

July 2024

Industry Highlights on  
**Healthcare**



*Innovation. Experience. Independence.*  
*North America's Middle Market M&A Advisory Boutique.*



- ▶ On July 30<sup>th</sup>, **WoodBridge Healthcare Inc. ("WoodBridge")**, a US-based nonprofit healthcare organization, announced a definitive agreement to acquire **Commonwealth Health**, which includes three hospitals in Northeastern Pennsylvania, from **Community Health Systems, Inc. (NYSE: CYH)**, a US-based healthcare company, for US\$120 million. The deal aims to enhance healthcare services in Northeastern Pennsylvania, maintaining local access to care
- ▶ On July 25<sup>th</sup>, **Astrana Health, Inc. ("Astrana") (NASDAQ: ASTH)**, a US-based provider-centric, technology-powered healthcare company, announced a definitive agreement to acquire **Collaborative Health Systems ("CHS")**, a US-based management services organization serving over 129,000 beneficiaries across 17 states, from **Centene Corporation (NYSE: CNC)**, a US-based healthcare enterprise, for an undisclosed amount. The acquisition will enhance Astrana's payer-agnostic care delivery capabilities
- ▶ On July 23<sup>rd</sup>, **Molina Healthcare, Inc. ("Molina") (NYSE: MOH)**, a US-based managed healthcare services company, announced a definitive agreement to acquire **ConnectiCare Holding Company, Inc.**, a US-based health plan serving approximately 140,000 members, from **EmblemHealth**, a US-based health insurance provider, for US\$350 million. The acquisition will expand Molina's government managed care presence into Connecticut, adding an established brand and statewide provider network to its portfolio
- ▶ On July 17<sup>th</sup>, **CLS Health**, a US-based physician-owned healthcare group, announced a merger with **Campbell Family Practice & Ghebranious Internal Medicine Associates**, a US-based provider of comprehensive family medical services, for an undisclosed amount. The deal significantly enhances CLS Health's primary care capabilities, expanding its network to over 35 locations in the greater Houston area and integrating family practice expertise with CLS Health's comprehensive healthcare services, with an aim to streamline operations, enhance in-house services, and improve patient access to specialized care
- ▶ On July 9<sup>th</sup>, **Signallamp Health**, a US-based provider of chronic care management (CCM) services, and **Accuhealth**, a US-based healthcare technology company specializing in remote patient monitoring (RPM), announced their merger, supported by an additional investment from **Sunstone Partners**, a US-based growth-oriented equity firm, for an undisclosed amount. The merger creates a comprehensive suite of remote care services for over 300 organizations, enhancing patient outcomes and physician support across 48 states
- ▶ On July 3<sup>rd</sup>, **Quest Diagnostics (NYSE: DGX)**, a US-based provider of diagnostic information services, announced a definitive agreement to acquire **LifeLabs**, a Canada-based provider of community laboratory tests, from **OMERS**, a Canada-based pension plan, for C\$1.35 billion, including net debt. This acquisition is expected to accelerate LifeLabs' growth and improve healthcare services in Canada, enhancing online appointment scheduling and patient service centre processing

## Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
dentalcorp Holdings Ltd.	1,443.2	2,738.0	1.8x	1.6x	9.6x	8.6x	89.8%
CareRx Corporation	135.3	221.2	0.6x	0.6x	6.7x	5.7x	92.6%
<b>Average</b>			<b>1.2x</b>	<b>1.1x</b>	<b>8.2x</b>	<b>7.1x</b>	<b>91.2%</b>

- ▶ On July 31<sup>st</sup>, **Commure**, a US-based healthcare technology company, announced a definitive agreement to acquire **Augmedix (NASDAQ: AUGX)**, a US-based pioneer in ambient AI-powered medical documentation and data solutions, for US\$135 million, including net debt. For the last twelve months ending March 31, 2024, Augmedix reported revenue of US\$48.7 million. The acquisition will create the largest AI software provider in healthcare, with the aim to enhance physician productivity by using AI to transcribe appointments, autonomously code them, and optimize billing operations
- ▶ On July 30<sup>th</sup>, **I-MED Radiology Network ("I-MED")**, Australia and New Zealand's largest medical imaging network, announced the acquisition of **StatRad**, the second largest teleradiology service provider in the US, for an undisclosed amount. This acquisition allows I-MED to enter the US market and significantly enhance its teleradiology capabilities
- ▶ On July 30<sup>th</sup>, **VitalHub Corp. ("VitalHub") (TSX: VHI, OTCQX: VHIBF)**, a Canada-based software company for health services providers, announced a definitive agreement to acquire **MedCurrent Corporation ("MedCurrent")**, a Canada-based clinical decision support (CDS) company, for C\$34 million. The acquisition, which will be executed through a court-approved plan of arrangement, aims to integrate MedCurrent's OrderWise platform with VitalHub's existing Patient Flow software suite to streamline healthcare delivery, reduce unnecessary tests, and improve patient care
- ▶ On July 18<sup>th</sup>, **LifeLoop**, a US-based provider of resident and staff experience solutions for senior living, announced the acquisition of **Linked Senior**, a US-based evidence-based resident engagement platform, for an undisclosed amount. The deal will bring LifeLoop's extensive operations features to Linked Senior's customers, further supporting the growing senior living market amid staffing shortages and increasing demand for senior care solutions
- ▶ On July 11<sup>th</sup>, **ASSA ABLOY ("ASSA")**, a Sweden-based global leader in access solutions, announced the acquisition of **Vizzia Technologies**, a US-based provider of hardware-agnostic, full-service real-time location systems (RTLS) platforms designed for healthcare and hospital applications, for an undisclosed amount. The acquisition enhances ASSA's RTLS portfolio
- ▶ On July 9<sup>th</sup>, **Uwill**, the US-based online therapy and wellness provider, announced the acquisition of **Virtual Care Group**, a US-based mental health startup, for an undisclosed amount. This acquisition expands Uwill's reach to over 3 million students across 400 colleges worldwide, and by integrating Virtual Care Group's telehealth and wellness support platform, Uwill aims to enhance its digital capabilities and address the increasing mental health needs of college students
- ▶ On July 9<sup>th</sup>, **SAIGroup**, a US-based enterprise AI investment firm, announced the acquisition of **Get Well**, a US-based provider of a digital patient engagement platform, for an undisclosed amount. The acquisition aims to integrate SAIGroup's advanced AI technology with Get Well's platform to build a leading precision care platform for hospitals and ambulatory centers

## Key Indicators

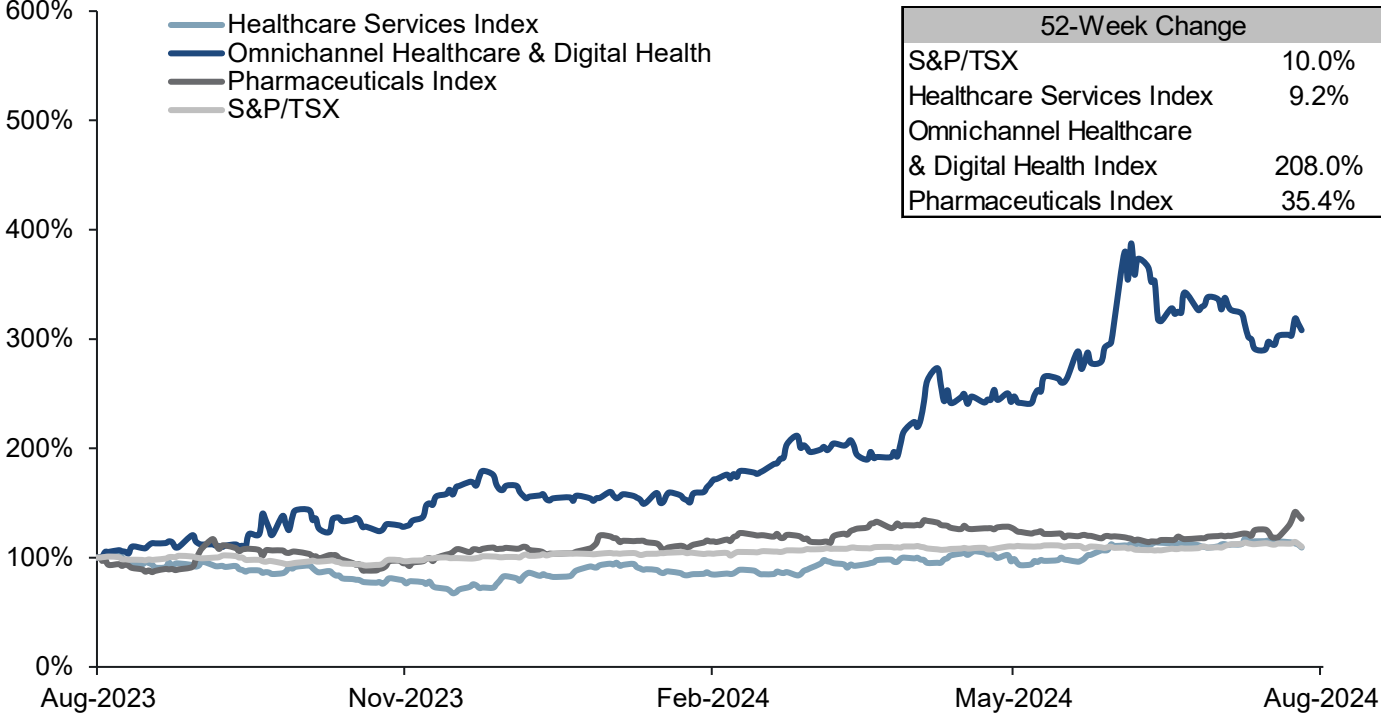
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
WELL Health Technologies Corp.	1,142.4	1,515.3	1.6x	1.4x	11.9x	10.1x	90.9%
Vitalhub Corp.	407.8	375.0	5.9x	5.1x	21.8x	17.4x	98.3%
Healwell AI Inc.	309.9	333.2	na	4.6x	neg	neg	63.8%
LifeSpeak Inc.	23.1	98.2	2.0x	1.8x	8.9x	6.4x	51.3%
<b>Average</b>			<b>3.1x</b>	<b>3.2x</b>	<b>14.2x</b>	<b>11.3x</b>	<b>76.1%</b>

- ▶ On July 29<sup>th</sup>, **Collegium Pharmaceutical, Inc. ("Collegium") (Nasdaq: COLL)**, a US-based specialty pharmaceutical company, announced a definitive agreement to acquire **Ironshore Therapeutics Inc.**, a US-based pharmaceutical company, for cash of US\$525 million, and potential for an additional US\$25 million milestone payment. The immediately accretive deal will add neurology to Collegium’s pain management portfolio, with the addition of Ironshore’s ADHD treatment Jornay PM
- ▶ On July 29<sup>th</sup>, **Cipher Pharmaceuticals Inc.** announced the signing of a definitive asset purchase agreement with **ParaPro LLC** and the closing of the acquisition of the global product rights for Natroba™ and authorized generic Spinosad, as well as their 50-person commercial sales and marketing team in the United States for total consideration of US\$89.5 million. The acquisition will double Cipher’s sales and earnings while enhancing the company’s dermatology focused strategy
- ▶ On July 24<sup>th</sup>, **Edwards Lifesciences (NYSE: EW)**, a US-based global leader in patient-focused innovations for structural heart disease and critical care monitoring, announced the acquisition of **JenaValve Technology**, a Germany-based pioneer in the transcatheter treatment of aortic regurgitation (AR), and the exercise of its option to acquire **Endotronix**, a US-based leader in heart failure management solutions, for a total of US\$1.2 billion. These acquisitions aim to address large unmet patient needs in aortic regurgitation and heart failure, expanding Edwards' structural heart portfolio
- ▶ On July 23<sup>rd</sup>, **Owens & Minor, Inc. ("Owens & Minor") (NYSE: OMI)**, a US-based global healthcare solutions company, announced that it has entered into a definitive agreement to acquire **Rotech Healthcare Holdings, Inc.**, a US-based provider of home medical equipment and related products and services, for US\$1.36 billion. The deal will strengthen Owens & Minor's Patient Direct segment by expanding its product offerings and enhancing service capabilities for patients, providers, and payors
- ▶ On July 22<sup>nd</sup>, **Agilent Technologies Inc. ("Agilent") (NYSE: A)**, a US-based global leader in analytical and clinical laboratory technologies, announced that it has signed a definitive agreement to acquire **BIOVECTRA**, a Canada-based specialized contract development and manufacturing organization (CDMO), for US\$925 million. The acquisition will expand Agilent’s end-to-end biopharma solutions, including biologics, highly potent active pharmaceutical ingredients, and sterile fill-finish services, building on Agilent’s CDMO specialization in oligonucleotides and CRISPR therapeutics
- ▶ On July 22<sup>nd</sup>, **Hamilton Thorne Ltd. ("Hamilton Thorne") (TSX:HTL)**, a leading Canada-based provider of precision instruments, consumables, software, and services to the Assisted Reproductive Technologies (ART), research, and cell biology space, announced the signing of a definitive arrangement agreement to be acquired by **Astorg**, a leading private equity firm with an extensive track record in global healthcare investments, for an enterprise value of C\$388 million
  - Simultaneously, Astorg entered into a binding letter of intent to acquire the **ART product portfolio of Cook Medical** a leading provider of IVF consumables for the ART space with a portfolio of trusted brands including ovum aspiration needles, catheters, pipettes, equipment, and other specialty products. Astorg intends to combine Hamilton Thorne and Cook ART upon their completion

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In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
Bausch Health Companies Inc.	2,817.9	24,830.9	1.9x	1.8x	5.6x	5.3x	50.5%
Knight Therapeutics Inc.	562.4	440.4	1.3x	1.2x	7.6x	6.9x	89.2%
Cipher Pharmaceuticals Inc.	310.4	268.7	6.5x	3.9x	11.1x	6.8x	94.5%
HLS Therapeutics Inc.	100.1	165.8	2.1x	1.9x	8.0x	6.6x	52.9%
Theratechnologies Inc.	86.9	110.2	0.9x	0.8x	5.4x	4.4x	42.5%
Medexus Pharmaceuticals Inc.	55.8	100.4	0.7x	0.7x	5.2x	6.0x	64.6%
<b>Average</b>			<b>2.2x</b>	<b>1.7x</b>	<b>7.1x</b>	<b>6.0x</b>	<b>65.7%</b>

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



### Charting the Course

- ▶ The TSX index increased 10.0% over the last 12-months, little changed from June’s 52-week increase of 10.7%, as investors weigh the signs of a possible recession amid fears of overtightening by central banks and a mixed earnings season
- ▶ Our Healthcare Services Index reflects a 12-month increase of 9.2%, down from June’s increase of 12.4%, potentially signifying moderating buyer activity after a period of optimism
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded an increase of 208.0% over the past 12-months, down from June’s 336.0% increase, as digital healthcare companies follow the broader tech sector and take a breather after a sustained rally
- ▶ Our Pharmaceuticals Index increased 35.4% over the last 12-months, up from June’s 8.1% increase, as investors continue to come in on the back of strong earnings

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

## About Us

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**  
Chicago | Montreal | Toronto  
[www.originmerchant.com](http://www.originmerchant.com)

## OMP Healthcare Team



**CATHY STEINER**  
MANAGING DIRECTOR, HEALTHCARE LEAD  
[cathy.steiner@originmerchant.com](mailto:cathy.steiner@originmerchant.com)



**LAWRENCE RHEE**  
MANAGING DIRECTOR  
[lawrence.rhee@originmerchant.com](mailto:lawrence.rhee@originmerchant.com)