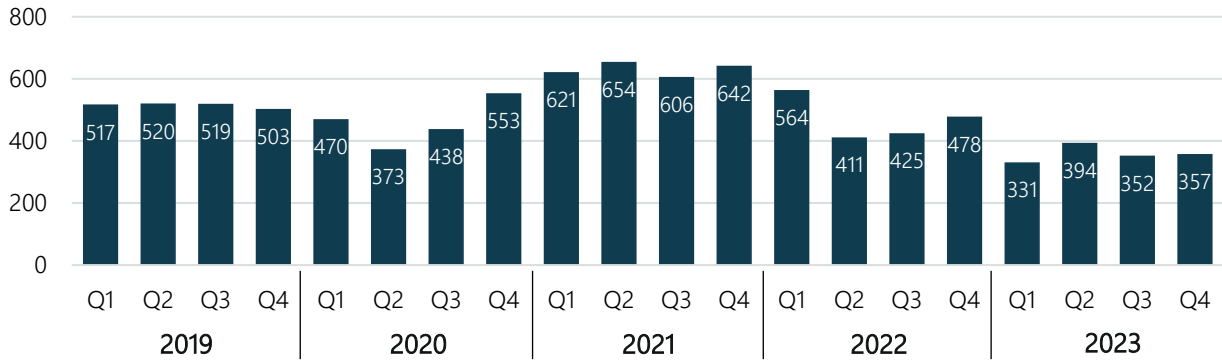


Healthcare Services

Quarterly Update | Q4 2023



North American Mid-Market Healthcare M&A Activity (Transaction Count)



Source: Capital IQ. Data as of December 31, 2023.

Above noted mid-market M&A activity includes disclosed transactions not exceeding a total transaction value of \$500 million.

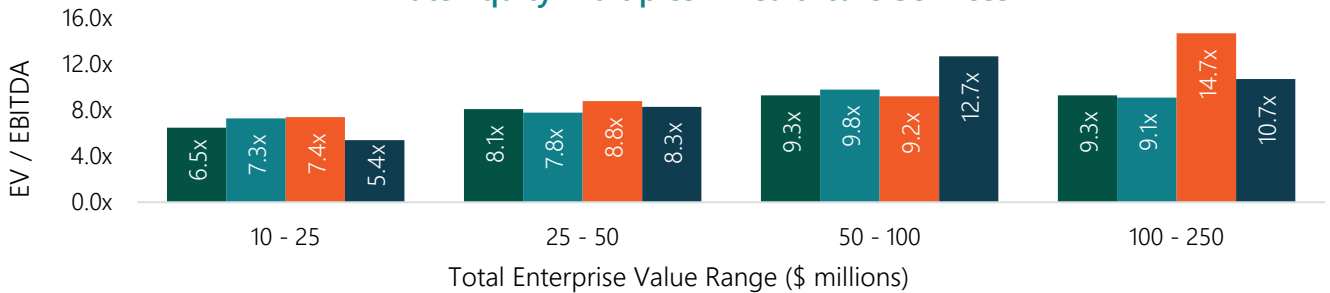
Canadian Transactions
29

Canadian Transaction Value
\$1.0 billion
(75.6% vs. Q3 2023)

U.S. Transaction Value
\$7.7 billion
(46.9% vs. Q3 2023)

U.S. Transactions
328

Private Equity Multiples - Healthcare Services



Source: GF Data. Data as of November 2023.

■ 2020 ■ 2021 ■ 2022 ■ YTD 2023

Healthcare merger and acquisition (M&A) activity in Q4 2023 reached over \$8.7 billion in disclosed transaction value across 357 deals in Canada and the U.S. The average deal size among disclosed transactions was \$109.3 million, up from \$68.7 million in Q3 2023.

In Canada, the top healthcare sub-sectors for deal activity in the quarter were pharmaceuticals (34%), drug retail (14%), biotechnology (10%), healthcare distributors (10%), and healthcare technology (10%).

During the YTD 2023, EV/EBITDA multiples for the healthcare services industry averaged 9.4x across all transactions, a 12% increase from 8.4x in 2022.

For lower mid-market transaction values (\$10-25 million range), EV/EBITDA multiples averaged 5.4x, a 27% decrease from 7.4x in 2022.

Healthcare execs expect M&A activity to rise again in 2024 –survey¹

November 14, 2023: A survey of industry executives concludes that global healthcare M&A activity should increase next year, with healthcare companies completing more acquisitions than private equity firms.

- The survey included 600 senior leaders in the sector, with 68% expecting deal volume to increase in 2024 and 60% expecting healthcare companies to complete most of the proposed transactions.
 - Global M&A activity across all industries is down 23% for the year, while healthcare M&A is up 22% over the same period, indicating resilience in the healthcare market.
-

Rover agrees to \$2.3 billion go-private deal with Blackstone²

November 29, 2023: Petcare company Rover Group will be taken private via a US\$2.3B all-cash deal from Blackstone, the world's largest alternative asset manager.

- Rover Group offers an online platform for dog care services, including dog boarding and dog walking. The company was initially taken public in 2021 via a special purpose acquisition company.
 - The shareholders of Rover Group will receive a 29.4% premium over the last closing price.
 - Petcare remains a stable industry as pets are prioritized like family, receiving proper food, care and veterinary services. Exposure to Rover Group will provide Blackstone additional resilience to economic downturns.
-

MCA Dental Group Announces Successful Capital Raise to Bolster DSO Acquisition Strategy³

December 11, 2023: MCA Dental Group (MCA), a Canadian Dental Support Organization, has completed a successful capital raise with Persistence Capital Partners (PCP).

- MCA is an acquisition-focused Dental Support Organization with the goal of establishing the largest and most successful network of dental practices in Canada.
- This deal allows MCA to continue its active search for acquisitions, utilizing the influx of capital provided by PCP.
- PCP is a healthcare-focused private equity fund with investments in dental, dermatology, pharmaceutical, clinical research, and other sectors.



Source 1: <https://www.reuters.com/business/healthcare-pharmaceuticals/healthcare-exec-survey-expect-ma-activity-rise-again-2024-2023-11-14/>

Source 2: <https://www.reuters.com/business/rover-shares-jump-23-bl-go-private-deal-with-blackstone-2023-11-29/>



Source 3: <https://www.newswire.ca/news-releases/mca-dental-group-announces-successful-capital-raise-to-bolster-dso-acquisition-strategy-883542106.html>

Market Update



Select Recent M&A Transactions

 to acquire 	<table border="1"> <tr> <td>Announced</td> <td>Oct 3, 2023</td> </tr> <tr> <td>Transaction Value</td> <td>\$429MM</td> </tr> <tr> <td>TEV/EBITDA</td> <td>14.76x</td> </tr> <tr> <td>Location (Vendor)</td> <td>Toronto, ON</td> </tr> </table>	Announced	Oct 3, 2023	Transaction Value	\$429MM	TEV/EBITDA	14.76x	Location (Vendor)	Toronto, ON
Announced	Oct 3, 2023								
Transaction Value	\$429MM								
TEV/EBITDA	14.76x								
Location (Vendor)	Toronto, ON								

- **Persistence Capital Partners (PCP)** is a Montreal-based private equity firm with a focus on healthcare sectors.
- PCP has signed a definitive agreement to buy the stake in Neighbourly that it does not already own and take the company private.
- The deal will see PCP (holding a 50.2% interest in Neighbourly) acquire the remaining shares for \$18.50 each, representing a 34% premium over the \$12.12 closing price.
- The total cost for the shares not currently held amounts to \$415 million.
- The deal is expected to close by March 29, 2024.

 has acquired 	<table border="1"> <tr> <td>Closed</td> <td>Oct 20, 2023</td> </tr> <tr> <td>Transaction Value</td> <td>Not disclosed</td> </tr> <tr> <td>TEV/EBITDA</td> <td>Not disclosed</td> </tr> <tr> <td>Location (Vendor)</td> <td>Wakaw, SK</td> </tr> </table>	Closed	Oct 20, 2023	Transaction Value	Not disclosed	TEV/EBITDA	Not disclosed	Location (Vendor)	Wakaw, SK
Closed	Oct 20, 2023								
Transaction Value	Not disclosed								
TEV/EBITDA	Not disclosed								
Location (Vendor)	Wakaw, SK								

- **Neighbourly Pharmacy (TSX: NBLY)** (Neighbourly) has acquired Wakaw Pharmacy for an undisclosed amount. Neighbourly is one of Canada's largest and fastest-growing networks of community pharmacies, with over 290 locations.
- **Wakaw Pharmacy Inc.** is a single-location pharmacy in Wakaw, SK, serving its community for over 28 years.
- **MNP Corporate Finance Inc.** acted as the exclusive financial advisor to Wakaw Pharmacy in structuring and negotiating the transaction.

 has acquired 	<table border="1"> <tr> <td>Closed</td> <td>Dec 20, 2023</td> </tr> <tr> <td>Transaction Value</td> <td>Not disclosed</td> </tr> <tr> <td>TEV/EBITDA</td> <td>Not disclosed</td> </tr> <tr> <td>Location (Vendor)</td> <td>Vancouver, BC</td> </tr> </table>	Closed	Dec 20, 2023	Transaction Value	Not disclosed	TEV/EBITDA	Not disclosed	Location (Vendor)	Vancouver, BC
Closed	Dec 20, 2023								
Transaction Value	Not disclosed								
TEV/EBITDA	Not disclosed								
Location (Vendor)	Vancouver, BC								

- **Medline Canada Corporation (Medline)** has acquired Sinclair Dental for an undisclosed amount. Medline is a healthcare supplies and equipment manufacturer and distributor headquartered in Mississauga, ON.
- **Sinclair Dental** is a full-service dental supplies and equipment distributor with over 530 employees, headquartered in Vancouver, B.C.

Industry Overview

Pharmacies and Drug Stores in Canada

The Canadian pharmacy and drug store industry includes the retailing of prescription and over-the-counter medications, health and beauty items, toiletries, and consumable goods directly to consumers.

Industry Glance

2023 Revenue

\$54.1 billion

Annual Growth 2018 – 2023

0.5%

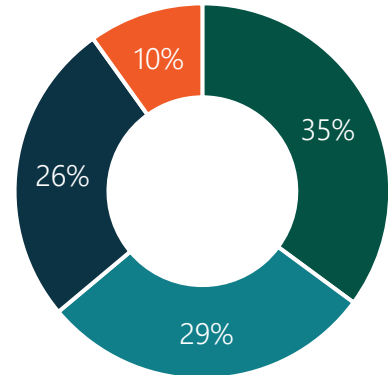
Projected Annual Growth 2023 – 2028

2.2%

Number of Businesses in 2023

11,661

Products and Services Segmentation (2023)



- Prescription pharmaceuticals
- Personal and beauty products
- Non-prescription pharmaceuticals
- Other

Dentists in Canada

The Canadian dental services industry is comprised of establishments of licensed dentists primarily engaged in the private or group practice of general or specialized dentistry or dental surgery.

Industry Glance

2023 Revenue

\$21.7 billion

Annual Growth 2018 – 2023

1.8%

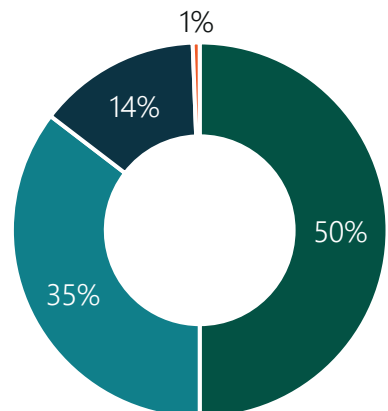
Projected Annual Growth 2023 – 2028

2.1%

Number of Businesses in 2023

28,853

Products and Services Segmentation (2023)



- Non-surgical intervention services
- Visits and consultations
- Oral surgery
- Other

Industry Overview

Veterinarian Services in Canada

The Canadian veterinarian services industry is comprised of veterinarians who provide medical, dental, and surgical treatments for animals. This industry also includes companies that provide laboratory and diagnostic testing for veterinary practitioners.

Industry Glance

2023 Revenue

\$6.2 billion

Annual Growth 2018 – 2023

0.6%

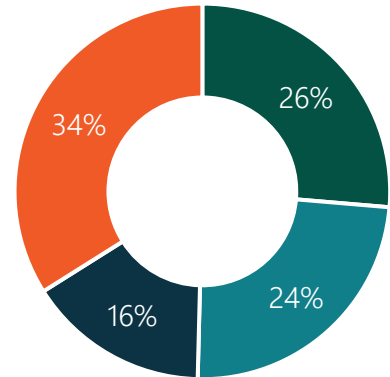
Projected Annual Growth 2023 – 2028

1.0%

Number of Businesses in 2023

5,796

Products and Services Segmentation (2023)



- Non-surgical procedures
- Routine exams
- Laboratory and diagnostic testing
- Other

Optometrists in Canada

The Canadian optometry industry is comprised of establishments of licensed optometrists primarily engaging in eye examinations and the prescription of eyeglasses, contact lenses, and eye exercises.

Industry Glance

2023 Revenue

\$1.9 billion

Annual Growth 2018 – 2023

0.5%

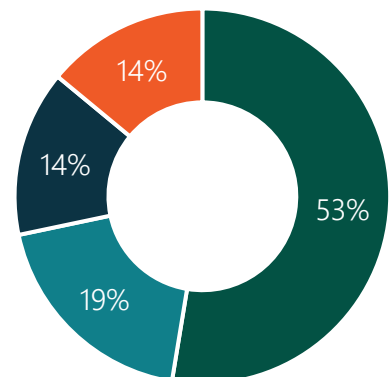
Projected Annual Growth 2023 – 2028

4.4%

Number of Businesses in 2023

6,278

Products and Service Segmentation (2023)

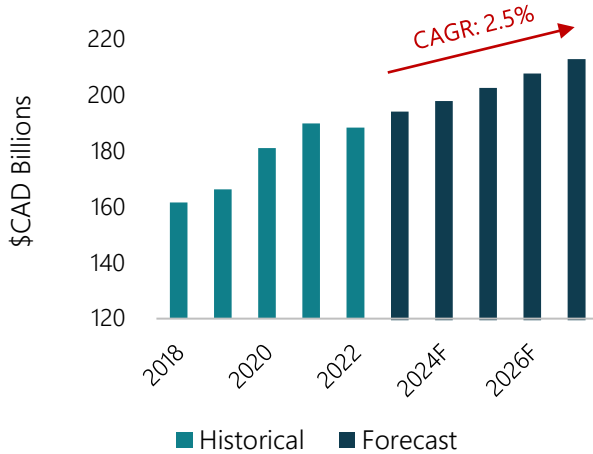


- Prescription eyewear
- Contact lenses
- Eye exams
- Other

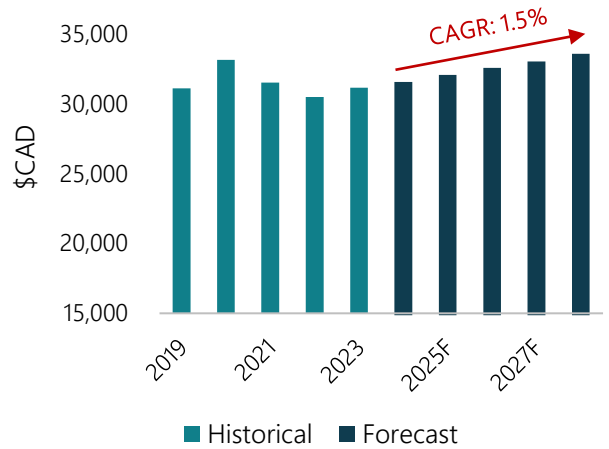
Macroeconomic Indicators

The healthcare industry is affected by a number of key macroeconomic growth drivers. Below, we highlight total public and private healthcare expenditure, per capita disposable income, the aging population in Canada, and national unemployment rates.

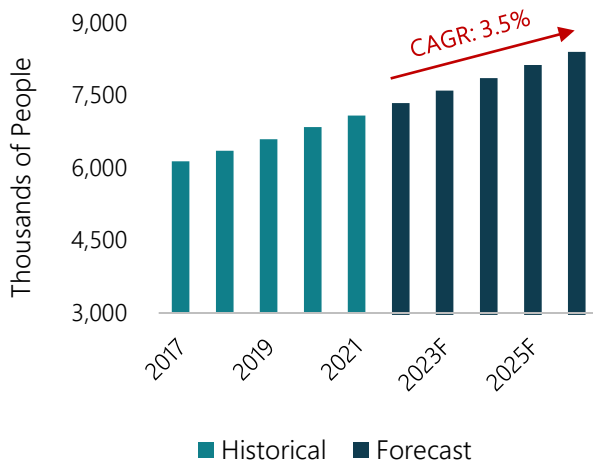
Total Health Expenditure - Canada



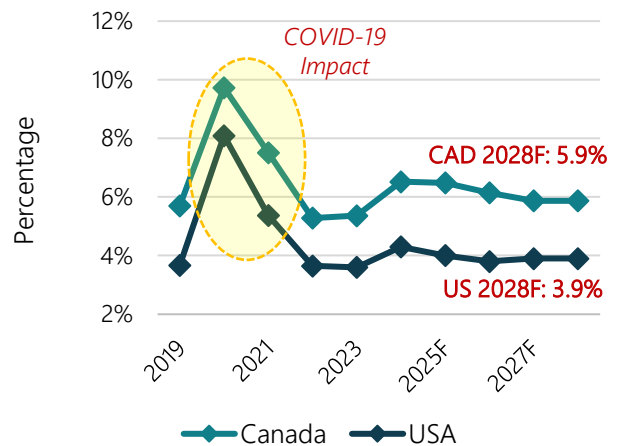
Per Capita Disposable Income - Canada



Population Aged Over 65 - Canada



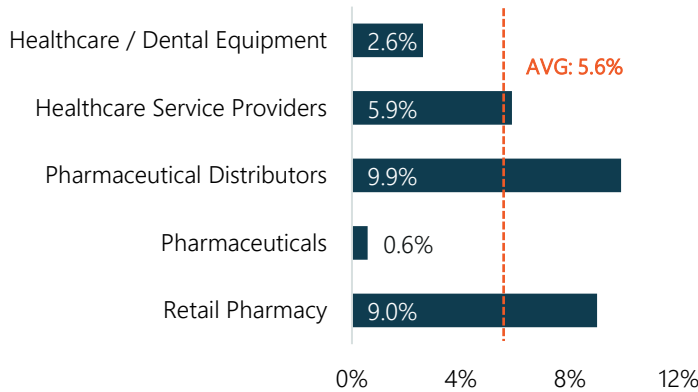
National Unemployment Rate



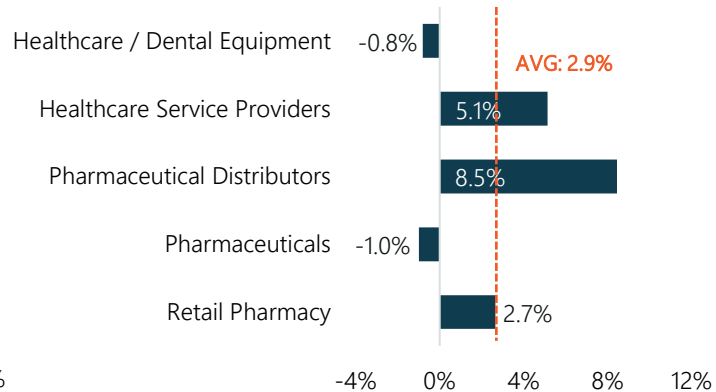
Public Comparable Analysis

Growth, Margins & Multiples

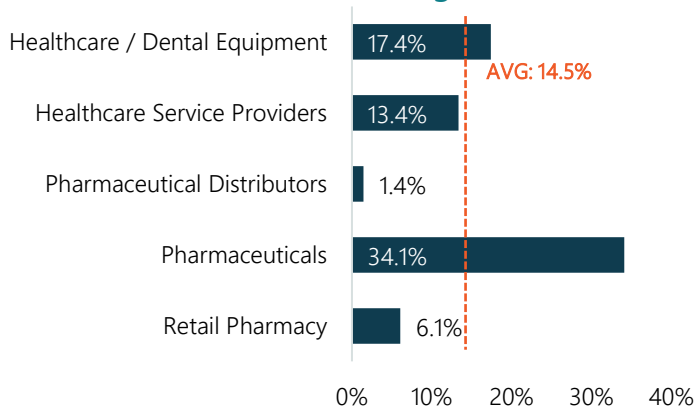
LTM Revenue Growth



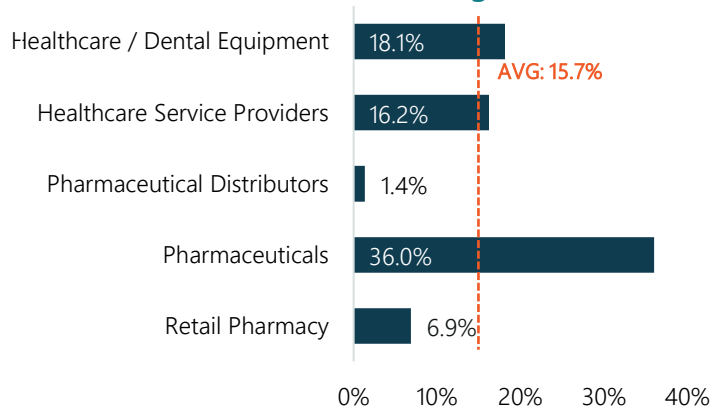
NTM Revenue Growth



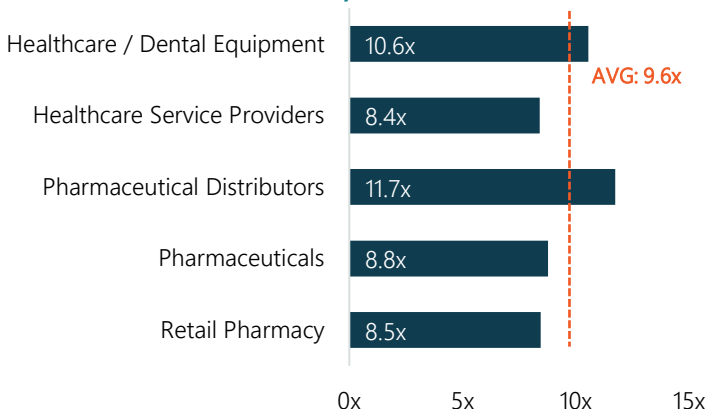
LTM EBITDA Margin



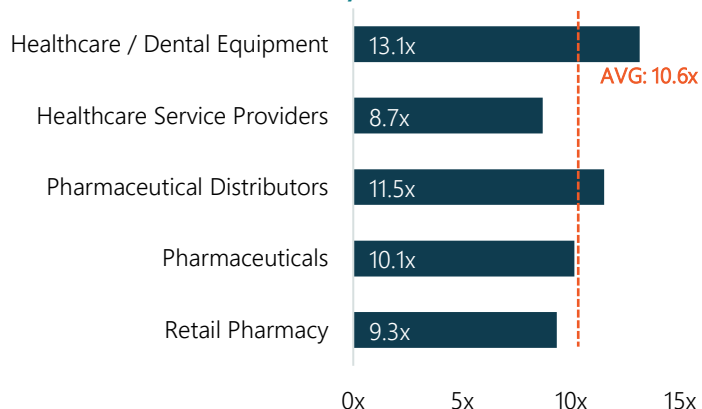
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA

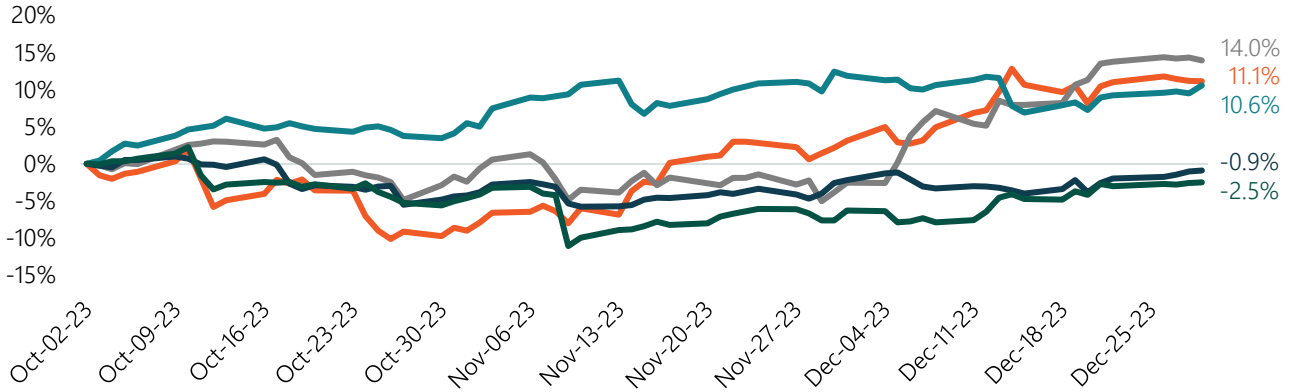


Source: Capital IQ. Data as of December 31, 2023.

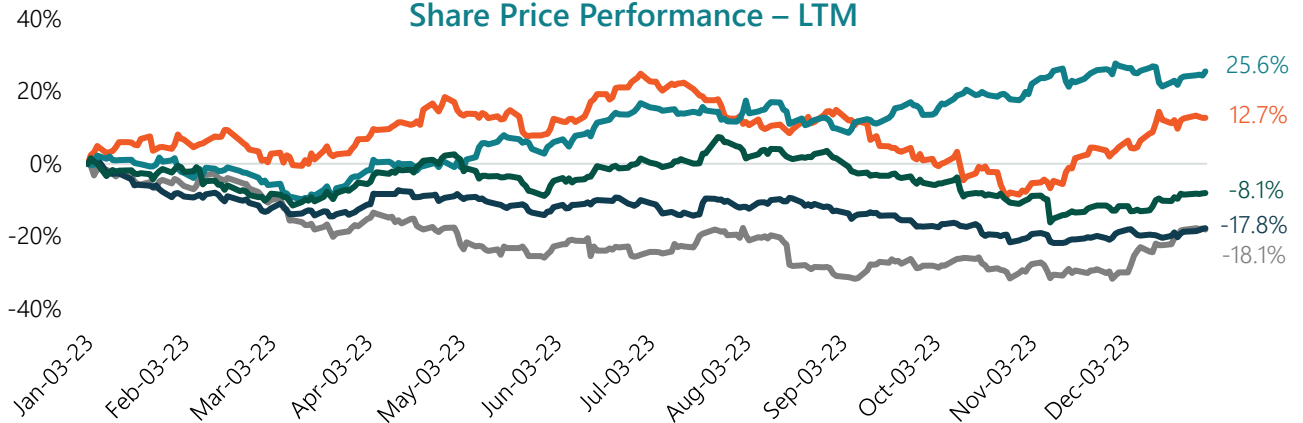
Note: Above noted healthcare peer groups are market capitalization weighted indexes. Valuation details provided on page 10.

"LTM" refers to last twelve months. "NTM" refers to next twelve months. Figures above are based on median peer group metrics.

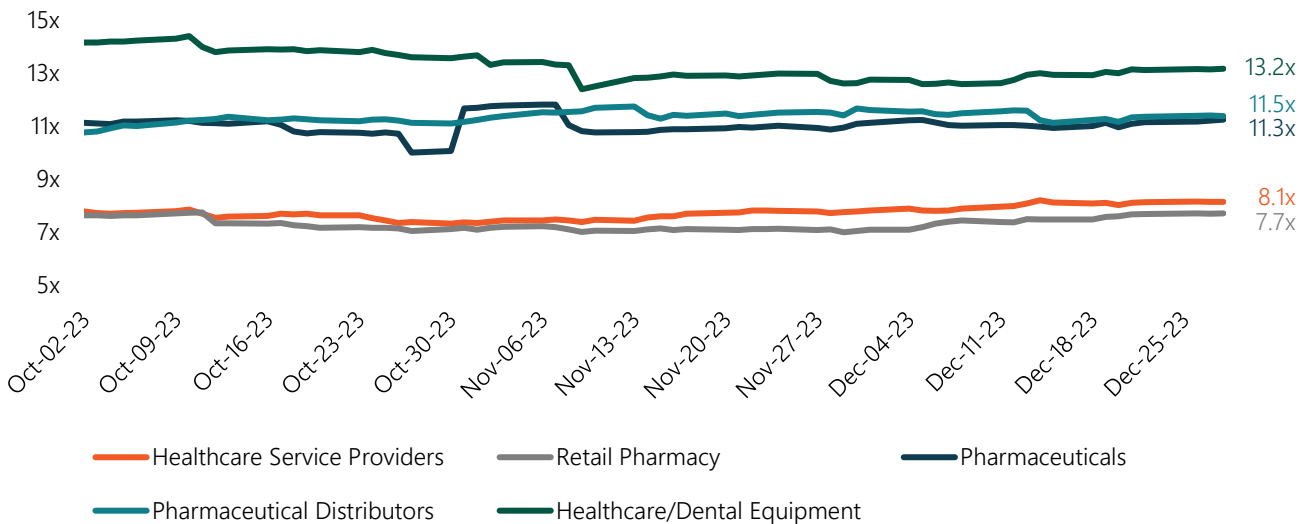
Health Care Peer Group Share Price Performance – Q3



Share Price Performance – LTM



Historical LTM EV/EBITDA – Q3



Source: Capital IQ. Data as of December 31, 2023.

Note: Above noted healthcare peer groups are market capitalization weighted indexes. Valuation details provided on page 10. "LTM" refers to last twelve months.

Public Comparable Analysis

Trading Multiples & Operating Statistics

We have selected a group of publicly traded healthcare entities for this high-level analysis. These public companies help act as a proxy for the industry and provide strong industry context.

(Figures in CAD millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Growth	EBITDA	Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Retail Pharmacy											
CVS Health Corporation	\$134,194	\$218,821	\$468,865	10.3%	\$29,033	6.2%	3.6%	5.5%	8.4x	7.7x	0.5x
Walgreens Boots Alliance, Inc.	\$29,789	\$85,574	\$193,285	7.7%	\$11,545	6.0%	0.9%	3.8%	12.5x	7.6x	0.5x
Neighbourly Pharmacy Inc.	\$752	\$1,086	\$856	57.1%	\$81	9.4%	12.3%	11.0%	10.2x	13.4x	1.3x
CareRx Corporation	\$96	\$194	\$374	(2.7%)	\$21	5.7%	1.7%	8.3%	6.0x	9.2x	0.5x
Median	\$15,271	\$43,330	\$97,070	9.0%	\$5,813	6.1%	2.7%	6.9%	9.3x	8.5x	0.5x
Mean	\$41,208	\$76,419	\$165,845	18.1%	\$10,170	6.8%	4.6%	7.2%	9.3x	9.5x	0.7x
Pharmaceuticals											
Johnson & Johnson	\$498,296	\$506,761	\$133,457	16.3%	\$47,771	35.8%	(10.8%)	36.0%	12.1x	10.9x	3.9x
Merck & Co., Inc.	\$364,836	\$399,368	\$80,238	0.6%	\$17,948	22.4%	2.9%	39.9%	11.8x	22.8x	5.1x
Pfizer Inc.	\$214,682	\$241,386	\$92,713	(31.4%)	\$34,518	37.2%	(16.7%)	22.9%	10.1x	7.2x	2.7x
Viatis Inc.	\$17,158	\$39,919	\$20,921	(7.5%)	\$6,788	32.4%	(1.0%)	34.0%	5.8x	6.0x	2.0x
Bausch Health Companies Inc.	\$3,868	\$33,734	\$11,555	5.1%	\$3,942	34.1%	3.7%	36.3%	7.9x	8.8x	3.0x
Median	\$214,682	\$241,386	\$80,238	0.6%	\$17,948	34.1%	(1.0%)	36.0%	10.1x	8.8x	3.0x
Mean	\$219,768	\$244,234	\$67,777	(3.4%)	\$22,194	32.4%	(4.4%)	33.8%	9.5x	11.1x	3.3x
Pharmaceutical Distributors											
McKesson Corporation	\$81,358	\$88,236	\$393,783	7.0%	\$7,265	1.8%	8.5%	1.7%	12.2x	12.4x	0.2x
Cencora, Inc.	\$53,978	\$58,530	\$354,655	9.9%	\$5,108	1.4%	7.5%	1.4%	11.5x	11.7x	0.2x
Cardinal Health, Inc.	\$32,810	\$33,899	\$284,310	12.4%	\$3,730	1.3%	9.3%	1.2%	8.9x	9.3x	0.1x
Median	\$53,978	\$58,530	\$354,655	9.9%	\$5,108	1.4%	8.5%	1.4%	11.5x	11.7x	0.2x
Mean	\$56,049	\$60,222	\$344,249	9.8%	\$5,367	1.5%	8.4%	1.4%	10.9x	11.2x	0.2x
Healthcare Service Providers											
HCA Healthcare, Inc.	\$95,680	\$152,417	\$85,442	5.6%	\$17,928	21.0%	5.2%	19.2%	9.0x	8.7x	1.8x
Universal Health Services, Inc.	\$13,742	\$20,806	\$18,973	6.0%	\$2,537	13.4%	5.1%	12.3%	8.7x	8.4x	1.1x
Tenet Healthcare Corporation	\$10,135	\$33,517	\$27,270	5.9%	\$5,710	20.9%	4.3%	16.2%	7.4x	6.0x	1.3x
dentalcorp Holdings Ltd.	\$1,311	\$2,588	\$1,395	17.0%	\$182	13.1%	10.0%	18.3%	9.2x	14.2x	1.9x
Community Health Systems, Inc.	\$540	\$17,711	\$16,842	1.2%	\$2,204	13.1%	0.7%	12.3%	8.7x	8.2x	1.1x
Median	\$10,135	\$20,806	\$18,973	5.9%	\$2,537	13.4%	5.1%	16.2%	8.7x	8.4x	1.3x
Mean	\$24,282	\$45,408	\$29,984	7.1%	\$5,712	16.3%	5.1%	15.7%	8.6x	9.1x	1.4x
Medical/Dental Equipment & Supplies											
Becton, Dickinson and Company	\$93,235	\$113,026	\$26,205	2.7%	\$7,013	26.8%	3.9%	28.1%	15.0x	16.5x	4.4x
Baxter International Inc.	\$25,902	\$40,701	\$20,670	7.0%	\$4,417	21.4%	(2.3%)	19.7%	10.4x	9.4x	2.0x
Henry Schein, Inc.	\$12,992	\$17,708	\$17,170	0.7%	\$1,718	10.0%	(1.2%)	8.0%	13.4x	10.6x	1.1x
DENTSPLY SIRONA Inc.	\$9,958	\$12,397	\$5,324	(2.6%)	\$926	17.4%	(0.4%)	18.1%	13.1x	13.7x	2.4x
Patterson Companies, Inc.	\$3,481	\$4,350	\$9,080	2.6%	\$565	6.2%	(0.8%)	6.0%	8.3x	8.1x	0.5x
Median	\$12,992	\$17,708	\$17,170	2.6%	\$1,718	17.4%	(0.8%)	18.1%	13.1x	10.6x	2.0x
Mean	\$29,114	\$37,636	\$15,690	2.1%	\$2,928	16.3%	(0.2%)	16.0%	12.1x	11.7x	2.1x

Source: Capital IQ. Data as of December 31, 2023.

Note: In order to derive more accurate valuation multiples, MNP Corporate Finance Inc. has eliminated results which skew the averages excessively. "LTM" refers to last twelve months. "NTM" refers to next twelve months.

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A, capital markets, and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

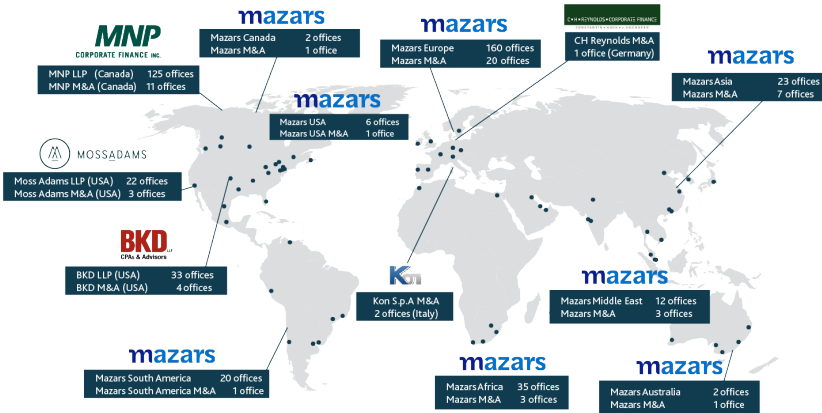
Our typical transactions range in value between \$3 million and \$300 million.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 250+ M&A professionals in more than 30 countries.



CFxB CFXborder - Global reach with local relationships
Our corporate finance team through CFXb consists of 250 plus M&A professionals in more than 30 countries



Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

Recently Closed Deals (National)

About Us

Deal Experience

Since our inception, our team has advised on hundreds of transactions in a wide range of industries with diverse enterprise values. In the past 10 years alone, we have completed over 265 transactions worth over \$4.5 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Healthcare
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

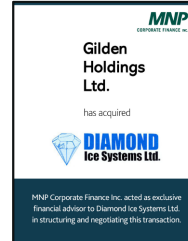
Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish, including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

Recently Closed Deals (National)



MNP
CORPORATE FINANCE INC.

Gilten Holdings Ltd.

has acquired

DIAMOND
Ice Systems Ltd.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Diamond Ice Systems Ltd. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

KCP KIRTLAND CAPITAL PARTNERS

has acquired

GALATI
CHEESE COMPANY LTD.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Kirtland Capital Partners.



MNP
CORPORATE FINANCE INC.

TRS
COMPONENTS LTD.

has acquired

INI
INDUSTRIAL NETWORKS

MNP Corporate Finance Inc. provided financial due diligence services to TRS Ltd.



MNP
CORPORATE FINANCE INC.

LANDMARK
TRANSPORT SERVICES

has acquired

MARTIN'S
BUS SERVICE LTD.

MNP Corporate Finance Inc. acted as exclusive financial advisor to C. Martin's Bus Service Ltd. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

NGL
NORTHERN NATURAL GAS ALLIANCE

has acquired a \$100,000,000 equity interest in the

Access NGL
Pipeline System

MNP Corporate Finance Inc. acted as exclusive financial advisor and debt placement monitor to Northern Natural Gas Alliance in this transaction.



MNP
CORPORATE FINANCE INC.

AMMOLITE
INVESTMENT PARTNERS

has acquired

SILVERLINE
OILFIELD SERVICES

MNP Corporate Finance Inc. acted as exclusive financial advisor to Silverline Oilfield Services in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

Regimen Equity Partners

has acquired

THOMAS
INDUSTRIES

MNP Corporate Finance Inc. provided financial and tax due diligence services to Regimen Equity Partners.



MNP
CORPORATE FINANCE INC.

NIBE

has acquired a majority interest in

MILES
INDUSTRIES

MNP Corporate Finance Inc. provided financial and tax due diligence services to NIBE Industrier AB.



MNP
CORPORATE FINANCE INC.

LIFT AUTO
GROUP

has acquired

Herbers
Autobody Repair

MNP Corporate Finance Inc. provided financial due diligence services to Lift Auto Group Ltd.



MNP
CORPORATE FINANCE INC.

efl

has acquired

LEI

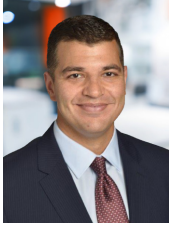
MNP Corporate Finance Inc. provided financial and tax due diligence services to EFL Global LLC.

Leadership Team

Transaction Leadership



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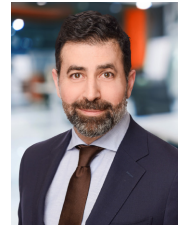
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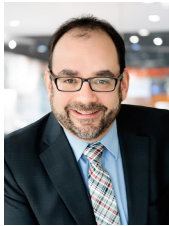
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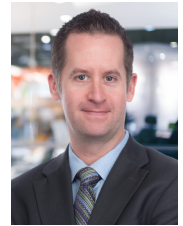
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