations are surging across the US, with the rates for individuals under 50 hitting their highest levels yet with an average of 11,000 new hospital admissions across the US over the week
- On August 18th, results released from an **Oxford University** study indicated that protection against the Delta variant from a second **Pfizer** or **AstraZeneca** vaccine weakens within three months. The decline in efficacy was more pronounced among those aged 35 and older
- On August 18th, **US health officials and medical experts** announced that booster doses of the COVID-19 vaccine will be offered to Americans beginning the week of September 20th and starting 8 months after an individual’s second dose, subject to authorization from the US Food and Drug Administration and sign off from the US Centers for Disease Control and Prevention. The World Health Organization, however, has called for a moratorium on boosters until the end of September
- On August 17th, **New Zealand Prime Minister, Jacinda Ardern**, ordered a snap three-day nationwide lockdown after a case of the Delta variant was found in Auckland, the first COVID-19 case in the country since February 2021
- On August 17th, it was announced that **Ontario** will move to give third doses of COVID-19 vaccines to immunocompromised people and the elderly in the coming weeks and formally allow some 11-year-olds to take the Pfizer vaccine ahead of the start of the school year
- On August 12th, **Pfizer BioNTech** said that it intends to submit data to Health Canada on trials of its COVID-19 vaccine in children under 12 by the end of the year. The company has already completed its Phase 1 trial of the vaccine in children
- On August 10th, French pharmaceutical company **Sanofi** announced that its vaccine will not be ready for a few months and urged people to get vaccinated now
- On August 9th, **Canada** opened its borders to Americans for non-essential travel, provided they’ve been fully vaccinated with a Health Canada-approved COVID-19 vaccine 14 days before crossing the border. Canadians, however, can enter the United States via air travel, but can’t cross a land border for non-essential travel

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



HEALTHCARE SERVICES

News Scan

- On August 23rd, **CareRx Corporation (“CareRx”)**, Canada's leading provider of pharmacy services to seniors living and other congregate care communities, announced that it closed its acquisition of the Long-Term Care Pharmacy Division of **Medical Pharmacies Group Limited**. Following completion of this acquisition, CareRx serves more than 92,000 residents in over 1,500 seniors and other congregate care communities across Canada, significantly expanding its national footprint. Origin Merchant Partners advised CareRx on this transaction
- On August 16th, **StageZero Life Sciences (“StageZero”)** announced it had signed a definitive agreement to acquire **Health Clinics Limited**, a provider of specialist clinical services across Europe and North America, for the issuance of 12.4 million StageZero common shares upon closing, 2.5 million common shares contingent upon receiving a Care Quality Commission license and 8 million common shares contingent upon meeting certain milestones and receiving shareholder approval
- On August 9th, **dentalcorp Holdings Ltd. (“dentalcorp”)**, Canada’s largest network of dental practices, announced a strategic partnership with **Loblaw Companies Limited** to be the exclusive provider of oral care education and dental health services for users of the *PC Health* app, designed to empower Canadians with convenient access to health resources and support
- On August 3rd, **Neighbourly Pharmacy Inc (“Neighbourly”)**, Canada's largest and fastest growing network of independent pharmacies, announced its financial results for the twelve-week period ended June 19th, 2021 (the first quarter of fiscal 2022). Over the quarter the company successfully closed acquisitions of 14 previously announced new locations
- On August 3rd, **ModviCare Inc. (“ModviCare”)**, a technology-enabled healthcare services company, announced that the company has signed a purchase agreement to acquire **VRI Intermediate Holdings, LLC (“VRI”)**, an industry-leading provider of remote patient monitoring solutions. Under the terms of the agreement, ModivCare will acquire 100% of the equity interests in VRI for a purchase price of USD\$315 million

Key Indicators

(in CAD millions, unless otherwise indicated)	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2021E	2022E	2021E	2022E	
dentalcorp Holdings Ltd.	2,587.4	3,460.9	3.3x	2.7x	17.4x	13.7x	90.9%
Neighbourly Pharmacy Inc.	996.6	1,015.1	2.5x	2.0x	20.3x	14.7x	93.2%
Akumin Inc.	263.9	880.5	1.9x	1.1x	8.5x	4.2x	58.8%
CareRx Corporation	263.7	343.7	1.4x	0.9x	15.1x	8.3x	87.2%
Average			2.3x	1.7x	15.4x	10.2x	82.5%



OMNICHANNEL HEALTHCARE & DIGITAL HEALTH

News Scan

- On August 25th, **Headspace** and **Ginger** announced a merger to form **Headspace Health**, with a combined value of approximately US\$3 billion and estimated coverage of 100 million people internationally. The combination of Headspace's self-directed meditation and mindfulness with Ginger's self-guided treatment, text-based coaching, and video-based therapy and psychiatry is expected to address a wide variety of patient needs to potentially make the offering more appealing to employers and health plans
- On August 17th, **Unite Us**, an outcome-focused technology company that builds coordinated care networks to connect health and social service providers, announced its acquisition of **Carrot Health**, a consumer data and predictive analytics platform. This acquisition will better position Unite Us to help healthcare organizations identify patients with unmet social needs and connect them to community resources across the United States
- On August 11th, the **Green Shield Canada ("GSC")** group of companies announced its acquisition of **Tranquility Online ("Tranquility")**, a rapidly growing mental health platform specializing in internet-based cognitive behavioural therapy ("iCBT") and mental health coaching. The acquisition highlights GSC's growing leadership role in the digital mental health marketplace
- On August 4th, **MCI Onehealth Technologies Inc. ("MCI")**, completed the strategic acquisition of **Polyclinic**, a family and specialty medicine provider. The acquisition aligns with MCI's mission to improve access to care by delivering an innovative, personalized patient experience. MCI will also acquire North York Pulmonary Function Centre Inc.
- On August 3rd, **WELL Health Technologies Corp.**, announced that its wholly owned subsidiary, **CRH Medical Corporation ("CRH")**, has completed the acquisition of a 51% stake in **Greater Washington Anesthesia Associates, LLC**, a provider of gastro-intestinal related anesthesia services at two locations in Northern Virginia. This acquisition increases CRH's footprint to a total of 77 endoscopy sites across the United States

Key Indicators

(in CAD millions, unless otherwise indicated)	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2021E	2022E	2021E	2022E	
WELL Health Technologies Corp.	1,566.8	1,759.6	6.2x	4.0x	31.5x	17.5x	77.5%
Dialogue Health Technologies Inc.	600.3	486.7	6.9x	4.8x	neg	neg	45.0%
CloudMD Software & Services Inc.	433.4	411.9	4.2x	2.6x	nmf	40.0x	54.5%
LifeSpeak Inc.	395.0	418.7	16.4x	8.3x	37.2x	14.5x	83.8%
MCI Onehealth Technologies Inc.	128.5	121.5	2.5x	1.9x	neg	nmf	53.1%
Think Research Corporation	99.4	107.9	2.0x	1.1x	neg	13.9x	40.3%
MindBeacon Holdings Inc.	82.1	26.4	1.2x	0.8x	neg	neg	22.8%
Average			5.6x	3.4x	34.3x	21.5x	53.9%



PHARMACEUTICALS

News Scan

- On August 23rd, **Pfizer-BioNTech (“Pfizer”)** announced that they have entered into a definitive agreement to acquire **Trillium Therapeutics Inc. (“Trillium”)**, a clinical stage immuno-oncology company developing innovative therapies for the treatment of cancer. Under the terms of the agreement, Pfizer will acquire all outstanding shares of Trillium not already owned by Pfizer for an implied equity value of \$2.26 billion, or \$18.50 per share, in cash. This represents a 118% premium to the 60-day weighted average price for Trillium
- On August 16th, **HLS Therapeutics Inc.**, a pharmaceutical company focused on the central nervous system and cardiovascular markets announced that effective August 13th, 2021 it has entered into a promotional service agreement with **Pfizer Inc.** for the promotion of Vascepa in Canada. Vascepa is a first-in-class treatment designed to reduce the risk of major adverse cardiac events in statin-treated patients
- On August 16th, **BioAgilytix Labs, LLC (“BioAgilytix”)**, a leading global contract research laboratory focused on supporting its pharmaceutical and biotech partners in all stages of large molecule drug development, announced that it signed a definitive agreement to purchase **360biolabs®**, the most comprehensive contract research organization in Australia
- On August 4th, **BioNTech SE (“BioNTech”)** announced the closing of its acquisition of **Kite’s** Neoantigen T cell receptor (“TCR”) R&D platform and clinical manufacturing facility in Gaithersburg, Maryland. The acquisition expands BioNTech’s cell therapy capabilities and manufacturing footprint in North America, building on its acquisition of Neon Therapeutics in 2020

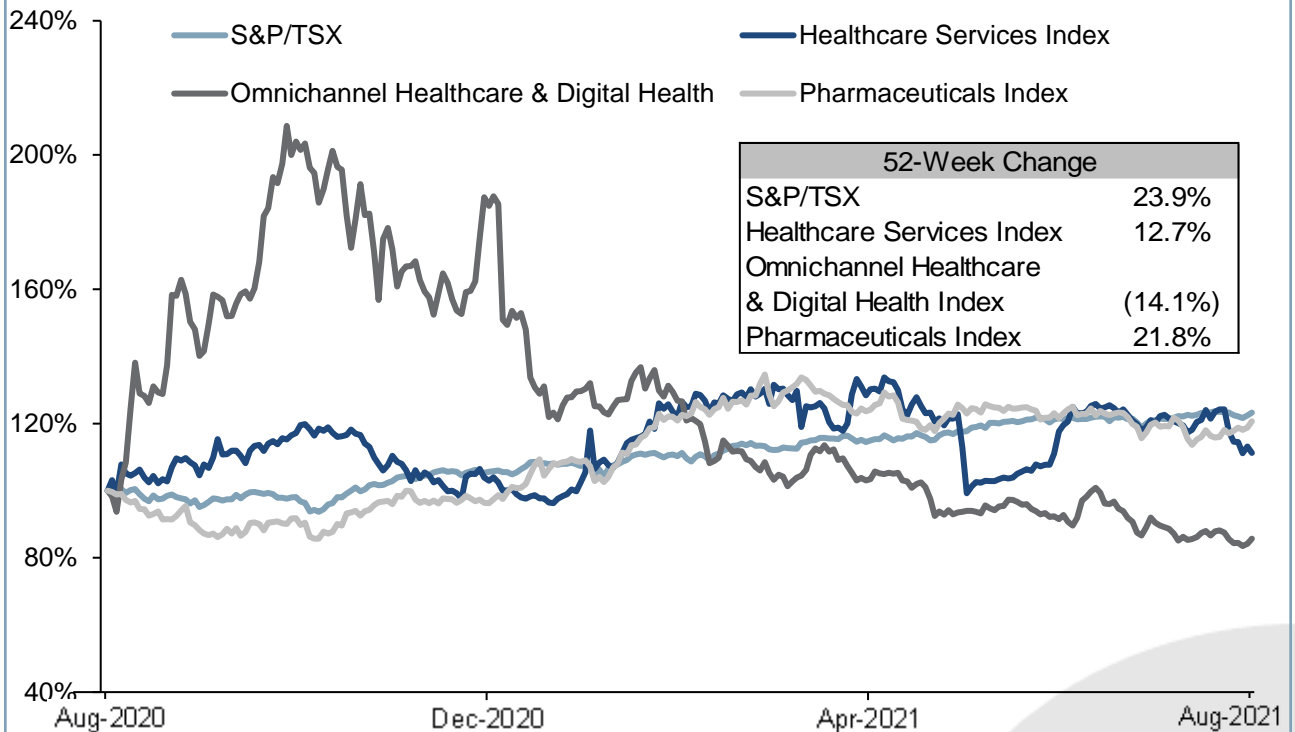
Key Indicators

	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2021E	2022E	2021E	2022E	
<i>(in CAD millions, unless otherwise indicated)</i>							
Bausch Health Companies Inc.	13,032.0	35,905.0	3.3x	3.2x	8.3x	7.9x	82.6%
Knight Therapeutics Inc.	666.0	524.9	2.2x	1.8x	14.2x	9.6x	82.6%
HLS Therapeutics Inc.	580.6	662.1	8.1x	4.0x	19.8x	10.1x	82.5%
Theratechnologies Inc.	416.8	416.3	4.4x	3.6x	neg	nmf	82.2%
Average			4.5x	3.2x	14.1x	9.2x	82.5%



MARKET PERFORMANCE

Indexed Segment Performance¹



Charting the Course

- The TSX index increased 23.2% over the last 12-months, slightly down from last month's 52-week increase of 24.2%. As is usually the case, August has been a quiet month with reduced trading volumes, and with volatility continuing throughout the month given geopolitical tensions in Afghanistan, concerns about the COVID Delta variant and uncertainty brought about by the announcement of a Canadian federal election on September 20th
- Growth in our Healthcare Services Index slowed over the past month with a 12-month increase of 12.7% despite notable acquisition activity
- The Omnichannel Healthcare & Digital Health Index lagged previous months recording a decline of 14.1% over the past 12-months, along with declines in the broader technology sector
- Our Pharmaceuticals Index increased 21.8% over the last 12-months, up from last month's 17.1% increase, reflecting strong continued consolidation in the segment and recent drug approvals

1. Index segments are 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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