

December 2024

Industry Highlights on
Healthcare



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



- ▶ On December 23rd, **NeueHealth, Inc. (“NeueHealth”) (NYSE:NEUE)**, a US-based value-based care provider, announced that it has entered into a definitive agreement to be taken private by **New Enterprise Associates (“NEA”)**, a US-based venture capital firm, for US\$1.3 billion. For the year ending Sep 30, 2024, NeueHealth had a revenue of US\$997 million. The transaction will allow NeueHealth to scale its integrated care delivery platform and accelerate partnerships with payers and providers in value-based care arrangements
- ▶ On December 11th, **Amulet Capital Partners, LP (“Amulet”)**, a US-based healthcare-focused PE firm, announced a new platform investment in **Theoria Management, LLC (“Theoria”)**, a tech-enabled management service organization (MSO) providing value-based primary care services to senior living communities across the US, for an undisclosed amount. Theoria will leverage Amulet’s sectoral expertise and resources to usher in its next phase of growth and further its mission of delivering on-site and virtual value-based care for high-acuity seniors
- ▶ On December 11th, **Duke Health**, a US-based academic health system, announced that it has signed an asset purchase agreement to acquire **Lake Norman Regional Medical Center**, a 123-bed, acute-care hospital in Mooresville, North Carolina, from **Community Health Systems, Inc. (NYSE:CYH)**, a US-based operator of general acute care hospitals, for US\$280 million. The acquisition represents a significant expansion of Duke Health's clinical services beyond the greater Triangle area, aiming to bring comprehensive healthcare services to the Lake Norman community
- ▶ On December 5th, **Orthopedic Care Partners (“OCP”)**, a US-based orthopedic practice management platform, a portfolio company of US-based **Varsity Healthcare Partners (“VHP”)**, announced that it has secured a US\$185 million strategic investment from Canada-based **Brookfield Asset Management**, and concurrently completed a US\$358 million senior debt refinancing led by US-based **TPG Twin Brook Capital Partners**. These transactions enhance OCP's capital structure, positioning the company for accelerated growth and expansion in the orthopedic care sector
- ▶ On December 3rd, **Goldman Sachs Alternatives**, the alternative investments platform of **Goldman Sachs Asset Management**, announced that it has acquired the **Center for Social Dynamics (“CSD”)**, a US-based provider of applied behavior analysis (ABA) therapy for children with Autism Spectrum Disorder (ASD), for an undisclosed amount. The acquisition supports CSD's mission to expand access to high-quality, evidence-based care for children with ASD and their families across multiple settings, including in-person, at home, virtually, in schools, and in centers
- ▶ On November 25th, **Yorkville Health Care Fund**, alongside **Southbridge Health Care LP**, announced the significant acquisition of 21 long-term care homes from **Revera Inc.**. The expanded portfolio now includes 57 homes with a resident capacity of approximately 6,500, positioning Southbridge as a leading owner-operator in Canada, with a commitment to improving senior living conditions

Key Indicators

In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
dentalcorp Holdings Ltd.	1,695.0	2,994.9	1.9x	1.8x	10.5x	9.4x	81.1%
CareRx Corporation	126.5	206.7	0.6x	0.5x	6.7x	5.7x	86.8%
Average			1.3x	1.2x	8.6x	7.6x	84.0%

- ▶ On December 20th, **Commure**, a US-based healthcare technology company focused on AI-powered solutions, announced that it has acquired **Memora Health**, a US-based digital care navigation platform, for an undisclosed amount. The acquisition integrates Memora’s patient navigation tools with Commure’s existing AI-powered portfolio, strengthening its offerings in patient engagement, clinical documentation, revenue cycle management, and real-time location system (RTLS) solutions to enhance personalized patient care and operational outcomes
- ▶ On December 16th, **HEALWELL AI Inc. (“HEALWELL”)** (TSX: AIDX), a Canada-based healthcare AI company focused on preventative care, announced that it has entered into an agreement to acquire **Orion Health Holdings Limited (“Orion Health”)**, a New Zealand-based provider of data interoperability and healthcare navigation products and services, for US\$112 million. The acquisition enhances HEALWELL’s leadership in healthcare data interoperability and AI-powered care delivery, expanding its capabilities to support value-based care globally
- ▶ On December 12th, **Greenlight Health Data Solutions**, a US-based provider of patient-consented access to medical records across diverse electronic health record (EHR) systems, announced its merger with **Pattern Health**, a US-based developer of digital health solutions for patient engagement, clinical trials, and Clinical Outcome Assessments (COAs), for an undisclosed amount. The merger, supported by a US\$6 million investment, combines Pattern Health’s expertise in digital health with Greenlight’s advanced data integration capabilities to streamline real-world data collection, optimize clinical trial operations, and enhance patient engagement for healthcare providers, insurers, and researchers
- ▶ On December 9th, **Carta Healthcare**, a US-based health tech company specializing in AI-powered clinical data solutions, announced that it has acquired **Realyze Intelligence**, a US-based AI-driven platform for matching patients to clinical trials, for an undisclosed amount. The addition of Realyze Intelligence’s clinician-trained AI will enhance Carta Healthcare’s capabilities in oncology research by significantly reducing the labor demands for clinical data registry abstraction
- ▶ On December 4th, **Creach Family Holdings**, a US-based private investment firm focused on healthcare technology and tech-enabled services, announced that it has acquired **HealthRev Partners**, a US-based provider of revenue cycle management (RCM) services for the home health and hospice market, for an undisclosed amount. The acquisition complements Creach Family Holdings’ portfolio, which includes Careficient, an electronic medical record (EMR) provider for home health and hospice agencies, allowing it to offer an integrated suite of solutions that streamline operations
- ▶ On December 4th, **Neurotone AI**, a US-based player in aural rehabilitation and creator of the LACE AI Pro auditory training program, announced that it has entered into a definitive agreement to acquire **Amptify**, a US-based digital hearing healthcare platform developed at Washington University in St. Louis School of Medicine, for an undisclosed amount. The acquisition enhances LACE AI Pro’s platform with Amptify’s evidence-based digital tools, expanding its capabilities in auditory training and patient engagement for improved hearing health outcomes

Key Indicators

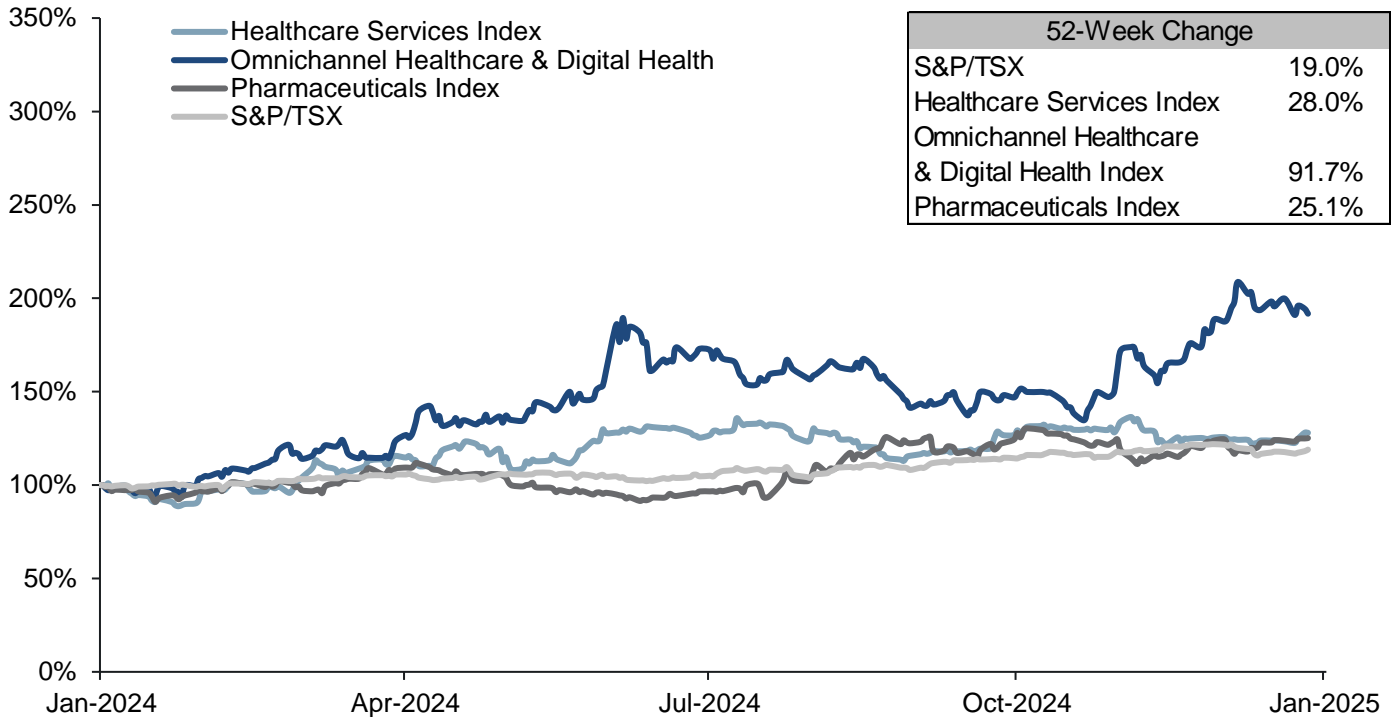
In \$CAD millions	Market		TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
	Cap	TEV	2024E	2025E	2024E	2025E	
WELL Health Technologies Corp.	1,783.0	2,057.3	2.1x	1.9x	16.2x	13.8x	98.5%
Vitalhub Corp.	564.2	483.1	7.2x	5.6x	27.7x	20.6x	89.2%
Healwell AI Inc.	368.2	379.2	32.1x	5.3x	neg	neg	61.3%
LifeSpeak Inc.	21.0	100.5	2.1x	2.0x	9.1x	7.5x	47.3%
Average			10.9x	3.7x	17.7x	13.9x	74.1%

- ▶ On December 30th, **Marinus Pharmaceuticals, Inc. (“Marinus”)** (Nasdaq: MRNS), a US-based pharmaceutical company focused on seizure disorders, announced that it has entered into a definitive agreement to be acquired by **Immedica Pharma AB**, a Sweden-based rare disease company, for US\$151 million. For the year ending September 30, 2024, Marinus had a revenue of US\$31 million. The acquisition adds global rights to ZTALMY, a commercial-stage treatment for CDKL5 deficiency disorder, and accelerates Immedica’s entry into the North American market with a revenue-generating product and established commercial team
- ▶ On December 23rd, **Inmagene Biopharmaceuticals (“Inmagene”)**, a China-based clinical-stage biotechnology company focused on immunological and inflammatory diseases, announced that it has entered into a definitive agreement to acquire **Ikena Oncology, Inc. (“Ikena”)** (Nasdaq: IKNA), a US-based biopharmaceutical company, for an undisclosed amount. Inmagene also announced that it has secured US\$75 million in private placement financing from leading investors, including **Deep Track Capital, Foresite Capital, and RTW Investments**. The acquisition positions Inmagene to advance IMG-007, an OX40-targeting monoclonal antibody for atopic dermatitis, leveraging Ikena’s immunology expertise and infrastructure to accelerate a Phase 2b clinical trial set for early 2025
- ▶ On December 20th, **Aadi Bioscience, Inc. (“Aadi”)** (NASDAQ: AADI), a US-based biopharmaceutical company, announced that it has secured an exclusive license agreement for a portfolio of three preclinical antibody-drug conjugates (ADCs) in collaboration with China-based **WuXi Biologics** and **Hangzhou DAC Biotechnology Co., Ltd.** Aadi also announced the sale of **FYARRO**, an FDA-approved treatment of perivascular epithelioid cell tumor, to **KAKEN Pharmaceutical**, a Japan-based specialty pharmaceutical company, for US\$100 million. For the year ending September 30, 2024, FYARRO had a revenue of US\$25 million. These transactions position Aadi as a focused ADC company, with capital expected to fund operations into late 2028 and advance its pipeline through clinical development
- ▶ On December 13th, **AbbVie Inc. (“AbbVie”)** (NYSE: ABBV), a US-based biopharmaceutical company, announced that it has entered into a definitive agreement to acquire **Nimble Therapeutics**, a US-based biotechnology company specializing in peptide therapeutics, for US\$200 million. The acquisition strengthens AbbVie’s immunology pipeline with Nimble’s lead asset, an oral peptide inhibitor for psoriasis, a pipeline of novel oral peptide candidates targeting autoimmune diseases, and its proprietary peptide synthesis platform
- ▶ On December 3rd, **Coherus BioSciences, Inc. (“Coherus”)** (Nasdaq: CHRS), a US-based biopharmaceutical company, announced that it has entered into an agreement to divest its **UDENYCA (pegfilgrastim-cbqv)** franchise to **Intas Pharmaceuticals Ltd.**, an India-based pharmaceutical company, for US\$558 million. For the 2023 fiscal year, UDENYCA had a revenue of US\$127.1 million. The divestiture allows Coherus to focus exclusively on its immuno-oncology programs, including the development of its PD-1 inhibitor, LOQTORZI (toripalimab-tpzi), and other pipeline assets

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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.	4,073.1	25,793.1	1.9x	1.8x	5.4x	5.2x	73.0%
Knight Therapeutics Inc.	541.3	427.2	1.2x	1.2x	7.5x	8.5x	86.2%
Cipher Pharmaceuticals Inc.	369.0	400.2	8.4x	5.7x	17.6x	10.6x	73.2%
HLS Therapeutics Inc.	125.9	177.0	2.2x	2.0x	7.6x	6.1x	72.3%
Theratechnologies Inc.	123.2	142.2	1.2x	1.2x	5.5x	5.2x	78.1%
Medexus Pharmaceuticals Inc.	84.5	120.5	0.8x	0.9x	4.7x	5.3x	97.7%
Average			2.6x	2.1x	8.1x	6.8x	80.1%

Indexed Segment Performance¹



Charting the Course

- ▶ The TSX index increased 19.0% over the last 12-months, down from the increase of 26.0% at November, with the market taking a breather in response to hawkish commentary by the Fed, along with uncertainty ahead of the upcoming change in US administration and shifting political backdrop in Canada
- ▶ Our Healthcare Services Index reflects a 12-month increase of 28.0%, down from November's increase of 35.8%, signifying moderating buyer activity after a period of sustained optimism
- ▶ Our Omnichannel Healthcare & Digital Health Index has recorded an increase of 91.7% over the past 12-months, up from November's 54.5% increase, with digital healthcare companies going up in response to promising acquisition announcements
- ▶ Our Pharmaceuticals Index increased 25.1% over the last 12-months, down slightly from November's 26.5% increase, as investors take a more measured approach after a strong earnings season

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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