



# Healthcare Industry Highlights

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November 25, 2021



## COVID-19 DEVELOPMENTS<sup>1</sup>

### News Scan

- On November 30<sup>th</sup>, fully vaccinated Canadians and permanent residents returning home from short trips to the United States and abroad will no longer have to provide proof of a negative molecular COVID-19 test such as a PCR test, as the federal government has decided to lift this requirement
- On November 23<sup>rd</sup>, it was announced that a widely available drug used to treat alcoholism has potential as a COVID-19 treatment. Researchers found that people taking disulfiram (Antabuse) had a lower risk of infection with SARS-CoV-2 and were less likely to die from COVID-19 if infected than those not taking the drug. Further study and clinical testing is to come, say researchers at **Harvard Medical School** and **Boston Children's Hospital**
- On November 23<sup>rd</sup>, researchers claimed that an experimental chewing gum containing a protein that works to trap coronavirus particles, could limit the amount of virus in saliva and help restrain transmission when infected people are talking, breathing, or coughing
- On November 22<sup>nd</sup>, it was reported that a study by emergency medicine physicians at the **University at Buffalo** found patients with mild to moderate COVID-19 symptoms who were treated with an inhaled steroid are significantly less likely to require emergency care or hospitalization than those treated with a placebo
- On November 21<sup>st</sup>, Canada received its first doses of COVID-19 vaccines for children aged 5 to 11 just shortly after its approval. The federal government and pharmaceutical giant, **Pfizer-BioNTech** have agreed on an accelerated delivery of more than 2.9 million doses, scheduled to arrive in Canada by end of week
- On November 19<sup>th</sup>, **Health Canada** authorized the use of the **Pfizer-BioNTech** Comirnaty COVID-19 vaccine in children 5 to 11 years of age. This is the first COVID-19 vaccine authorized in Canada for this age group marking a major milestone in Canada's fight against COVID-19
- On November 19<sup>th</sup>, new government data of over 1 million delivery hospitalizations showed that pregnant women with COVID-19 face increased chances for stillbirths compared to uninfected women and that risk spiked to four times higher after the delta variant emerged
- On November 16<sup>th</sup>, **Pfizer Inc. ('Pfizer')** asked the **FDA** to authorize its experimental antiviral pill for COVID-19, setting the stage for a likely launch of the promising therapy in the coming weeks. Pfizer said its clinical trial showed the pill cut the risk of hospitalization and death by 85 to 89 percent in people with mild to moderate symptoms if taken within three to five days
- On November 15<sup>th</sup>, Ontario paused the lift of capacity limits in remaining higher-risk settings out of an abundance of caution as the province monitors public health trends. The government and Chief Medical Officer of Health will continue to monitor the data for the next 28 days to determine when it is safe to lift capacity limits in these settings
- On November 15<sup>th</sup>, previously accepted forms of vaccination proof, including cards and vaccine information printouts became invalid in Alberta. Individuals visiting public places must present proof through a QR code on their phone, along with a piece of photo ID
- On November 9<sup>th</sup>, **Health Canada** authorized a booster dose of the **Pfizer-BioNTech** COVID-19 vaccine for all adults 18 and older, following several Canadian provinces. A third dose of the vaccine is now authorized to be administered at least six months after the second dose
- On November 1<sup>st</sup>, a study published in the **Journal of the American Medical Association** of nearly 2,000 vaccinated health-care workers, some of which had contracted COVID-19, found that those who survived the virus and then received an mRNA vaccine have a higher number of durable, long-lasting antibodies



## HEALTHCARE SERVICES

### News Scan

- On November 19<sup>th</sup>, **InnovaCare Health (“InnovaCare”)**, a regional leader in integrated and value-based healthcare services, announced that it has signed a definitive agreement for a majority investment from **Bain Capital Private Equity**. While the financial terms were not disclosed, this new partnership will accelerate the Company’s growth and enable InnovaCare to scale its innovative, physician-led model to enter key markets nationwide
- On November 19<sup>th</sup>, **Fengate Private Equity** announced that it has made an equity investment in **Grace Clinics Corp. (“GraceMed”)**, a cosmetic surgery, dermatology, and medical aesthetics business in Canada. The investment will help GraceMed to fuel growth and become one of the largest providers of aesthetics medicine services in Canada
- On November 18<sup>th</sup>, **ATI Physical Therapy Inc. (“ATI”)**, the largest single-branded outpatient physical therapy provider in the United States, announced that it has acquired **Excel-R-ation Physical Therapy**, a physical therapy, personal training, and therapeutic massage practice in Holland and West Michigan. This acquisition will allow ATI to extend its footprint into the Grand Rapids area and strengthens ATI's Michigan portfolio, building on existing clinics in the southern and northwestern regions of the state
- On November 10<sup>th</sup>, **Anthem, Inc. (“Anthem”)**, a leading health benefits company, announced that it has entered an agreement to acquire **Integra Managed Care**, a managed long-term care plan in New York that helps adults with long term care needs and disabilities live safely in their home. This acquisition aligns with Anthem’s goal of growing its Medicaid business, while serving its members with a comprehensive and coordinated approach to care
- On November 9<sup>th</sup>, **Integracare, Inc. (“Integracare”)**, a leader in private home healthcare in Toronto and Mississauga, announced that it is has acquired **Eldercare Home Health Inc.**, a provider of high-quality personal support services and home healthcare for Seniors. With both companies providing high-quality home care, this acquisition focus aligns perfectly with Integracare’s mission to attract, educate, retain, and reward the best caregivers in the industry

### Key Indicators

<i>In \$CAD millions</i>	Market		TEV / Revenue		TEV / EBITDA		Price % of
	Cap	TEV	2021E	2022E	2021E	2022E	52-Week High
dentalcorp Holdings Ltd.	2,897.6	3,845.0	3.7x	3.1x	19.9x	15.5x	92.9%
Neighbourly Pharmacy Inc.	1,151.0	1,218.7	3.0x	2.2x	23.1x	16.2x	96.9%
CareRx Corporation	227.7	319.2	1.2x	0.8x	13.3x	7.7x	75.2%
Akumin Inc.	225.5	914.5	1.7x	0.9x	8.8x	4.0x	40.2%
<b>Average</b>			<b>2.4x</b>	<b>1.8x</b>	<b>16.3x</b>	<b>10.9x</b>	<b>76.3%</b>



## OMNICHANNEL HEALTHCARE & DIGITAL HEALTH

### News Scan

- On November 15<sup>th</sup>, **Cloud MD Software & Services Inc. (“CloudMD”)**, entered into a definitive agreement to acquire **MindBeacon Holdings Inc. (“MindBeacon”)**, one of North America’s leading clinically-validated iCBT solutions, for a combination of cash and shares valued at approximately \$116 million. The addition of MindBeacon to CloudMD is expected to be immediately synergistic as the combined digital health platform is expected to be one of North America’s leading fully-integrated health offerings, drive U.S expansion through the combined network and provide cost synergies exceeding \$2 million
- On November 4<sup>th</sup>, **Think Research (Eu) Corporation Limited (“Think Research”)** A Subsidiary Of **Think Research Corporation**, acquired the assets of competitor, **Pharmapod Limited (“Pharmapod”)**, including its international medication error reporting software for \$350,000 cash and Think Research shares. As Pharmapod operates as a SaaS electronic data capture solution, this strategic deal will extend Think Research’s clinical electronic data capture footprint and is expected to expand the company’s reach
- On November 1<sup>st</sup>, **WELL Health Technologies Corp.**, a company focused on positively impacting health outcomes by leveraging technology to empower health practitioners and their patients globally, acquired health care provider, **Uptown Health Center** which is comprised of two medical clinics and an allied health clinic in the greater Toronto area. The terms of the deal were not disclosed
- On November 1<sup>st</sup>, **MindBeacon Holdings Inc. (“MindBeacon”)** announced that it has closed the acquisition of Las Vegas-based **Harmony Healthcare (“Harmony”)** from the largest pure-play provider of mental health and substance abuse treatment in the United States. The transaction marks an important milestone in MindBeacon’s North American expansion. It also provides the company with scale and presence in the United States as Harmony is known for its full spectrum of mental health and addiction treatments in the State of Nevada

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WELL Health Technologies Corp.	1,213.6	1,611.0	5.4x	3.4x	28.3x	15.7x	59.2%
Dialogue Health Technologies Inc.	569.7	462.1	6.7x	4.6x	neg	neg	42.6%
LifeSpeak Inc.	329.8	271.0	11.4x	5.6x	34.7x	11.4x	69.2%
CloudMD Software & Services Inc.	286.1	264.5	2.6x	1.5x	neg	nmf	37.8%
Think Research Corporation	93.5	102.0	2.0x	1.1x	neg	14.0x	25.2%
MindBeacon Holdings Inc.	85.3	33.2	1.5x	1.0x	neg	neg	24.0%
MCI Onehealth Technologies Inc.	85.1	90.6	1.9x	1.5x	neg	nmf	35.3%
<b>Average</b>			<b>4.5x</b>	<b>2.7x</b>	<b>31.5x</b>	<b>13.7x</b>	<b>41.9%</b>



## PHARMACEUTICALS AND MED-TECH

### News Scan

- On November 18<sup>th</sup>, **Novo Nordisk (“Novo”)**, a Danish multinational pharmaceutical company announced that it would acquire **Discerna Pharmaceuticals (“Discerna”)** a biopharmaceutical company focused on ribonucleic acid interface (RNAi) technology, for approximately US \$3.3 billion. The acquisition of Discerna accelerates Novo’s research within RNAi and expands the usage of the RNAi technology
- On November 17<sup>th</sup>, **Pfizer Inc. (“Pfizer”)**, an American multinational pharmaceutical and biotechnology corporation, announced the successful completion of its acquisition of all outstanding shares of clinical-stage immuno-oncology firm, **Trillium Therapeutics Inc. (“Trillium”)**, in a deal worth about \$2.2 billion or \$18.50 per share. This acquisition combines Pfizer’s research and global development capabilities with Trillium’s innovative discoveries, allowing Pfizer to accelerate breakthroughs that change patients’ lives and boost their oncology portfolio
- On November 15<sup>th</sup>, **Kala Pharmaceuticals, Inc. (“Kala”)**, a biopharmaceutical company committed to advancing the treatment of eye diseases, announced that it has acquired **Combango, Inc.**, a clinical-stage company developing regenerative biotherapies for severe ocular surface diseases for approximately US \$130 million. The acquisition marks a pivotal moment for Kala and a meaningful acceleration toward its goal of strengthening Kala’s pipeline for the treatment of front and back of the eye disease
- On November 11<sup>th</sup>, **Organon & Co. (“Organon”)**, an American pharmaceutical company focused on improving women’s health, announced it has entered into a definitive agreement to acquire **Forendo Pharma Limited (“Forendo”)**, a Finland-based, clinical stage drug development company focused on novel women’s health treatment, for approximately US \$954 million. Organon’s acquisition of Forendo further demonstrates its commitment to building a pipeline of impactful treatment options for women with unmet medical needs, specifically Endometriosis being its highest priority of focus

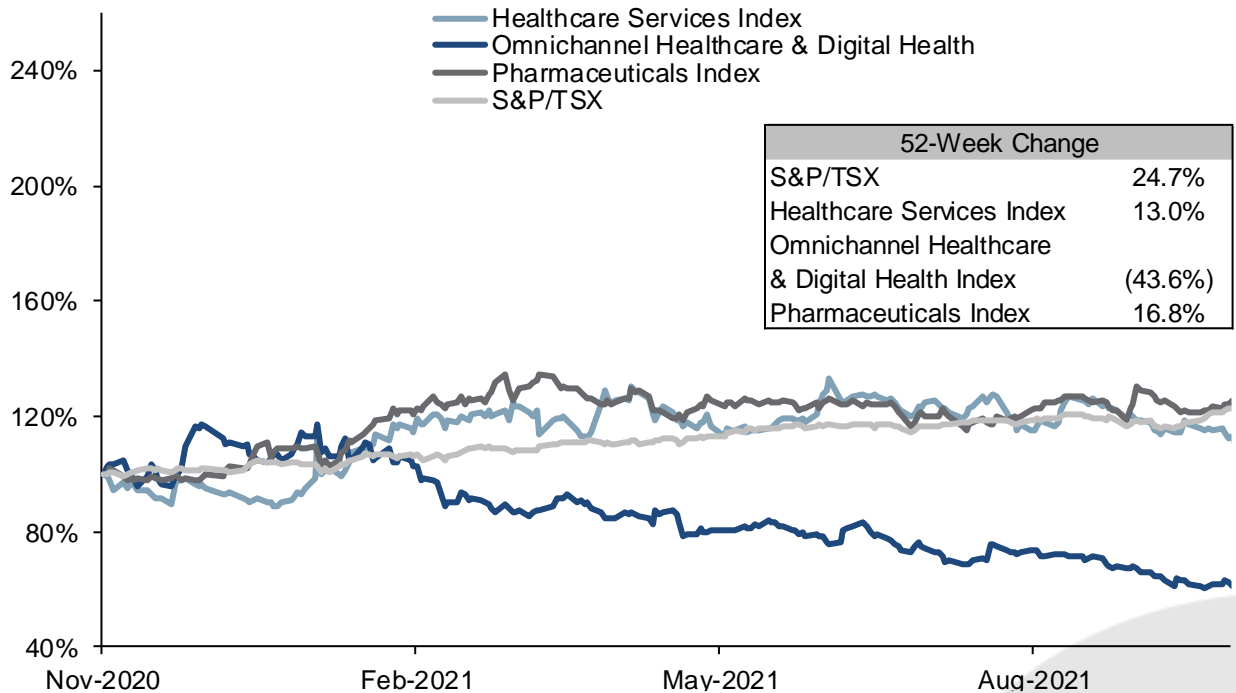
### Key Indicators

<i>In \$CAD millions</i>	Market		TEV / Revenue		TEV / EBITDA		Price % of
	Cap	TEV	2021E	2022E	2021E	2022E	52-Week High
Bausch Health Companies Inc.	11,865.8	33,602.8	3.1x	3.0x	7.7x	7.4x	75.2%
Knight Therapeutics Inc.	647.0	527.9	2.1x	1.8x	12.4x	9.6x	90.4%
HLS Therapeutics Inc.	543.6	621.9	8.0x	4.2x	18.7x	9.6x	77.0%
Theratechnologies Inc.	411.9	416.7	4.8x	3.7x	neg	nmf	77.2%
<b>Average</b>			<b>4.5x</b>	<b>3.2x</b>	<b>12.9x</b>	<b>8.9x</b>	<b>80.0%</b>



## MARKET PERFORMANCE

### Indexed Segment Performance<sup>1</sup>



### Charting the Course

- The TSX index increased 24.7% over the last 12-months, down from last month's 52-week increase of 30.2%. Despite strengthening gold and silver prices, weakening oil and base metal prices and continued global supply chain issues placed downward pressure on the market over the month
- Despite slower M&A activity, positive Q3 earnings beats fueled our Healthcare Services Index to increase 13% over the past 12-months, up from last month's 10.5%
- Our Omnichannel Healthcare & Digital Health Index continues to lag, recording a decline of 43.6% over the past 12-months, flat from last month's 43.3% drop, as capital markets evolve their views of the role of telemedicine in healthcare post-COVID
- Our Pharmaceuticals Index increased 16.8% over the last 12-months, down significantly from last month's 35.2%, as COVID-19 continues to cause some volatility in sales and inventory drawdowns and quarterly earnings compared to last year are measured against last year's robust rebound from lockdowns

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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