

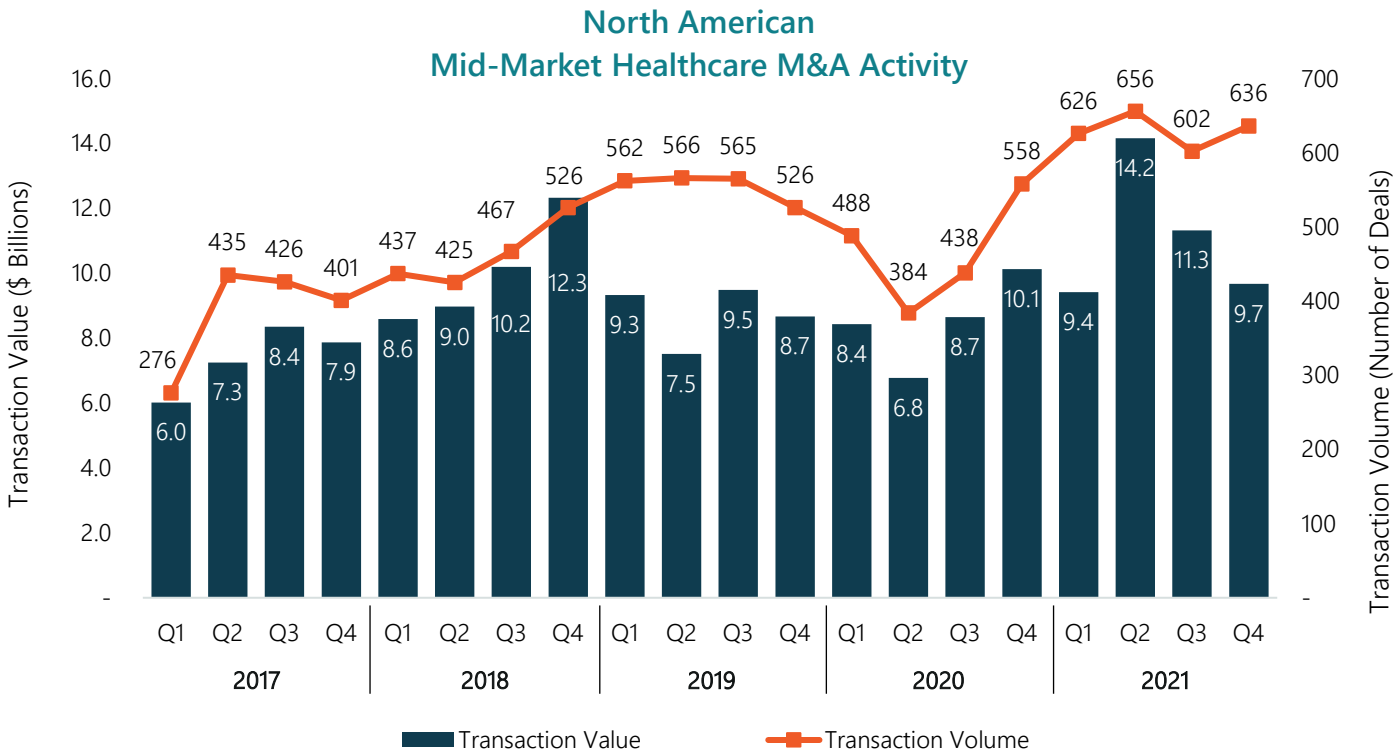
Healthcare Services

Quarterly Update | Q4 2021



Industry Overview

M&A Transactions & Performance



Source: Capital IQ. Data as of December 31, 2021

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

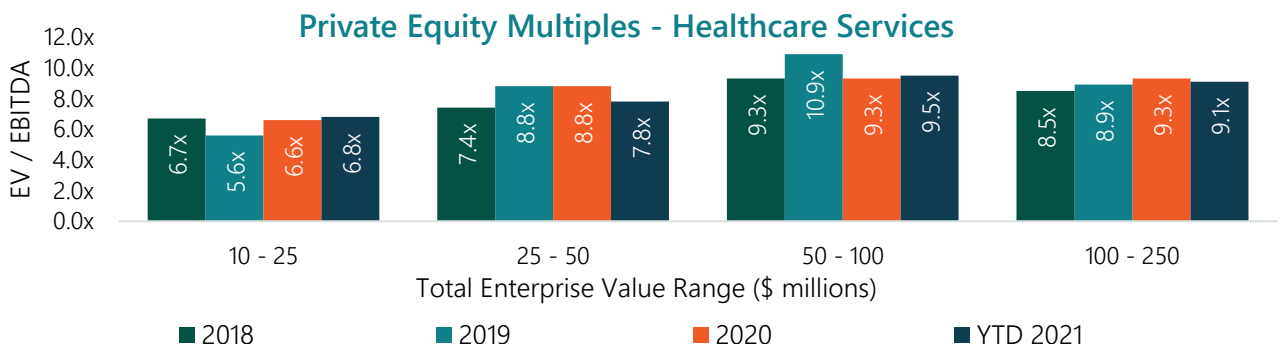
Canadian Transactions
45

Canadian Transaction Value
\$659 million
(27.8% vs. Q3 2021)

US Transaction Value
\$9.0 billion
(-16.6% vs. Q3 2021)

US Transactions
591

Healthcare merger and acquisition activity in the fourth quarter of 2021 exceeded \$9.6 billion in disclosed transaction value across 636 deals in Canada and the US. The average deal size among disclosed transactions was \$68.1 million, a decrease from \$69.4 million in the third quarter of 2021. In Canada, the top healthcare sub-sectors for deal activity in the quarter were pharmaceuticals (29%), healthcare services (24%), healthcare technology (16%) and healthcare facilities (11%). Together, these sub-sectors accounted for over 80% of total Canadian healthcare deal volume. During the 2021 period, EV/EBITDA multiples (based on private equity transactions listed below) for the healthcare services industry averaged 8.3x across all transactions. For lower mid-market transaction values (\$10-25 million range); the EV/EBITDA multiple averaged 6.8x.



Source: GF Data. Data as of November 2021.

Select Recent M&A Transactions



has acquired



Closed	September 20, 2021
Transaction Value	Not disclosed
TEV/EBITDA	Not disclosed
Location (Vendor)	Abbotsford, BC

MNP Corporate Finance Inc. was the exclusive financial advisor to MD Cosmetic & Laser Clinic in structuring and negotiating this transaction.

- **MD Cosmetic** is a leading aesthetic medical clinic with two locations in B.C. Led by a team of highly experienced physicians, MD Cosmetic offers a comprehensive range of advanced, clinically proven aesthetic procedures and treatments.
- **MedSpa Partners Inc.** (MedSpa Partners) is an acquisition platform of Canada's leading medical aesthetics clinics.



has acquired



Closed	October 4, 2021
Transaction Value	Not disclosed
TEV/EBITDA	Not disclosed
Location (Vendor)	Vancouver, BC

MNP Corporate Finance Inc. provided financial due diligence and tax structuring services to Equicapita Investment Corp.

- **Equicapita** is a private equity fund that currently manages more than \$300 million in assets, with focus on the \$5 million to \$50 million-plus enterprise value space.
- **Protec** is a leading dental laboratory based in Vancouver, B.C. Protec serves more than 2,500 dentists across Canada and is considered a Canadian market leader in dental lab technology including 3D printing and digital scanning.



has acquired

21 Pharmacies
located throughout
Alberta

Closed	October 7, 2021
Transaction Value	\$41.0M
TEV/EBITDA	Not disclosed
Location (Vendor)	Various

- **Neighbourly Pharmacy Inc.** is a publicly traded company (TSX: NBLY) and one of Canada's largest and fastest growing independent pharmacy networks.
- Neighbourly Pharmacy Inc. has entered into a binding agreement to acquire 21 pharmacies located throughout Alberta.
- Upon completion of these acquisitions, the company's network will comprise a total of 167 locations across Canada.

Industry Overview

Pharmacies and Drug Stores in Canada

The 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

2021 Revenue

\$47.2B

Annual Growth 2016 – 2021

1.1%

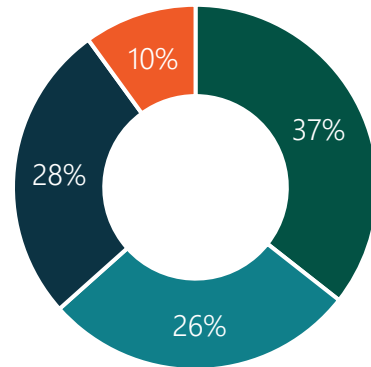
Projected Annual Growth 2021 – 2026

1.9%

Number of Businesses in 2021

6,759

Products and Services Segmentation (2021)



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

Dentistry in Canada

The dental industry captures establishments of licenced dentists engaged in private or group practice offering orthodontics, periodontics, surgery, prevention, and other products and services.

Industry Glance

2020 Revenue

\$16.2B

Annual Growth 2015 – 2020

1.3%

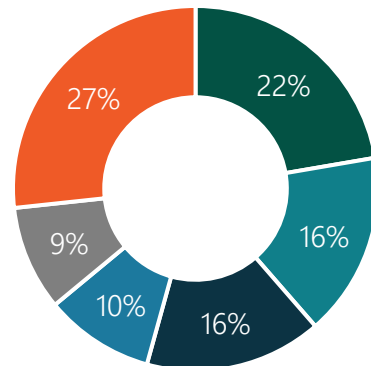
Projected Annual Growth 2020 – 2025

2.9%

Number of Businesses in 2020

26,572

Products and Services Segmentation (2020)



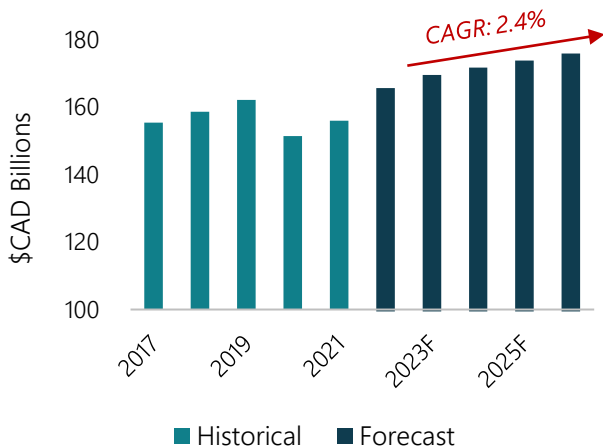
- Restorative
- Surgery
- Orthodontics
- Prevention
- Prosthetics
- Other

Macroeconomic Indicators

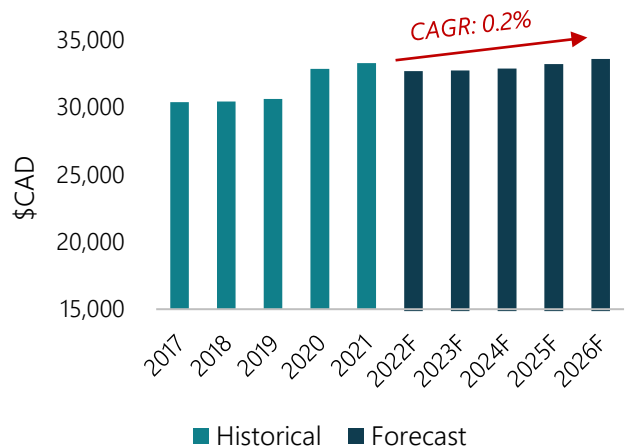
The healthcare industry is affected by a number of key macroeconomic industry growth drivers. Below, we highlight total public and private health care expenditure, per capita disposable income, the aging population in Canada, and national unemployment rates.

Over the next five years, many operators in the Canadian pharmacies and drug stores industry will likely exhibit growth as they expand the scope of their preventive health services. This expansion will likely include providing injections and vaccinations, prescribing medications for patients with minor ailments and providing laboratory services. Industry revenue is forecast to grow an annualized 1.9% to \$51.8 billion over the five years to 2026 as the burgeoning elderly population increases demand for prescriptions to address their chronic illnesses. Lastly, the COVID-19 (coronavirus) pandemic is not expected to affect the industry's performance in the long term and may even boost pharmaceutical sales due to increasing health consciousness across Canada.

Total Health Expenditure - Canada



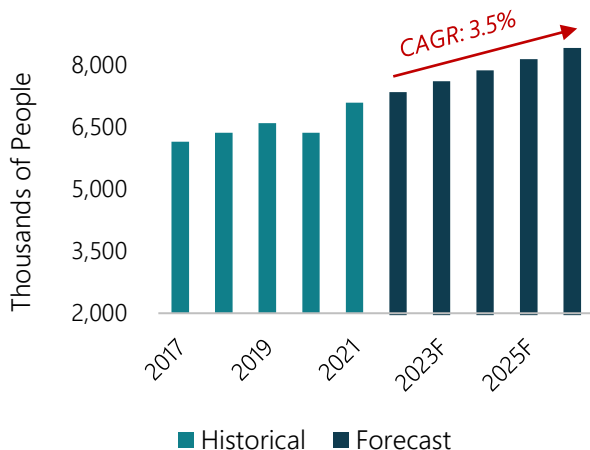
Per Capita Disposable Income - Canada



■ Historical ■ Forecast

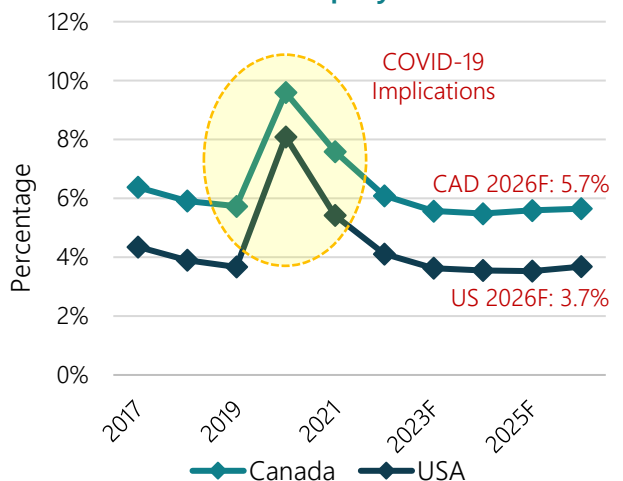
■ Historical ■ Forecast

Population Aged Over 65 - Canada



■ Historical ■ Forecast

National Unemployment Rate

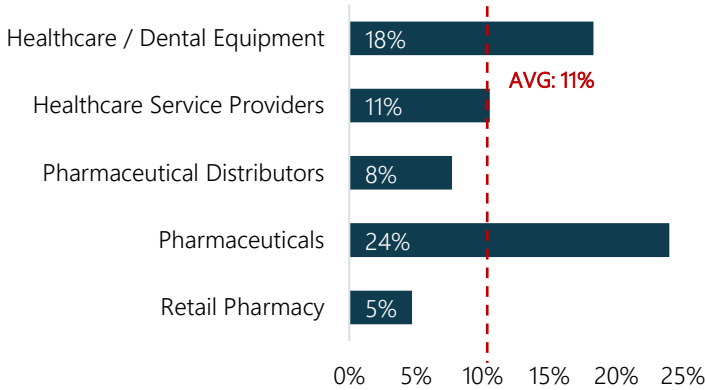


Source: IBISWorld Business Environment Reports.
"F" indicates forecast. "CAGR" indicates compound annual growth rates.

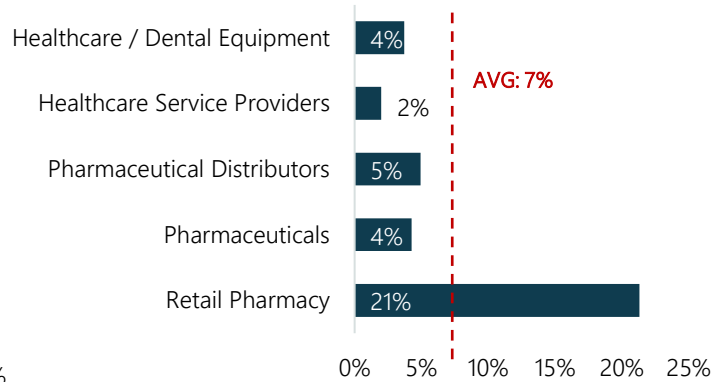
Public Comparable Analysis

Growth, Margins & Multiples

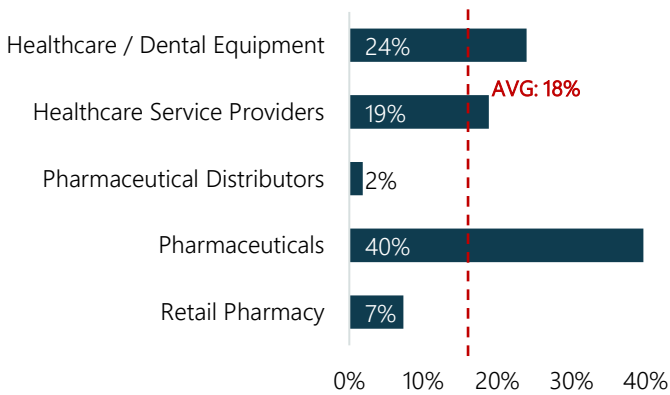
LTM Revenue Growth



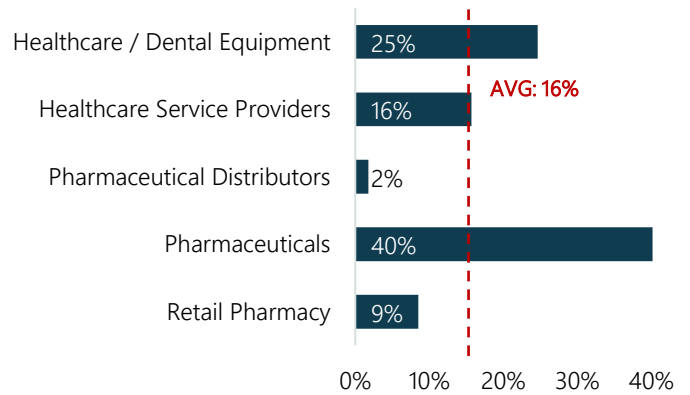
NTM Revenue Growth



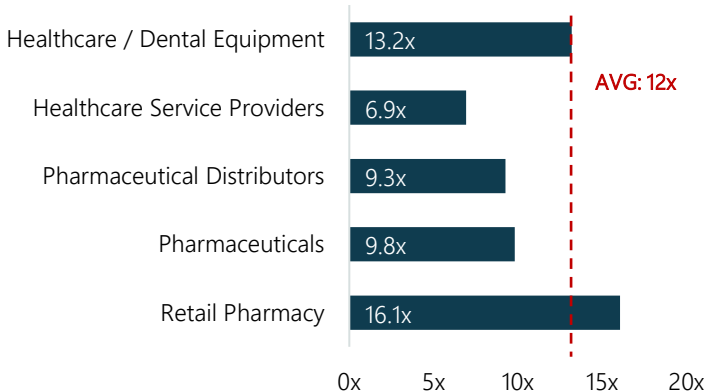
LTM EBITDA Margin



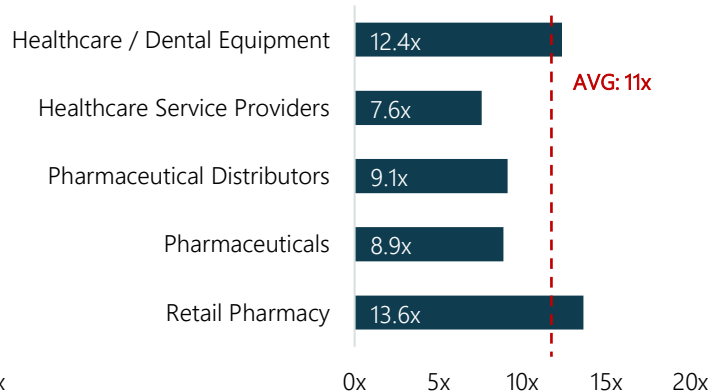
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA

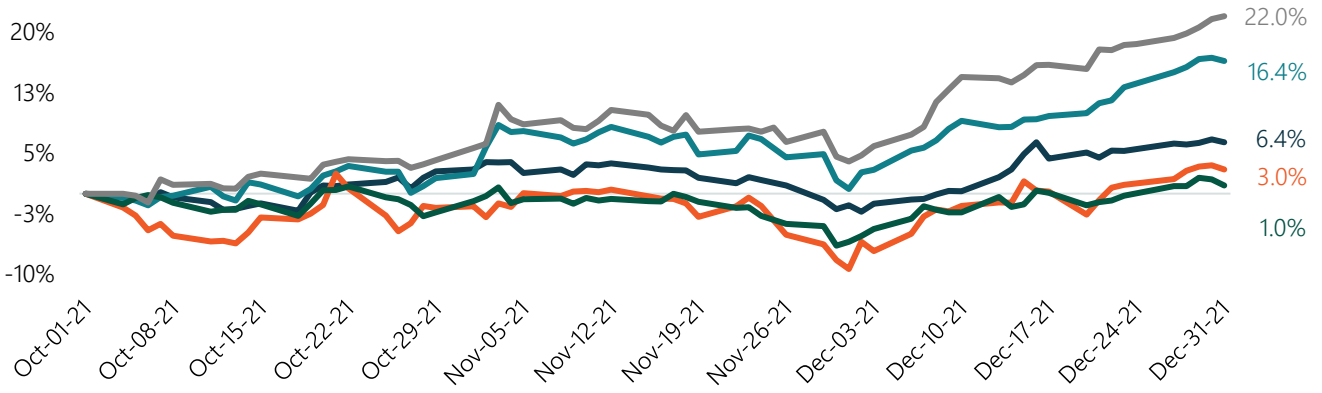


Source: Capital IQ. Data as of December 31, 2021.

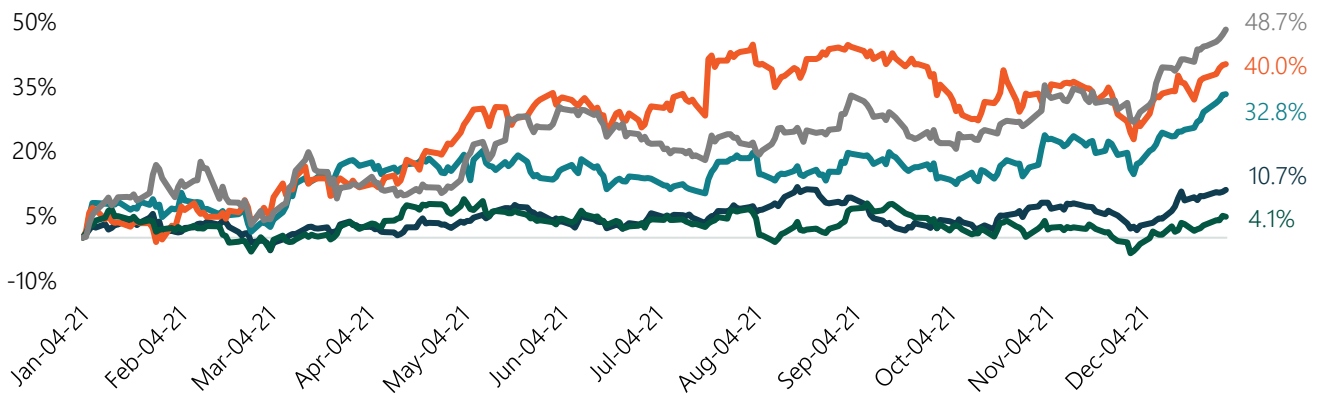
Valuation details provided on page 8.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.

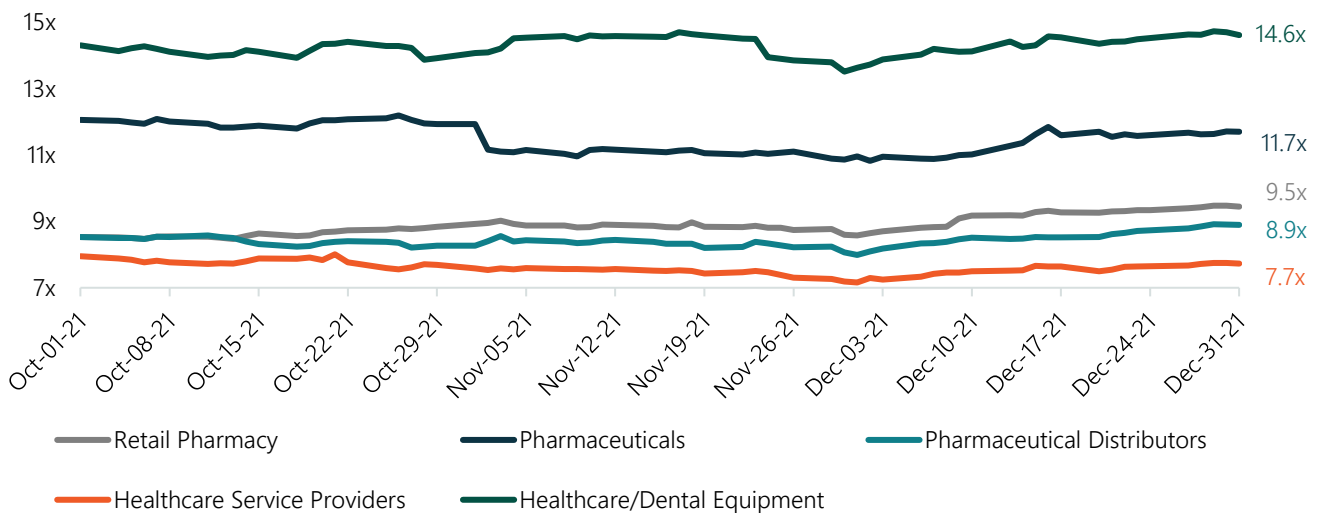
Healthcare Peer Group Share Price Performance – Q4



Share Price Performance – LTM



Historical LTM EV/EBITDA – Q4



Source: Capital IQ. Data as of December 31, 2021.
Further details provided on page 8.
"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.

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Retail Pharmacy											
CVS Health Corporation	\$172,454	\$256,137	\$359,060	7.0%	\$26,591	7.4%	6.5%	6.3%	10.7x	9.6x	0.7x
Rite Aid Corporation	\$1,008	\$8,914	\$31,228	2.4%	\$1,614	5.2%	(3.3%)	1.8%	16.6x	5.7x	0.3x
CareRx Corporation	\$249	\$343	\$212	43.3%	\$15	7.2%	76.8%	10.7%	8.5x	22.5x	1.6x
Neighbourly Pharmacy Inc.	\$1,375	\$1,442	\$369	-	\$39	10.7%	36.1%	12.8%	22.4x	36.7x	3.9x
Median	\$1,191	\$5,178	\$15,798	4.7%	\$827	7.3%	21.3%	8.5%	13.6x	16.1x	1.2x
Mean	\$43,771	\$66,709	\$97,717	13.2%	\$7,065	7.6%	29.0%	7.9%	14.5x	18.6x	1.6x
Pharmaceuticals											
Johnson & Johnson	\$569,924	\$570,371	\$115,907	13.1%	\$40,338	34.8%	7.1%	35.0%	13.1x	14.2x	4.9x
Merck & Co., Inc.	\$244,984	\$265,824	\$66,515	24.0%	\$27,062	40.7%	4.3%	47.4%	8.1x	9.8x	4.0x
Pfizer Inc.	\$419,434	\$432,661	\$87,884	114.4%	\$36,108	41.1%	41.8%	40.3%	8.9x	12.0x	4.9x
Viartis Inc.	\$20,707	\$49,688	\$21,707	49.1%	\$8,442	38.9%	1.9%	36.0%	6.2x	5.9x	2.3x
Bausch Health Companies Inc.	\$12,555	\$40,063	\$10,685	5.1%	\$4,242	39.7%	4.1%	40.1%	9.0x	9.4x	3.7x
Median	\$244,984	\$265,824	\$66,515	24.0%	\$27,062	39.7%	4.3%	40.1%	8.9x	9.8x	4.0x
Mean	\$253,521	\$271,721	\$60,540	41.1%	\$23,238	39.0%	11.8%	39.8%	9.1x	10.3x	4.0x
Pharmaceutical Distributors											
Walgreens Boots Alliance, Inc.	\$57,027	\$100,007	\$172,782	(4.3%)	\$13,393	7.8%	(4.3%)	5.0%	12.0x	9.1x	0.6x
McKesson Corporation	\$48,028	\$56,103	\$317,348	7.2%	\$5,984	1.9%	2.2%	2.0%	8.6x	9.4x	0.2x
AmerisourceBergen Corporation	\$35,002	\$42,113	\$270,563	12.7%	\$4,250	1.6%	11.1%	1.5%	9.6x	9.9x	0.2x
Cardinal Health, Inc.	\$18,361	\$22,403	\$211,619	8.2%	\$3,628	1.7%	7.7%	1.5%	6.6x	6.2x	0.1x
Median	\$41,515	\$49,108	\$241,091	7.7%	\$5,117	1.8%	4.9%	1.7%	9.1x	9.3x	0.2x
Mean	\$39,605	\$55,157	\$243,078	5.9%	\$6,814	3.2%	4.2%	2.5%	9.2x	8.6x	0.3x
Healthcare Service Providers											
HCA Healthcare, Inc.	\$101,123	\$145,973	\$73,310	14.2%	\$17,103	23.3%	5.1%	21.0%	9.0x	8.5x	2.0x
Universal Health Services, Inc.	\$13,188	\$18,218	\$15,746	9.5%	\$2,680	17.0%	1.9%	15.0%	7.6x	6.8x	1.2x
Tenet Healthcare Corporation	\$11,074	\$29,807	\$24,711	11.5%	\$5,102	20.6%	2.1%	16.4%	7.3x	5.8x	1.2x
Community Health Systems, Inc.	\$2,142	\$17,293	\$15,494	2.5%	\$2,439	15.7%	1.6%	14.6%	7.5x	7.1x	1.1x
Median	\$12,131	\$24,013	\$20,229	10.5%	\$3,891	18.8%	2.0%	15.7%	7.6x	6.9x	1.2x
Mean	\$31,882	\$52,823	\$32,315	9.4%	\$6,831	19.2%	2.7%	16.7%	7.8x	7.1x	1.4x
Healthcare/Dental Equipment & Supplies											
Becton, Dickinson and Company	\$90,714	\$110,692	\$25,601	18.3%	\$7,301	28.5%	(3.8%)	28.3%	15.9x	15.1x	4.3x
Baxter International Inc.	\$54,390	\$58,474	\$15,743	8.0%	\$3,767	23.9%	22.9%	25.1%	11.8x	15.5x	3.7x
DENTSPLY SIRONA Inc.	\$15,434	\$17,888	\$5,367	25.9%	\$1,355	25.2%	3.7%	24.6%	13.0x	13.2x	3.3x
Henry Schein, Inc.	\$13,606	\$16,470	\$15,534	27.2%	\$1,441	9.3%	1.1%	8.4%	12.4x	11.5x	1.1x
Patterson Companies, Inc.	\$3,621	\$4,333	\$7,907	15.1%	\$341	4.3%	3.9%	5.1%	10.5x	12.4x	0.5x
Median	\$15,434	\$17,888	\$15,534	18.3%	\$1,441	23.9%	3.7%	24.6%	12.4x	13.2x	3.3x
Mean	\$35,553	\$41,571	\$14,030	18.9%	\$2,841	18.3%	5.6%	18.3%	12.7x	13.5x	2.6x

Source: Capital IQ. Data as of December 31, 2021.

"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 and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

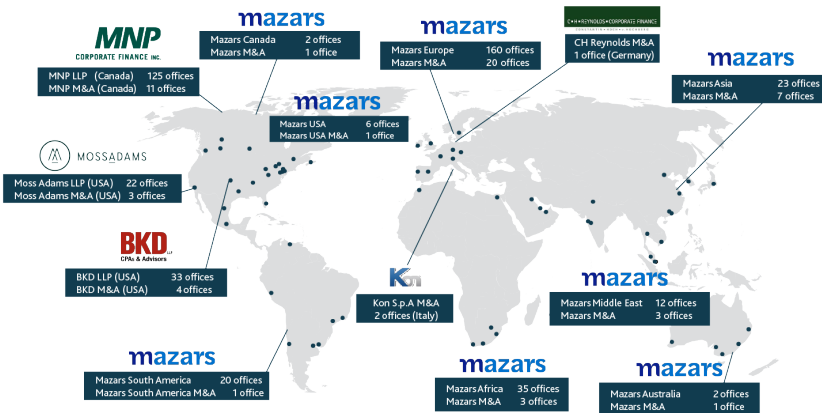
Our typical transactions range in value between \$3 million and \$300 million.

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)

creo-tech INDUSTRIAL GROUP INC. has acquired AXIAL GROUP OF COMPANIES™

MNP Corporate Finance Inc. provided financial and tax due diligence services to Creo-Tech Industrial Group.

WESTTOWER a subsidiary of Exchange Income Corporation has acquired RYKO

MNP Corporate Finance Inc. acted as exclusive financial advisor to Ryko Telecommunications Inc. in structuring and negotiating this transaction.

fliform has acquired Valley Group of Companies

MNP Corporate Finance Inc. was the exclusive financial advisor to Valley Group of Companies in structuring and negotiating this transaction.

ptm has invested in Bône & Biscuit

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

FULCRUM CAPITAL PARTNERS and BELVIKA has acquired Linsey

MNP Corporate Finance Inc. acted as exclusive financial advisor to Linsey Foods in structuring and negotiating this transaction.

CAI CAPITAL PARTNERS has invested in ATS CANADA

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

GreyWolf has acquired TRUTINA

MNP Corporate Finance Inc. acted as exclusive financial advisor to Trutina Pharmacy in structuring and negotiating this transaction.

P3 VETERINARY PARTNERS has acquired TAHITI

MNP Corporate Finance Inc. acted as exclusive financial advisor to Timmins Animal Hospital in structuring and negotiating this transaction.

WESTTOWER a subsidiary of Exchange Income Corporation has acquired telton datvox network cabling

MNP Corporate Finance Inc. acted as the exclusive financial advisor to Telcon Datavox Inc. in structuring and negotiating this transaction.

MEDSPA PARTNERS has acquired MD/cosmetic AND LASER CLINIC

MNP Corporate Finance Inc. was the exclusive financial advisor to MD Cosmetic & Laser Clinic in structuring and negotiating this transaction.

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 eight years alone we have completed over 200 transactions worth over \$3.5 billion (not including due diligence engagements).

Industry Experience

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

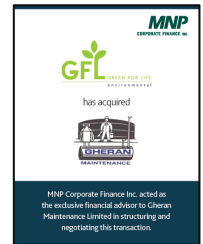
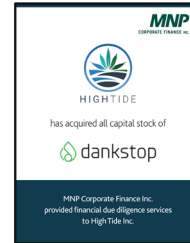
Hands-on Approach

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.

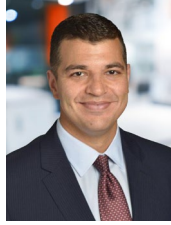
Recently Closed Deals (National)



Transaction Leadership



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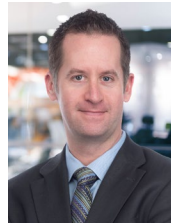


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