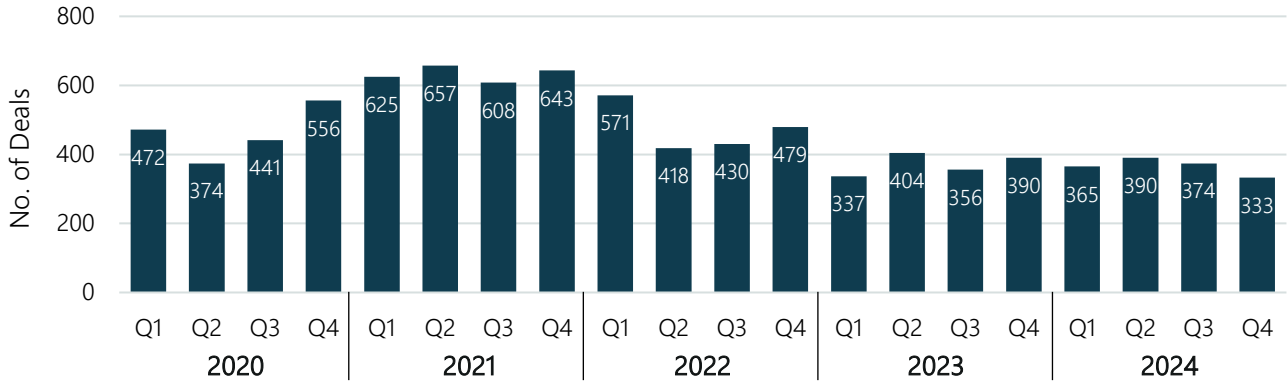


Healthcare Services

Quarterly Update | Q4 2024



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



Source: Capital IQ. Data as of December 31, 2024.

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

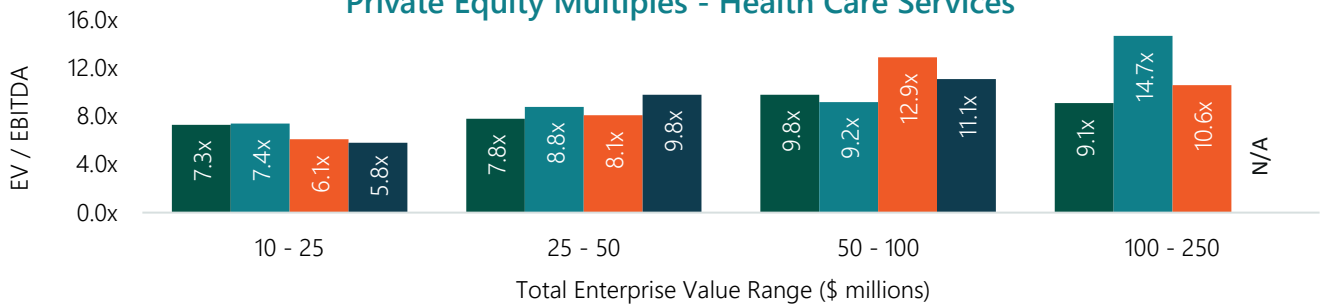
Canadian Transactions
27

Canadian Transaction Value
\$0.7 billion
(+29.1% vs. Q3 2024)

U.S. Transaction Value
\$4.8 billion
(-34.6% vs. Q3 2024)

U.S. Transactions
306

Private Equity Multiples - Health Care Services



Source: GF Data. Data as of November 2024.

- Healthcare M&A activity in Q4 2024 reached over \$5.5 billion in disclosed transaction value across 333 deals in Canada and the U.S. The average deal size among disclosed transactions was \$81 million, down from \$82 million in Q3 2024. Strategic buyers accounted for 89% of the Q4 2024 transaction volume, while financial buyers comprised the remaining 11%.
- In Canada, the top healthcare sub-sector for deal activity during Q4 2024 was pharmaceuticals, accounting for 26% of total transaction count. Following this category were the healthcare technology and healthcare services sub-sectors, with each accounting for 19% of the total transaction count.
- In 2024, EV/EBITDA multiples for the healthcare services industry averaged 8.2x across all transactions. For lower mid-market transaction values (\$10-25 million range), EV/EBITDA multiples averaged 5.8x, a 5% decrease from 6.1x in 2023.

Market Update

Select Recent M&A Transactions



has acquired



Closed	Dec 2, 2024
Transaction Value	\$22.5M
TEV/EBITDA	7.00x
Location (Vendor)	Oakbank, MB

- **Grey Wolf Animal Health Corp.** (TSXV: WOLF) (Grey Wolf) acquired The Compounding Pharmacy of Manitoba for approximately \$22.5 million on December 2, 2024.
- **The Compounding Pharmacy of Manitoba** is an independent compounding pharmacy servicing a broad customer mix ranging from corporate and independent pharmacies to veterinarians.
- **MNP Corporate Finance Inc.** acted as the exclusive financial advisor to The Compounding Pharmacy of Manitoba in structuring and negotiating this transaction.



has acquired

Four Continuing Care Homes Totaling 540 Suites

Announced	Oct 16, 2024
Transaction Value	\$181.6M
TEV/EBITDA	N/A
Location (Vendor)	Alberta, CA

- **Sienna Senior Living Inc.** (TSX: SIA) (Sienna) agreed to acquire a portfolio of four continuing care homes for approximately \$181.6 million on October 16, 2024.
- The acquisition adds approximately 540 additional units to Sienna's portfolio and increases its national footprint through further expansion into the Alberta market.
- Sienna owns and operates senior living residences, including retirement and long-term care communities, with locations across Ontario, British Columbia, Saskatchewan, and Alberta.



has acquired



Announced	Sept 27, 2024
Transaction Value	N/A
TEV/EBITDA	N/A
Location (Vendor)	Vancouver, BC

- **VetCare Canada Inc.** (VetCare) acquired Amherst Veterinary Hospital Ltd. for an undisclosed amount on September 27, 2024.
- **Amherst Veterinary Hospital Ltd.** is a full-service veterinary clinic providing a wide range of diagnostic, therapeutic, and surgical treatments for both preventative and emergency needs.
- **MNP Corporate Finance Inc.** acted as the exclusive financial advisor to Amherst Veterinary Hospital Ltd. in structuring and negotiating this transaction.

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

2024 Revenue

\$55.7 billion

Annual Growth 2019 – 2024

0.9%

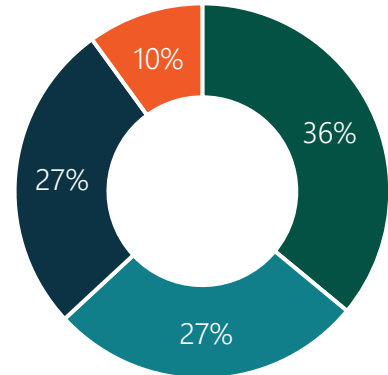
Projected Annual Growth 2024 – 2029

2.0%

Number of Businesses in 2024

11,802

Products and Services Segmentation (2024)



- 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

2024 Revenue

\$23.1 billion

Annual Growth 2019 – 2024

2.4%

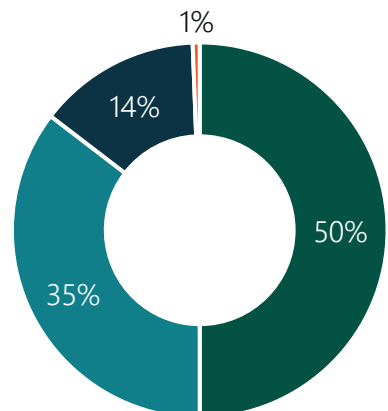
Projected Annual Growth 2024 – 2029

2.7%

Number of Businesses in 2024

30,591

Products and Services Segmentation (2024)



- 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

2024 Revenue

\$7.4 billion

Annual Growth 2019 – 2024

3.6%

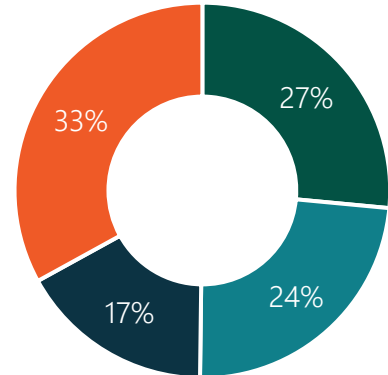
Projected Annual Growth 2024 – 2029

1.6%

Number of Businesses in 2024

3,097

Products and Services Segmentation (2024)



- 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

2024 Revenue

\$1.9 billion

Annual Growth 2019 – 2024

0.5%

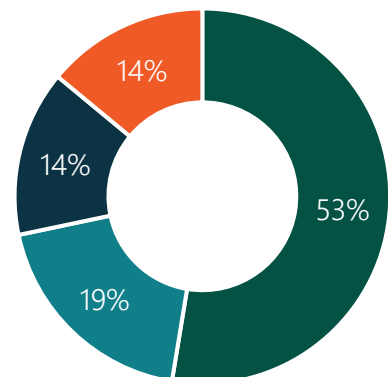
Projected Annual Growth 2024 – 2029

4.4%

Number of Businesses in 2024

6,278

Products and Services Segmentation (2024)

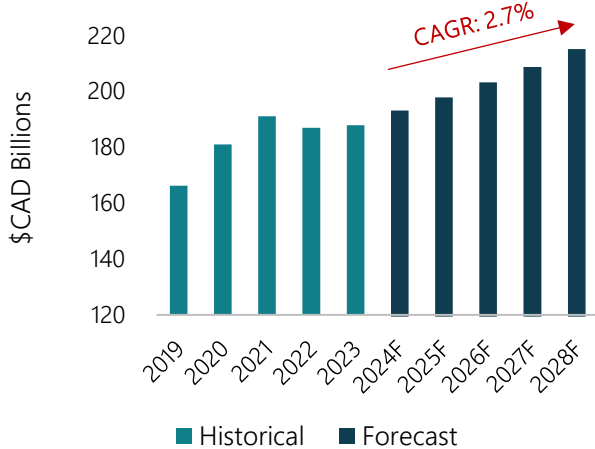


- Prescription eyewear
- Contact lenses
- Eye exams
- Other

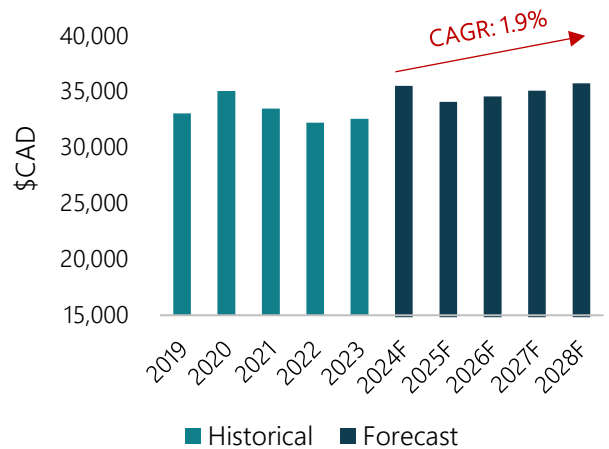
Macroeconomic Indicators

The healthcare industry is affected by several 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.

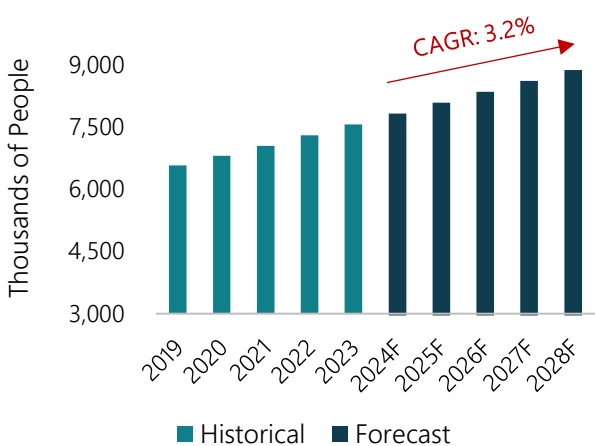
Total Health Expenditure - Canada



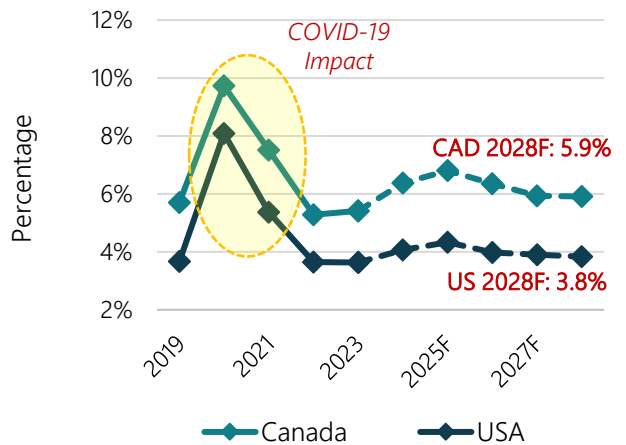
Per Capita Disposable Income - Canada



Population Aged Over 65 - Canada



National Unemployment Rate

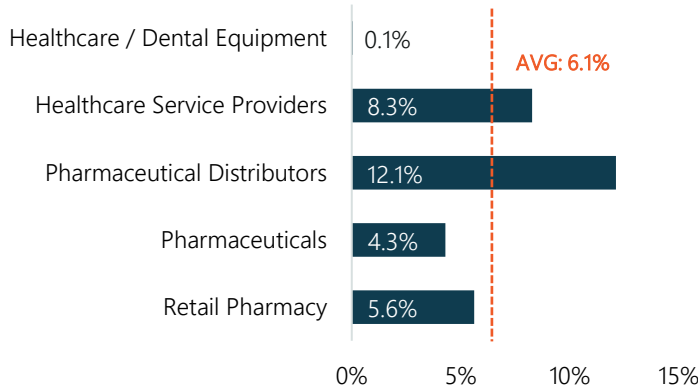


Source: IBISWorld Business Environment Reports.
"F" indicates forecast. "CAGR" indicates compound annual growth rates.

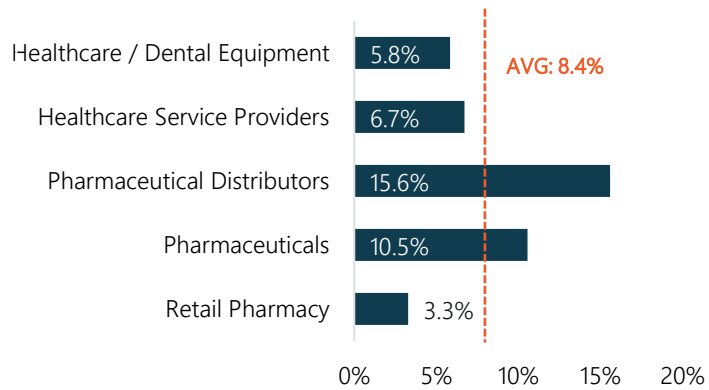
Public Comparable Analysis

Growth, Margins & Multiples

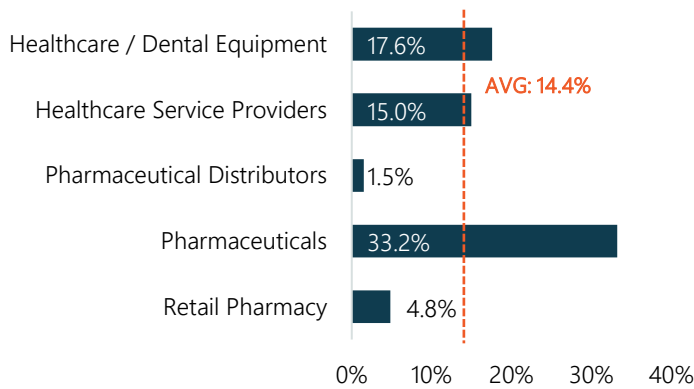
LTM Revenue Growth



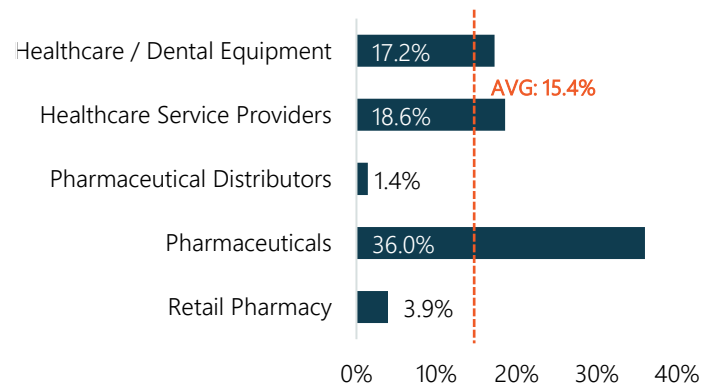
NTM Revenue Growth



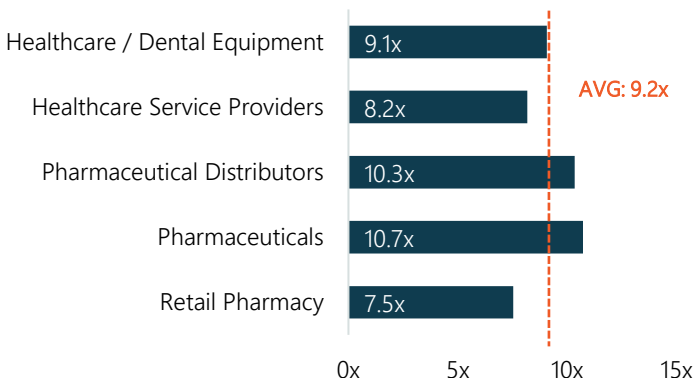
LTM EBITDA Margin



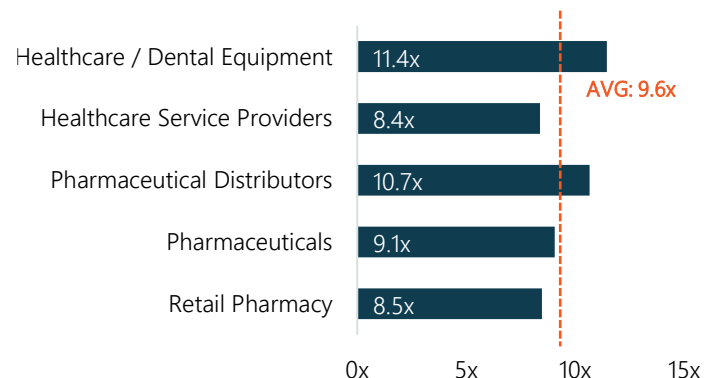
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



Source: Capital IQ. Data as of December 31, 2024.

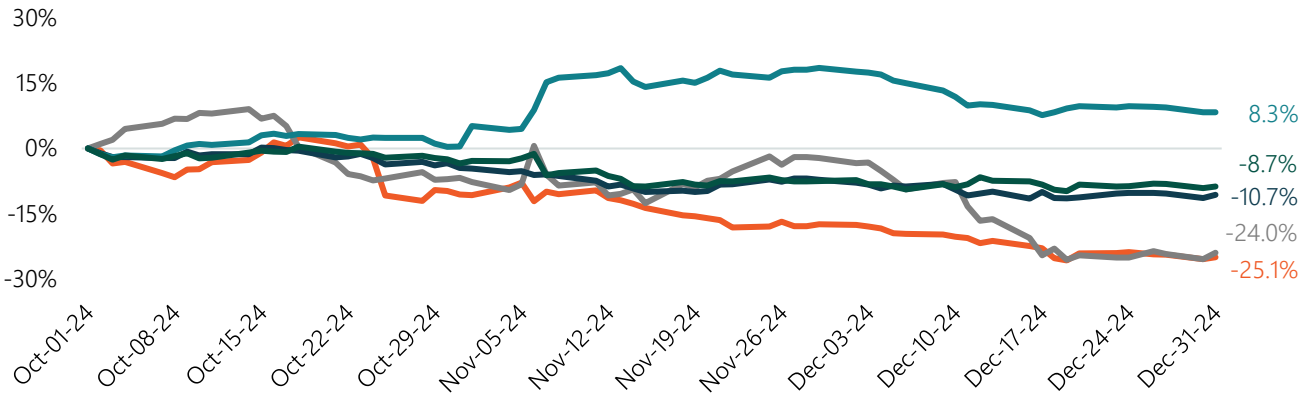
Note: Above noted healthcare peer groups are market capitalization weighted indexes. Valuation details provided on page 9.

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

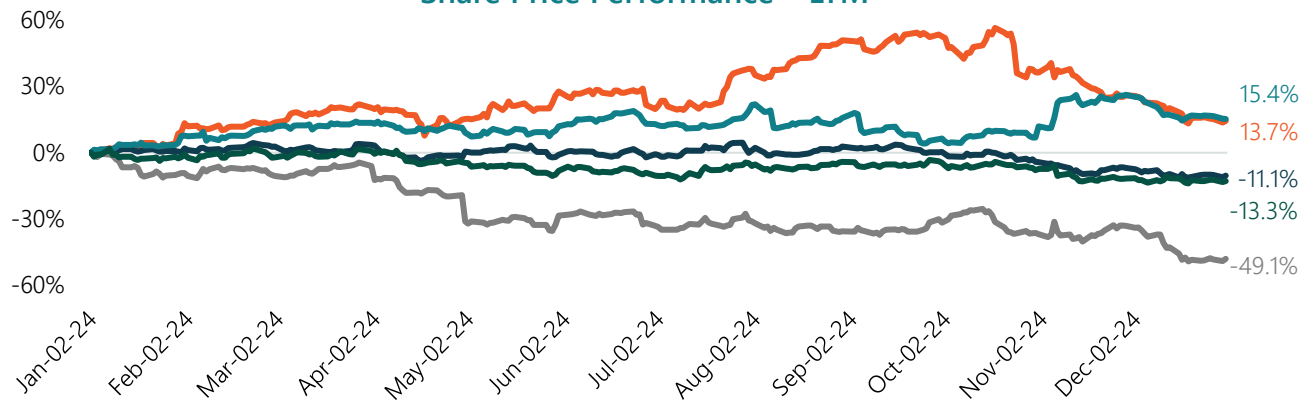
Public Comparable Analysis

Performance Analysis

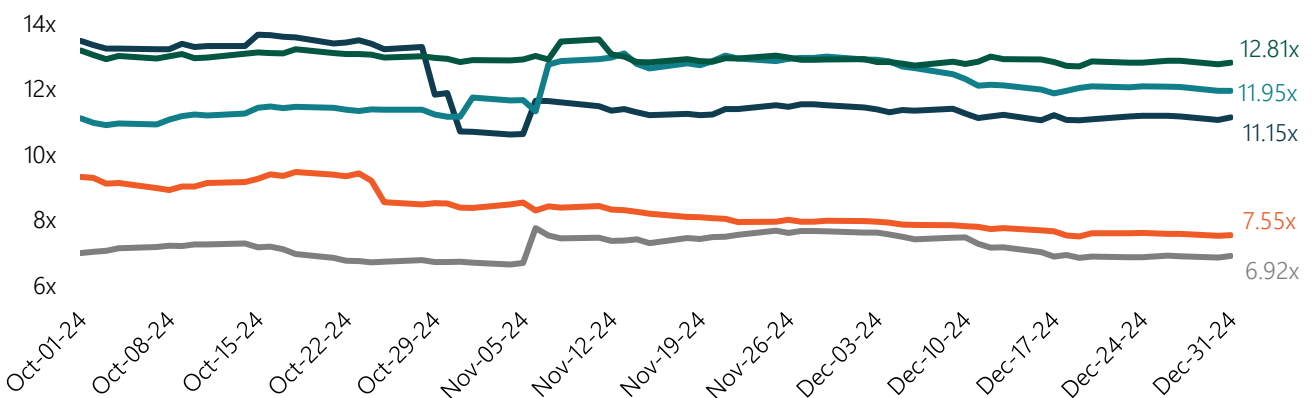
Healthcare Peer Group Share Price Performance – Q4



Share Price Performance – LTM



Historical LTM EV/EBITDA – Q4



- Healthcare Service Providers
- Retail Pharmacy
- Pharmaceuticals
- Pharmaceutical Distributors
- Healthcare/Dental Equipment

Source: Capital IQ. Data as of December 31, 2024.

Note: Above noted healthcare peer groups are market capitalization weighted indexes. Valuation details provided on page 9. "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 a strong industry context.

(Figures in CAD millions, except percentages and ratios)

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	\$81,280	\$186,583	\$496,131	6.0%	\$23,262	4.7%	11.2%	3.9%	8.5x	7.5x	0.4x
Walgreens Boots Alliance, Inc.	\$11,592	\$58,315	\$210,727	5.6%	\$10,199	4.8%	2.9%	2.1%	12.4x	5.5x	0.3x
CareRx Corporation	\$128	\$208	\$366	(2.2%)	\$28	7.6%	3.3%	9.5%	5.8x	7.5x	0.6x
Median	\$11,592	\$58,315	\$210,727	5.6%	\$10,199	4.8%	3.3%	3.9%	8.5x	7.5x	0.4x
Mean	\$31,000	\$81,702	\$235,741	3.1%	\$11,163	5.7%	5.8%	5.2%	8.9x	6.9x	0.4x
Pharmaceuticals											
Johnson & Johnson	\$500,990	\$523,226	\$128,018	4.3%	\$41,086	32.1%	1.2%	36.8%	11.6x	12.0x	4.1x
Merck & Co., Inc.	\$362,081	\$396,032	\$85,345	6.5%	\$31,433	36.8%	10.7%	45.9%	9.1x	11.8x	4.4x
Pfizer Inc.	\$216,323	\$307,017	\$80,121	(14.3%)	\$26,856	33.5%	11.4%	36.0%	9.5x	10.7x	3.6x
Viartis Inc.	\$21,381	\$41,477	\$20,330	(2.7%)	\$6,311	31.0%	1.7%	31.7%	6.3x	6.2x	1.9x
Bausch Health Companies Inc.	\$4,265	\$35,517	\$12,799	10.9%	\$4,255	33.2%	10.1%	35.1%	7.2x	7.8x	2.6x
Median	\$216,323	\$307,017	\$80,121	4.3%	\$26,856	33.2%	10.1%	36.0%	9.1x	10.7x	3.6x
Mean	\$221,008	\$260,654	\$65,322	0.9%	\$21,988	33.3%	7.0%	37.1%	8.7x	9.7x	3.3x
Pharmaceutical Distributors											
McKesson Corporation	\$104,092	\$111,460	\$446,066	13.4%	\$7,286	1.6%	21.5%	1.7%	12.2x	14.4x	0.2x
Cencora, Inc.	\$62,483	\$66,269	\$397,123	12.1%	\$6,013	1.5%	15.2%	1.4%	10.7x	10.3x	0.2x
Cardinal Health, Inc.	\$41,183	\$44,490	\$303,226	6.9%	\$4,154	1.4%	7.6%	1.4%	9.7x	10.1x	0.1x
Median	\$62,483	\$66,269	\$397,123	12.1%	\$6,013	1.5%	15.2%	1.4%	10.7x	10.3x	0.2x
Mean	\$69,253	\$74,073	\$382,139	10.8%	\$5,818	1.5%	14.8%	1.5%	10.9x	11.6x	0.2x
Healthcare Service Providers											
HCA Healthcare, Inc.	\$109,391	\$173,957	\$101,586	8.7%	\$21,404	21.1%	5.6%	19.6%	8.4x	8.2x	1.7x
Universal Health Services, Inc.	\$17,029	\$24,341	\$20,829	9.9%	\$3,065	14.7%	13.1%	14.1%	7.3x	7.5x	1.1x
Tenet Healthcare Corporation	\$17,272	\$36,003	\$28,332	4.0%	\$6,351	22.4%	6.3%	19.0%	6.3x	5.3x	1.2x
dentalcorp Holdings Ltd.	\$1,628	\$2,928	\$1,510	8.3%	\$226	15.0%	10.1%	18.6%	9.5x	13.0x	1.9x
Community Health Systems, Inc.	\$570	\$18,768	\$16,956	0.8%	\$2,051	12.1%	5.4%	12.5%	8.4x	8.6x	1.0x
Median	\$17,029	\$24,341	\$20,829	8.3%	\$3,065	15.0%	6.3%	18.6%	8.4x	8.2x	1.2x
Mean	\$29,178	\$51,200	\$33,843	6.3%	\$6,619	17.0%	8.1%	16.8%	8.0x	8.5x	1.4x
Medical/Dental Equipment & Supplies											
Becton, Dickinson and Company	\$94,667	\$121,655	\$27,259	4.2%	\$7,233	26.5%	15.4%	29.7%	13.0x	15.8x	4.2x
Baxter International Inc.	\$21,423	\$38,464	\$20,348	32.4%	\$3,993	19.6%	(22.6%)	20.1%	12.1x	9.0x	1.8x
Henry Schein, Inc.	\$12,414	\$18,650	\$16,866	(1.5%)	\$1,400	8.3%	12.2%	8.6%	11.4x	12.5x	1.0x
DENTSPLY SIRONA Inc.	\$5,429	\$8,362	\$5,269	(0.9%)	\$926	17.6%	1.0%	17.2%	9.0x	8.5x	1.5x
Patterson Companies, Inc.	\$3,919	\$4,866	\$9,094	0.1%	\$518	5.7%	5.5%	5.2%	9.6x	9.1x	0.5x
Median	\$12,414	\$18,650	\$16,866	0.1%	\$1,400	17.6%	5.5%	17.2%	11.4x	9.1x	1.5x
Mean	\$27,570	\$38,400	\$15,767	6.8%	\$2,814	15.5%	2.3%	16.2%	11.0x	11.0x	1.8x

Source: Capital IQ. Data as of December 31, 2024.

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.

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 300 transactions worth more than \$5 billion (not including due diligence engagements).

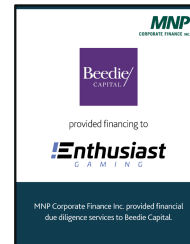
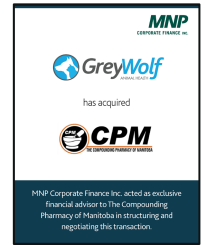
Industry Experience

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

Services

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

Recently Closed Deals (National)



About Us



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.

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.



Recently Closed Deals (National)

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

MNP Corporate Finance Inc. provided vendor due diligence services to Scott Springfield Mfg. Inc.

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

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

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

MNP Corporate Finance Inc. acted as exclusive financial advisor to Sommers Generator Systems in structuring and negotiating this transaction and providing vendor due diligence services.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Château des Charmes Wines Ltd. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Uni-Select Inc.

MNP Corporate Finance Inc. acted as exclusive financial advisor to G. Williams Paving Ltd. & Williams Hot Mix Ltd. in structuring and negotiating this transaction.

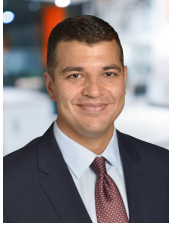
MNP Corporate Finance Inc. acted as exclusive financial advisor to Légère Invest Ltd. in structuring and negotiating this transaction.

Leadership Team

Transaction Leadership



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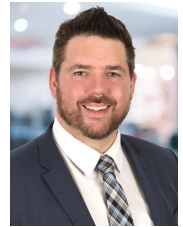
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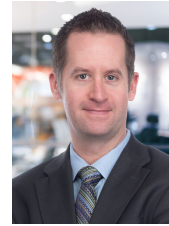
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