



# Healthcare Industry Highlights

---

October 21, 2021



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

### News Scan

- On October 19<sup>th</sup>, The **Pfizer/BioNTech** vaccine was found to be 93% effective in preventing hospitalization due to COVID-19 among children ages 12 to 18 according to a study by the **US Centers for Disease Control and Prevention ("CDC")**.
- On October 18<sup>th</sup>, **Pfizer Inc.** asked **Health Canada** to approve COVID-19 vaccines for children aged 5-11. Health Canada said it will prioritize the review of the submission while maintaining high scientific standards for safety, efficacy, and quality
- On October 18<sup>th</sup>, all Ontario residents became eligible to download the COVID-19 Vaccine QR Code to be used as an easier, more secure, and convenient way to show proof of vaccination
- On October 18<sup>th</sup>, the **FDA** announced it would delay its decision on Moderna's COVID-19 vaccine in 12-17 age group due to reports in four Nordic countries of the heart inflammation condition, myocarditis
- On October 17<sup>th</sup>, **Dr. Bonnie Henry, B.C.'s provincial health officer**, stated that the COVID-19 Moderna vaccine is proving to be longer lasting than its rival Pfizer vaccine and is better suited as a booster shot for people who are severely immunocompromised
- On October 15<sup>th</sup>, **CDC** announced that people with mixed-dose Covid-19 vaccinations will qualify as fully vaccinated and will be eligible to enter the United States when the borders reopen in November for non-essential travel
- On October 15<sup>th</sup>, a study at **Massachusetts General Hospital** of 110 children who tested positive for COVID-19, conducted by **Harvard Medical School** researchers and colleagues from **Brigham and Women's hospital**, found that infants, children, and adolescents are equally capable of carrying high levels of live, replicating SARS-CoV-2 and spreading the virus
- On October 15<sup>th</sup>, transplant centres in Western Canada stated they have stopped short of requiring organ recipients to be fully vaccinated against COVID-19, but conversations about this are still ongoing. In contrast, Ontario requires proof of vaccination before a patient is approved for the life-saving surgery
- On October 14<sup>th</sup>, **Michael Mina**, assistant professor of epidemiology at **Harvard School of Public Health**, and his research team found that rapid COVID-19 tests were more than 80% effective at detecting any level of COVID-19 infection and likely to be more than 90% effective at detecting who is most infectious when they use the test
- On October 12<sup>th</sup>, it was disclosed that 152,063 Albertans have registered for the government of Alberta's program offering \$100 to get vaccinated. If all applications are approved, this program would cost the province in excess of \$15 million
- On October 6<sup>th</sup>, new research at **George Washington University** found that over-the-counter aspirin could protect the lungs of COVID-19 patients and minimize the need for mechanical ventilation. This treatment reduced the risk of requiring ventilation by 44% and in-hospital mortality by 47%
- On October 4<sup>th</sup>, it was announced that a new study conducted by researchers with **CDC** found that multi-system inflammatory syndrome, a rare but serious immune response predominately reported in children, can also occur in adults after acute Covid-19 infection

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



## HEALTHCARE SERVICES

### News Scan

- On October 15<sup>th</sup>, **Arosa**, a non-medical in-home care service, announced that it has acquired **Centerpeace Home HealthCare & Companion Services (“Centerpeace”)**, a premier home-care provider in North Carolina. Centerpeace’s operations will merge with Arosa’s existing team which has been serving the region for over 20 years
- On October 13<sup>th</sup>, **Curvo Labs, Inc. (“Curvo”)**, a health care supply technology company, announced the acquisition of **Strategic Health Care Services, LLC**, a consulting firm that specializes in strategic sourcing and clinical spend management to providers and manufacturers. This acquisition, coupled with the launch of Curvo’s new sourcing suite for both health systems and suppliers, helps to further the company’s strategy
- On October 7<sup>th</sup>, **Molina Healthcare, Inc. (“Molina”)**, a Fortune 500 healthcare services company, announced that it has entered into an agreement to acquire the Medicaid Managed Long Term Care business of **AgeWell New York** for US\$110 million. This transaction is representative of Molina’s strategic growth strategy to leverage current fixed costs and expand its New York foot print
- On October 6<sup>th</sup>, **Neighbourly Pharmacy Inc. (“Neighbourly”)**, Canada’s largest and fastest growing network of community pharmacies, announced an agreement to acquire 20 pharmacies located throughout Alberta for a purchase price of \$41 million. Upon completion of the acquisition, Neighbourly will become one of Alberta’s largest community pharmacy operators totalling 52 locations in the province
- On October 3<sup>rd</sup>, financial services firm **Sun Life Financial**, announced that it has agreed to buy oral health care company, **DentaQuest** for \$2.47 billion. The deal is expected to close in the first half of 2022 and would be immediately accretive, adding about \$0.17 to underlying earnings per share

### 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.	2,873.2	3,746.7	3.6x	3.0x	19.4x	15.0x	94.5%
Neighbourly Pharmacy Inc.	1,053.5	1,072.0	2.7x	2.1x	21.4x	15.5x	92.0%
Akumin Inc.	235.8	837.2	1.6x	0.9x	7.2x	3.5x	43.2%
CareRx Corporation	234.8	314.8	1.3x	0.8x	13.8x	7.5x	77.5%
<b>Average</b>			<b>2.3x</b>	<b>1.7x</b>	<b>15.5x</b>	<b>10.4x</b>	<b>76.8%</b>



## OMNICHANNEL HEALTHCARE & DIGITAL HEALTH

### News Scan

- On October 19<sup>th</sup>, **Levitee Labs Inc. (“Levitee Labs”)**, an integrative wellness company with a diversified portfolio of healthcare and wellness assets, announced a partnership with **AdraCare Inc. (“AdraCare”)**, a **WELL Health Technologies** Company. The agreement with Adracare will further enhance Levitee Labs’ ability to engage with its patients struggling with addiction and mental health conditions by enhancing workflows and interactions between them and their care providers
- On October 14<sup>th</sup>, **LifeSpeak Inc (“LifeSpeak”)**, entered into a definitive agreement and completed the acquisition of **ALAViDA Health Ltd. (“ALAViDA”)**, a virtual SaaS provider of cognitive-behavioural therapy health solutions for substance use disorders, for \$12 million. This acquisition of ALAViDA deepens Lifespeak’s behavioural health capabilities and will further bolster its existing SaaS platform offerings to better serve its diverse global client base
  - On October 12<sup>th</sup>, **LifeSpeak** entered into a definitive agreement and completed the acquisition of Montreal-based **LIFT Digital Inc.**, operating as **LIFT Session**, an online wellness company focused on increasing overall health through digital wellness and fitness solutions, for \$15 million.
- On October 7<sup>th</sup>, **CRH Medical Corporation (“CRH”)**, a wholly owned subsidiary of **Well Health Technologies**, completed majority stake acquisitions of two anesthesia practices: 70% of **Destin Anesthesia, LLC** and 51% of **Pinellas County Anesthesia Associates, LLC**. These two accretive acquisitions increased CRH’s footprint to a total of 82 ambulatory surgical centers across the U.S.
- On October 1<sup>st</sup>, **Well Health Technologies Corp (“Well Health”)** completed its previously announced majority stake acquisition of **WISP**, a rapidly growing digital health leader specializing in women’s health, for a total transaction value of approximately US\$41.3 million. This acquisition is expected to strengthen Well Health’s digital portfolio and organic profile

### 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.	1,427.0	1,619.8	5.6x	3.5x	29.0x	15.6x	70.3%
Dialogue Health Technologies Inc.	414.2	300.6	4.3x	2.9x	neg	neg	31.0%
CloudMD Software & Services Inc.	383.7	362.2	3.7x	2.3x	neg	38.7x	48.1%
LifeSpeak Inc.	369.3	392.9	15.4x	7.8x	34.9x	13.6x	77.5%
Think Research Corporation	130.9	139.4	2.7x	1.5x	neg	17.7x	35.5%
MCI Onehealth Technologies Inc.	95.8	88.8	1.8x	1.4x	neg	41.5x	39.6%
MindBeacon Holdings Inc.	75.9	20.2	0.9x	0.6x	neg	neg	21.1%
<b>Average</b>			<b>4.9x</b>	<b>2.9x</b>	<b>31.9x</b>	<b>25.4x</b>	<b>46.2%</b>



## PHARMACEUTICALS AND MED-TECH

### News Scan

- On October 14<sup>th</sup>, **Intelerad Medical Systems**, a Quebec-based medical imaging software provider backed by private equity firm HG, announced its acquisition of **Ambra Health**, a leading cloud-based medical image management suite headquartered in New York. While the terms of the deal were not disclosed, the newly formed enterprise imaging giant is estimated to be worth \$1.7 billion
- On October 11<sup>th</sup>, **Pacira Biosciences, Inc. (“Pacira”)**, an industry leader in non-opioid pain management and regenerative health solutions, entered into a definitive agreement to acquire **Flexion Therapeutics, Inc.**, a biopharmaceutical company focused on the development and commercialization of non-opioid therapies, for \$430 million. The acquisition is a major milestone in Pacira’s strategy to build a robust offering of novel, non-opioid treatments to improve patient care
- On October 11<sup>th</sup>, **Supernus Pharmaceuticals Inc (“Supernus”)**, announced it would buy **Adamas Pharmaceuticals Inc** for approximately \$400 million, to expand its roster of treatments for Parkinson’s disease and reduce reliance on its top-selling epilepsy medicine. This deal will help Supernus reduce dependence on Trokeni XR, used to prevent migraines and treat epilepsy, and is the type of transaction that will leverage its commercial infrastructure
- On October 6<sup>th</sup>, **Boston Scientific Corporation (“Boston Scientific”)**, the manufacturer of medical devices used in interventional medical specialties, announces that it has signed a deal to acquire Mississauga, Ontario-based supplier of high-technology cardiology, pain management, and radiology products, **Baylis Medical Company Inc.**, for US\$1.75 billion. Through this acquisition, new left heart access platforms will be added to Boston Scientific’s electrophysiology and structural heart portfolios, enhancing the safety, efficacy, and efficiency of therapies in the left side of the heart
- On October 4<sup>th</sup>, **Kora Healthcare Canada Inc (“Kora”)**, the Canadian entity of emerging Dublin-based pharma company, **Kora Healthcare**, announced it has acquired **Chifam Inc (“Chifam”)**, a Canadian-based specialty pharma company focused on immunotherapy and immune modulation. The acquisition of Chifam provides Kora with the operational infrastructure and licenses for greater expansion of its pharma portfolio in North America

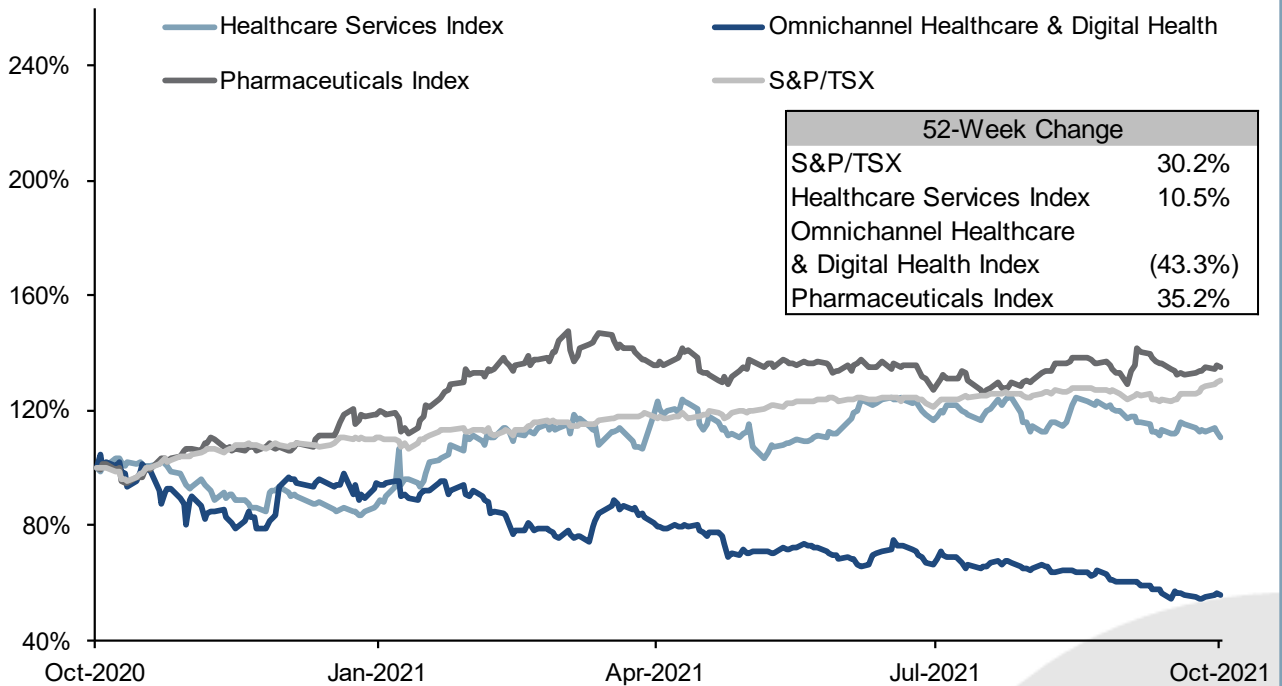
### Key Indicators

	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.	12,701.9	35,574.9	3.4x	3.3x	8.4x	8.0x	80.5%
Knight Therapeutics Inc.	652.8	511.7	2.2x	1.8x	13.8x	9.4x	91.1%
HLS Therapeutics Inc.	628.8	710.3	8.9x	4.4x	21.8x	11.1x	89.2%
Theratechnologies Inc.	410.9	415.8	4.7x	3.7x	neg	nmf	77.0%
<b>Average</b>			<b>4.8x</b>	<b>3.3x</b>	<b>14.7x</b>	<b>9.5x</b>	<b>84.5%</b>



## MARKET PERFORMANCE

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



### Charting the Course

- The TSX index increased 30.2% over the last 12-months, up from last month's 52-week increase of 26.4%. Increases in the industrials and consumers discretionary groups as well as an increase in the technology sector boosted growth
- Growth in our Healthcare Services Index decelerated over the past month with a 12-month increase of 10.5%, down from last month's 18.8%, despite notable M&A activity
- Our Omnichannel Healthcare & Digital Health Index lagged previous months recording a decline of 43.3% over the past 12-months, a further decline from last month's 33.3% drop
- Our Pharmaceuticals Index increased 35.2% over the last 12 months, down slightly from last month's 37%, staying consistent with investors' positive response to considerable consolidation

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

### Origin Merchant Partners

220 Bay Street, Suite 1500  
P.O. Box 23  
Toronto, Ontario  
M5J 2W4

### OMP Healthcare Team:

#### Cathy Steiner

Principal

T: 416-775-3602

cathy.steiner

@originmerchant.com

#### Jim Osler

Principal

T: 416-800-0784

jim.osler

@originmerchant.com

#### Mario Di Pietro

Principal

T: 416-800-0850

mario.dipietro

@originmerchant.com