

October 2024

Industry Highlights on
Healthcare



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North America's Middle Market M&A Advisory Boutique.



- ▶ On October 23rd, **Schweiger Dermatology Group (“Schweiger”)**, a US-based dermatology practice, backed by US-based **LNK Partners**, **LLR Partners** and **SV Health Investors**, announced the acquisition of **ClearlyDerm**, a US-based dermatology provider, for an undisclosed amount. The acquisition is a part of Schweiger’s expansion plans for South Florida, and adds new locations in Boca Raton, West Boca Raton, Fort Lauderdale, Boynton Beach, and Delray Beach respectively
- ▶ On October 23rd, **Help at Home**, a US-based in-home personal care provider, backed by US-based **Centerbridge Partners** and US-based **Vistria Group**, announced the acquisition of **Caregiver Services, Inc.**, a US-based provider of home care services across 49 counties, for an undisclosed amount. The acquisition bolsters Help at Home’s presence in Florida, particularly within Medicaid-managed care and private pay markets, and enhances support for seniors across major regions in the state
- ▶ On October 16th, **Sienna Senior Living Inc. (“Sienna”) (TSX: SIA)**, a Canada-based senior living provider, announced that it has entered into an agreement to acquire a portfolio of four continuing care homes in Alberta, consisting of 540 suites in the Calgary Metropolitan Region, Edmonton, Fort Saskatchewan and Medicine Hat, for C\$181.6 million. The acquisition provides immediate scale in Alberta’s continuing care segment in high-demand areas with government-funded care services, and is also accretive to Operating Funds From Operations (OFFO) and Adjusted Funds From Operations (AFFO) per common share after closing
- ▶ On October 14th, **Preferred Physical Therapy (“PPT”)**, a US-based physical therapy provider, a subsidiary of **Confluent Health**, a US-based network of physical and occupational therapy clinics, a portfolio company of Switzerland-based **Partners Group**, announced the acquisition of **Elite Sports Medicine & Physical Therapy (“Elite”)**, a Kansas-based physical therapy practice, for an undisclosed amount. The acquisition strengthens PPT’s footprint in Kansas, enabling both entities to deliver expanded care options across the state and enhancing resources available to Elite’s clinical team through Confluent Health’s management and support services
- ▶ On October 7th, **University of Iowa Health Care (“UI Health Care”)**, Iowa’s academic health system and only National Cancer Institute-designated cancer center, announced an agreement to acquire **Mission Cancer + Blood (“Mission”)**, an Iowa-based oncology and hematology practice with community clinics statewide, for US\$280 million. This partnership will enhance cancer care across Iowa, focusing on expanding local access to specialized treatment and research, particularly for rural communities
- ▶ On October 1st, **H.I.G. Capital**, a US-based global alternative investment firm, announced the completion of its acquisition of **SkinCure Oncology**, a US-based provider of image-guided superficial radiation therapy (IG-SRT) for nonmelanoma skin cancer, for an undisclosed amount. The acquisition supports SkinCure’s growth strategy by expanding its GentleCure platform across new and existing dermatology and Mohs practices

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
dentalcorp Holdings Ltd.	1,807.3	3,093.8	1.9x	1.8x	10.4x	9.8x	97.9%
CareRx Corporation	116.5	198.5	0.5x	0.5x	5.4x	5.2x	80.7%
Average			1.2x	1.2x	7.9x	7.5x	89.3%

- ▶ On November 4th, **WELL Health Technologies Corp. (“WELL”)** (TSX:WELL), a Canada-based digital healthcare company, announced that it has agreed to acquire the Canadian clinical assets of **Jack Nathan Medical Corp. (“Jack Nathan”)** (TSXV: JNH) for C\$5 million. This acquisition includes a network of 16 owned and operated primary care clinics in 13 Canadian cities, which generated over \$10 million in revenue in the past 12 months, and a clinic licensing business with 62 licensee clinics, which generated over \$2.2 million in annual revenue. On closing, WELL will acquire Jack Nathan's rights to operate medical clinics within Walmart Canada's footprint of over 400 locations
- ▶ On October 30th, **VitalHub Corp. (“VitalHub”)** (TSX: VHI), a Canada-based healthcare technology company, announced that it has acquired **Strata Health Solutions Inc. (“Strata Health”)**, a Canada-based provider of patient flow solutions internationally, for C\$32.3 million plus potential performance-based consideration. The acquisition extends VitalHub's capabilities into electronic referral and waitlist management solutions, addressing fragmented care transitions and enhancing patient outcomes by integrating Strata Health's automated referral and placement technologies
- ▶ On October 30th, **Francisco Partners (“FP”)**, a US-based investment firm specializing in technology businesses, announced a definitive agreement to acquire **AdvancedMD**, a US-based provider of cloud-based medical office software, from **Global Payments, Inc. (NYSE: GPN)**, a US-based provider of payment technology and software solutions, for US\$1.1 billion. The acquisition enables AdvancedMD to focus on accelerating growth and expanding product offerings by leveraging FP's deep experience in healthcare technology and corporate carve-outs
- ▶ On October 24th, **CorroHealth**, a US-based provider of healthcare revenue cycle management (RCM) solutions, announced a strategic investment partnership with **Patient Square Capital (“Patient Square”)**, a US-based healthcare investment firm, for an undisclosed amount. Current shareholders, including **Carlyle (NASDAQ: CG)**, **TT Capital Partners**, and **Sanaka Group**, will remain investors, with joint control held by Patient Square and Carlyle. The partnership leverages Patient Square's expertise to drive growth, expand capabilities, and enhance value for CorroHealth's healthcare provider and payer clients
- ▶ On October 10th, **Fullscript**, a Canada-based healthcare platform focused on whole person care, announced the acquisition of **Rupa Health**, a US-based provider of lab ordering and management solutions for healthcare practitioners, for an undisclosed amount. The acquisition integrates Rupa's lab and education platform with Fullscript's services, streamlining access to diagnostics and supplementation tools to support practitioners in delivering comprehensive care
- ▶ On October 1st, **Accel-KKR (“AKKR”)**, a US-based technology-focused investment firm, announced the acquisition of **VisiQuate, Inc. (“VisiQuate”)**, a US-based provider of advanced revenue cycle analytics, workflow, and AI-powered automation solutions for healthcare organizations, for an undisclosed amount. The acquisition leverages AKKR's extensive resources and strategic expertise to drive VisiQuate's growth and innovation, enhancing its offerings in revenue cycle management to improve efficiency, reduce process waste, and maximize financial performance for health systems

Key Indicators

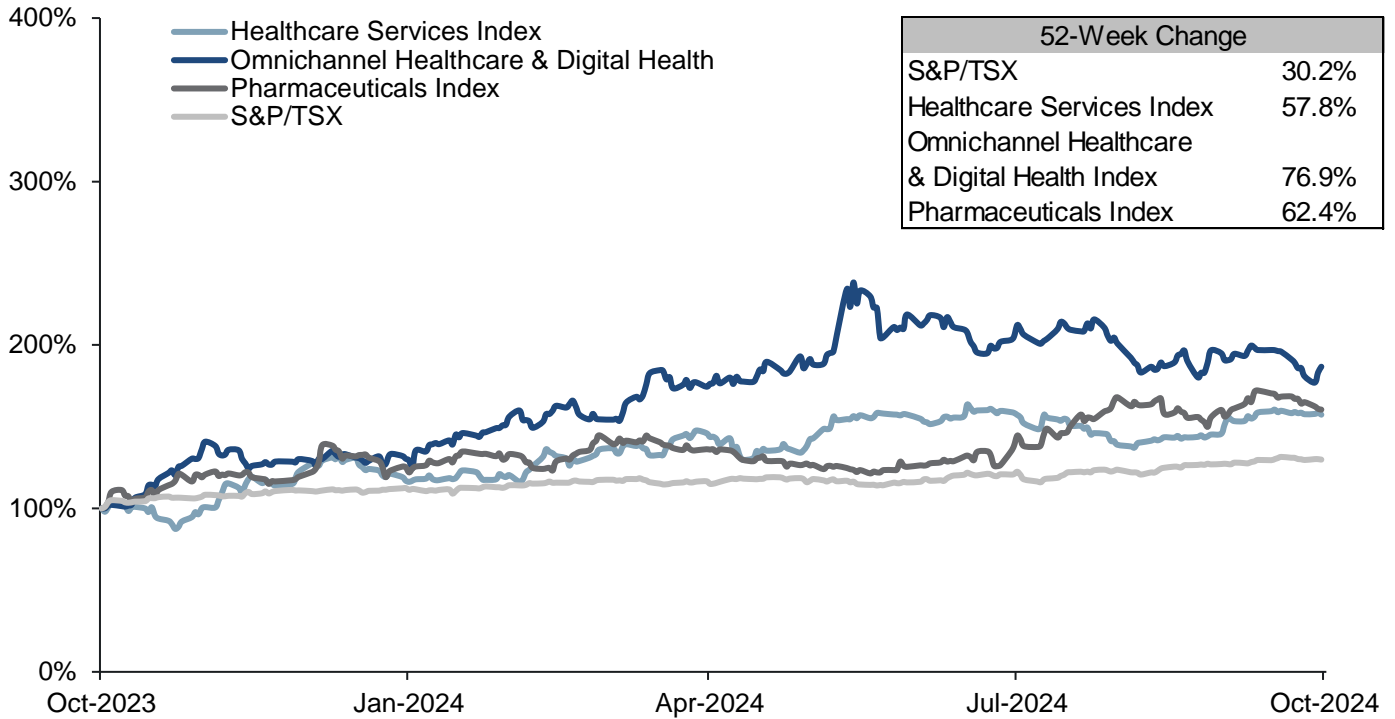
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
WELL Health Technologies Corp.	1,095.6	1,540.7	1.5x	1.4x	11.1x	10.3x	87.3%
Vitalhub Corp.	521.2	450.1	6.0x	5.5x	23.3x	19.8x	97.1%
Healwell AI Inc.	214.6	219.9	3.4x	3.0x	neg	neg	39.9%
LifeSpeak Inc.	21.9	99.1	1.9x	1.8x	8.5x	6.6x	50.0%
Average			3.2x	2.9x	14.3x	12.2x	68.6%

- ▶ On October 29th, **Crescent Biopharma, Inc. (“Crescent”)**, a US-based company advancing a pipeline of oncology therapeutics designed to treat solid tumors, announced that it has entered into an acquisition agreement with **GlycoMimetics, Inc. (NASDAQ: GLYC)**, a US-based biotechnology company focused on glycobiology-based therapies, for US\$270 million. The acquisition enables the combined entity to progress Crescent’s lead asset, CR-001, a PD-1 x VEGF bispecific antibody, alongside two additional antibody-drug conjugate programs targeting solid tumors
- ▶ On October 28th, **AbbVie Inc. (“AbbVie”) (NYSE: ABBV)**, a US-based biopharmaceutical company, announced a definitive agreement to acquire **Aliada Therapeutics (“Aliada”)**, a US-based biotechnology company advancing therapies for central nervous system (CNS) diseases using blood-brain barrier (BBB) crossing technology to support broader CNS drug delivery advancements, for US\$1.4 billion. The acquisition bolsters AbbVie’s neuroscience pipeline with Aliada’s lead asset, ALIA-1758, an investigational antibody targeting Alzheimer’s disease
- ▶ On October 24th, **Lyell Immunopharma, Inc. (“Lyell”) (Nasdaq: LYEL)**, a US-based clinical-stage biotechnology company advancing CAR T-cell therapies, announced that it has entered into a definitive agreement to acquire **ImmPACT Bio USA Inc.**, a US-based clinical-stage biotechnology company with a focus on CAR T-cell treatments for hematologic malignancies, for US\$87.5 million. The acquisition strengthens Lyell’s clinical pipeline for large B-cell lymphoma with the addition of IMPT-314, a dual-targeting CD19/CD20 CAR T-cell product candidate
- ▶ On October 23rd, **Merck & Co., Inc. (“Merck”) (NYSE: MRK)**, a US-based pharmaceutical company, announced the acquisition of **Modifi Biosciences (“Modifi”)**, a US-based biotechnology company developing cancer therapeutics targeting DNA repair defects, for US\$30 million upfront plus potential milestone payments up to US\$1.3 billion. The acquisition brings Modifi’s novel small molecule platform, focused on treating tumors with DNA repair defects, into Merck’s oncology pipeline
- ▶ On October 14th, **H. Lundbeck A/S (“Lundbeck”) (CPSE:HLUN B)**, a Denmark-based biopharmaceutical company focused on brain health, announced an agreement to acquire **Longboard Pharmaceuticals, Inc. (“Longboard”) (NASDAQ: LBPH)**, a US-based clinical-stage biopharmaceutical company developing novel medicines for neurological diseases, for US\$2.6 billion. The acquisition significantly enhances Lundbeck’s neuroscience pipeline with Longboard’s lead asset, bexicaserin, a potential drug in development for Developmental and Epileptic Encephalopathies (DEEs)
- ▶ On October 14th, **Hologic, Inc. (“Hologic”) (NASDAQ: HOLX)**, a US-based medical technology company focused on women’s health, announced a definitive agreement to acquire **Gynesonics, Inc. (“Gynesonics”)**, a US-based medical device company specializing in minimally invasive solutions for women’s health, for US\$350 million. The acquisition adds Gynesonics’ Sonata System for incisionless fibroid treatment to Hologic’s offerings, supporting its commitment to providing innovative, minimally invasive options for women’s health

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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.	4,730.4	34,897.1	3.6x	3.5x	10.1x	10.3x	80.8%
Knight Therapeutics Inc.	570.5	467.3	1.3x	1.3x	8.0x	7.7x	90.9%
Cipher Pharmaceuticals Inc.	386.7	321.4	5.0x	4.7x	9.6x	8.4x	76.1%
HLS Therapeutics Inc.	104.9	174.1	2.7x	2.7x	9.2x	8.2x	60.2%
Theratechnologies Inc.	77.7	103.3	0.9x	0.9x	4.1x	4.0x	49.3%
Medexus Pharmaceuticals Inc.	54.5	107.0	0.8x	0.8x	5.0x	4.2x	71.2%
Average			2.4x	2.3x	7.7x	7.1x	71.4%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index increased 30.2% over the last 12-months, up from September’s increase of 22.2%, with the market running up on continuing positive inflation data out of both US and Canada maintaining hopes for a smooth rate cut cycle
- ▶ Our Healthcare Services Index reflects a 12-month increase of 57.8%, up significantly from September’s increase of 29.0%, signifying aggressive buyer activity after a period of moderation
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded an increase of 76.9% over the past 12-months, up from September’s 62.5% increase, with Healwell AI and other digital healthcare companies resuming their climb, in line with the broader market, after investors took a pause following their previous run-up
- ▶ Our Pharmaceuticals Index increased 62.4% over the last 12-months, up from September’s 42.6% increase, as investors remain optimistic and 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



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