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### CRRX-TSX

Rating:	Buy
Target:	\$5.25 (was \$4.75)
Price:	\$3.82
Return:	39.5% (inc divid yield)
Valuation:	10x EV/EBITDA (F2027 est)

### Market Data

Pro forma S/O, basic (M)	62.8
Market capitalization (\$M)	239.8
Enterprise Value (\$M)	266.5
Pro forma cash (\$M)	14.4
LT debt (\$M)	41.1
52 Week Range	\$2.50-\$3.95
Avg. Weekly Volume (000)	110.2
Fiscal Year End	31-Dec
Annual dividend per share	\$0.08
Dividend yield (%)	2.1%
Target return (%)	37.4%

### Financial Metrics

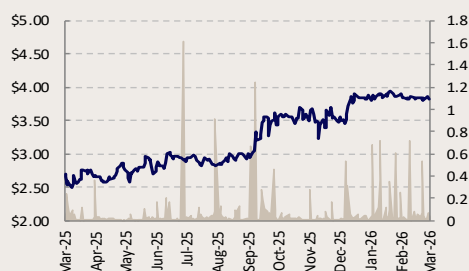
(C\$M, ex share data)	2025A	2026E	2027E
Rev, Rx (\$M)	370.2	389.5	397.9
Rev, surg (\$M)	0.0	0.0	0.0
<b>Total revenue (\$M)</b>	<b>370.2</b>	<b>389.5</b>	<b>397.9</b>
EBITDA, Rx (\$M)	40.9	42.6	43.9
EBITDA, surg (\$M)	0.0	0.0	0.0
Less: corporate costs (\$M)	(8.0)	(8.2)	(8.4)
<b>Adj EBITDA (\$M)</b>	<b>32.9</b>	<b>34.4</b>	<b>35.6</b>
Adj net inc (\$M)	28.0	6.3	7.3
EPS (basic)	\$0.44	\$0.10	\$0.12
P/E	8.6x	NA	NA
EV/EBITDA	8.1x	7.7x	7.5x

### Quarterly Data

In C\$M	Q1	Q2	Q3	Q4
<b>Revenue</b>	<b>2026E 96.6</b>	<b>97.1</b>	<b>97.6</b>	<b>98.2</b>
	<b>2027E 98.7</b>	<b>99.2</b>	<b>99.7</b>	<b>100.2</b>
<b>EBITDA</b>	<b>2026E 8.6</b>	<b>8.7</b>	<b>8.9</b>	<b>8.2</b>
	<b>2027E 8.9</b>	<b>9.0</b>	<b>9.2</b>	<b>8.5</b>

### Company Description

CareRx is a long-term care pharmacy services (LTC Rx) in ON/BC/AB; historically operating in other healthcare services niches (physio/ rehab, specialty surgery services) that were divested in 2015 & 2019, respectively



Source: Refinitiv, Leede Financial

## FQ425 Update. EBITDA Margin Sustains Sequential Improvement, Maintaining Buy Rating

ON-based long-term care pharmacy (LTC Rx) services provider CareRx reported FQ425 financial data for the Sept-end quarter that sustained the firm's trailing upward trajectory on both EBITDA & cash flow, consistent with our investment thesis on the firm & thus consistent with our Buy rating that we are maintaining herein.

**Summary & valuation.** Starting with our conclusion & work backwards in our CareRx financial results narrative, we are maintaining our Buy rating as indicated above, while shifting the reference year on which we base our EBITDA-supported valuation to F2027, while incorporating FQ425 balance sheet data into our EV determination. In so doing & by applying a 10x EV-to-EBITDA multiple to our F2027 EBITDA forecast of \$35.6M while incorporating FQ425 cash of \$14.1M & total debt of \$41.1M, we derive a new PT for CRRX of \$5.25, up from \$4.75 previously. At present, the firm has 62.8M S/O (fd S/O by our calculation of 64.8M) after undertaking modest activity on its normal course issuer bid.

We see no barriers to ongoing organic growth in the firm's beds served within its existing transnational network of fulfillment centers mostly concentrated in ON-AB-BC; accordingly, we believe that the firm can grow top-line performance without incurring excessive fixed costs or new growth capex investment. Our revised PT, taken together with projected dividend yield, corresponds to total one-year return of 39.5%. CRRX shares are up 51% over the T12M period & even more substantially up by 143% over the T24M period.

**All arrows pointing upward in FQ425 financial data.** CareRx's FQ425 revenue/adjusted EBITDA/margin were \$96.1M/\$8.8M/9.2% & thus up sequentially from \$93.2M/\$8.3M/9.0% in FQ325 & up y/y as compared to \$92.2M/\$7.6M/8.2% in FQ424. In absolute terms, incremental sequential improvements in EBITDA & margin may seem inconsequential, but upward trajectory has been sustained on both metrics since trough levels were reported in FQ123, with financial risk long ago incurred by high debt levels no longer a factor in our CRRX evaluation.

**FQ425 revenue grows in proportion to average beds served in the quarter, with our model assuming that capacity for beds served can grow with minimal impact on fixed costs or growth capex.** There was no change in CareRx's physical infrastructure in the quarter, with the firm still overseeing twenty-five fulfillment centers (facilities from which it organizes & dispenses Rx therapies for LTC patients) mostly in ON-AB-BC, with one center in SK & NB, respectively.

We calculate from CareRx's FQ425 revenue (\$96.1M) & its average beds served in the quarter (92,250, up slightly from 91,298 in FQ325 & more dramatically up from 87,658 in FQ424) that the firm's annualized revenue per bed was \$4,166, comparable to most prior periods including \$4,084 in FQ325 & \$4,206 in FQ424. In most financial periods & certainly since the Medical Pharmacies acquisition in FQ321, annualized revenue per bed has hovered around \$4,000 & thus is not a material variable in deriving our CRRX financial forecasts.

## Exhibit 1. Financial Forecast Summary for CareRx

Year-end December 31 (C\$000, except EPS)	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Physio/Rehab/Assessment	0	0	0	0	0	0	0	0	0	0	0	0
LTC Pharmacy Services	124,453	125,352	125,795	162,196	262,630	381,727	370,746	366,714	370,241	389,532	397,864	406,196
Surgical & Medical Centers	44,514	43,679	0	0	0	0	0	0	0	0	0	0
<b>Total revenue</b>	<b>\$168,967</b>	<b>\$169,031</b>	<b>\$125,795</b>	<b>\$162,196</b>	<b>\$262,630</b>	<b>\$381,727</b>	<b>\$370,746</b>	<b>\$366,714</b>	<b>\$370,241</b>	<b>\$389,532</b>	<b>\$397,864</b>	<b>\$406,196</b>
Revenue growth (%)	0.3%	0.0%	(25.6%)	28.9%	61.9%	45.3%	(2.9%)	(1.1%)	1.0%	5.2%	2.1%	2.1%
EBITDA, pharmacy	\$17,014	\$9,844	\$15,137	\$17,398	\$32,705	\$36,072	\$34,673	\$38,297	\$40,930	\$42,608	\$43,917	\$45,243
EBITDA margin, pharmacy (%)	13.7%	7.9%	12.0%	10.7%	12.5%	9.4%	9.4%	10.4%	11.1%	10.9%	11.0%	11.1%
EBITDA, surgery	\$6,180	\$6,596	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EBITDA margin, surgery (%)	13.9%	15.1%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
EBITDA, other divisions less corporate costs	(\$5,681)	(\$5,570)	(\$5,658)	(\$4,622)	(\$9,375)	(\$3,805)	(\$6,000)	(\$8,000)	(\$8,000)	(\$8,180)	(\$8,355)	(\$8,530)
<b>EBITDA</b>	<b>\$17,513</b>	<b>\$10,870</b>	<b>\$9,479</b>	<b>\$12,776</b>	<b>\$23,331</b>	<b>\$32,267</b>	<b>\$28,673</b>	<b>\$30,297</b>	<b>\$32,930</b>	<b>\$34,427</b>	<b>\$35,562</b>	<b>\$36,713</b>
EBITDA growth (%)	13.2%	(37.9%)	(12.8%)	34.8%	82.6%	38.3%	(11.1%)	5.7%	8.7%	4.5%	3.3%	3.2%
EBITDA margin (%)	10.4%	6.4%	7.5%	7.9%	8.9%	8.5%	7.7%	8.3%	8.9%	8.8%	8.9%	9.0%
Net income	\$520	(\$34,388)	(\$45,677)	(\$18,262)	(\$22,730)	(\$34,353)	(\$5,405)	(\$4,502)	\$26,127	\$5,258	\$6,250	\$6,983
Adj. net inc	(\$782)	(\$6,167)	(\$35,642)	(\$7,242)	(\$11,008)	(\$5,378)	(\$1,597)	(\$1,696)	\$27,974	\$6,246	\$7,238	\$7,971
<b>EPS (basic)</b>	<b>(\$0.08)</b>	<b>(\$0.59)</b>	<b>(\$3.11)</b>	<b>(\$0.33)</b>	<b>(\$0.27)</b>	<b>(\$0.11)</b>	<b>(\$0.03)</b>	<b>(\$0.03)</b>	<b>\$0.44</b>	<b>\$0.10</b>	<b>\$0.12</b>	<b>\$0.13</b>
EPS (fd)	(\$0.07)	(\$0.58)	(\$2.92)	(\$0.32)	(\$0.20)	(\$0.09)	(\$0.02)	(\$0.02)	\$0.43	\$0.10	\$0.11	\$0.12
S/O, basic	10,256	10,436	11,475	21,918	40,921	48,191	58,168	60,562	62,899	62,781	62,781	62,781
S/O, fd (inc convert debt)	10,528	10,654	12,200	22,723	56,047	61,819	71,517	72,110	65,257	65,443	65,443	65,443
P/E (basic)	NA	NA	NA	NA	NA	NA	NA	NA	8.6x	NA	NA	NA
EV/EBITDA	15.2x	24.5x	28.1x	20.9x	11.4x	8.3x	9.3x	8.8x	8.1x	7.7x	7.5x	7.3x

Source: CareRx financial filings; Leede Financial Inc.

Debt-based financial ratios continue to be not just within safe territory but actually attractive in comparison to healthcare services peers, thus minimally impacting overall business risk & our investment thesis. CareRx exited the quarter with \$14.4M in cash & restricted cash & total debt of \$41.1M, with current debt levels corresponding to sustainably attractive debt-based financial ratios – FQ425 debt-to-EBITDA run-rate ratio of 1.2x is well within safe territory as is the firm's FQ425 adjusted EBITDA-to-interest coverage ratio of 5.9x.

We have commented in many recent reports on CareRx's quarterly financial results that we are pleased to be entering an era where we no longer need to comment on the firm's debt levels & associated financial risk – and then we proceed to talk about the firm's debt levels & associated financial risk, as we are here! – but the only reason that we occasionally feature this element in our commentary is that for much of CareRx's public markets history, financial costs were indeed excessively high in comparison to its EBITDA-generating capabilities & as we reflect back on our legacy model, financial risk has not been material to overall business risk since FQ323.

For some historic context, much of CareRx's debt reduction transpired many years ago when it divested its medical equipment distribution operations in FQ214, then its physio/rehab operations in FH215 & later divesting its specialty surgery operations in FH218, providing capital to reduce its debt burden during FH223, from \$103.8M in FQ323 to \$67.1M in FQ423 & of course to \$41.1M in the present quarter.

## Exhibit 2. Valuation Summary for CareRx

EV/EBITDA multiple, F2027	4x	6x	8x	10x	12x	14x
Implied share price <sup>1</sup>	\$1.84	\$2.97	\$4.11	\$5.24	\$6.37	\$7.51
<b>One-year CRRX target price<sup>1,2</sup></b>	<b>\$5.24</b>					

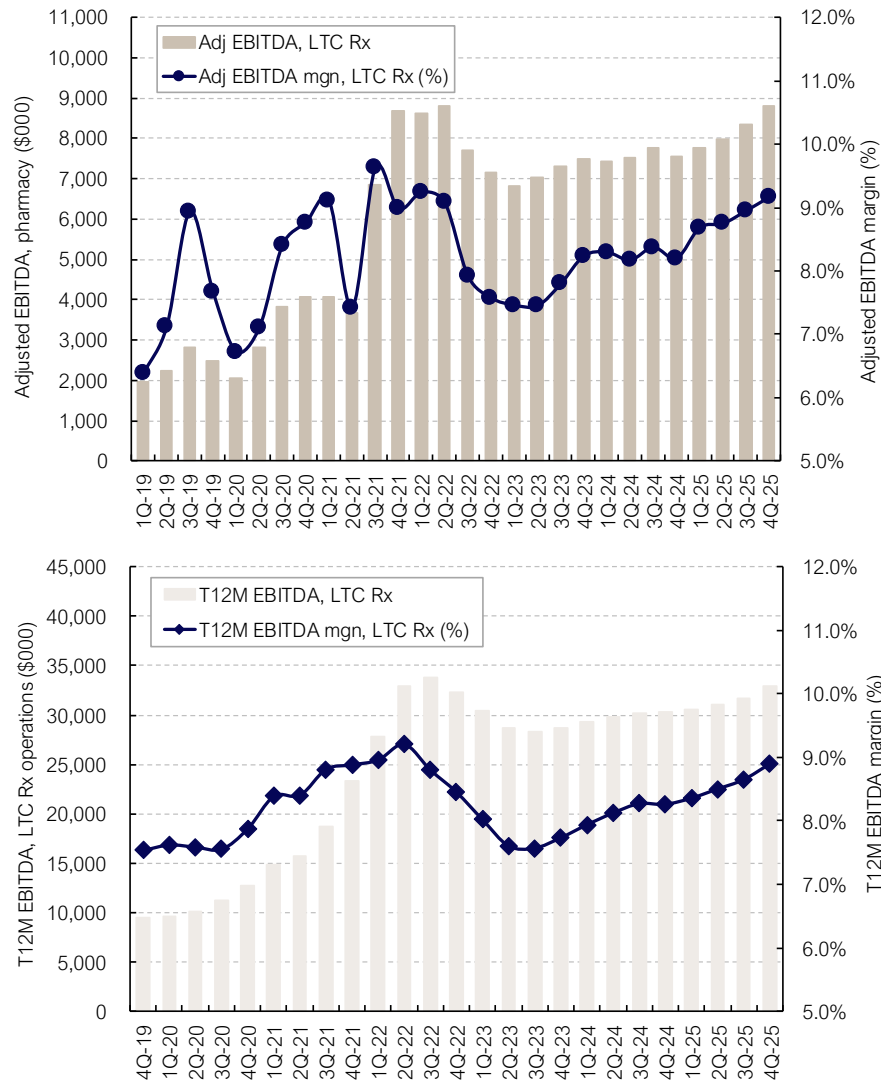
<sup>1</sup> Based on F2026 EBITDA of \$34.0M; 63.0M basic S/O, 65.0M fd S/O

<sup>2</sup> FQ425 cash of \$14.4M, total debt of \$41.1M

Source: Leede Financial Inc.

As in most recent quarters, debt-based financial ratios were well within safe territory, counter to many periods during our early coverage history of the firm. Accordingly, CareRx’s debt-based financial ratios continue to improve in the quarter (debt-to-EBITDA run-rate ratio was 1.3x & its EBITDA-to-interest coverage ratio was 5.2x) & are well within safe territory as we conventionally define safe territory (below 3x for debt-to-annualized EBITDA, above 3x for EBITDA-to-interest coverage). We have been covering CareRx long enough to remember when these ratios were far less attractive, mostly on high debt levels than on low EBITDA levels, but the Rubicon was crossed on those ratios during. Financial risk is no longer a major factor in our CRRX investment thesis & we expect this reality to be sustained throughout our F2026/27 forecast period, excluding any acquisitive growth that may require capital structure revision on indeterminate terms.

Exhibit 3. Quarterly & T12M EBITDA/margin data for CareRx, FQ119A-to-FQ425A

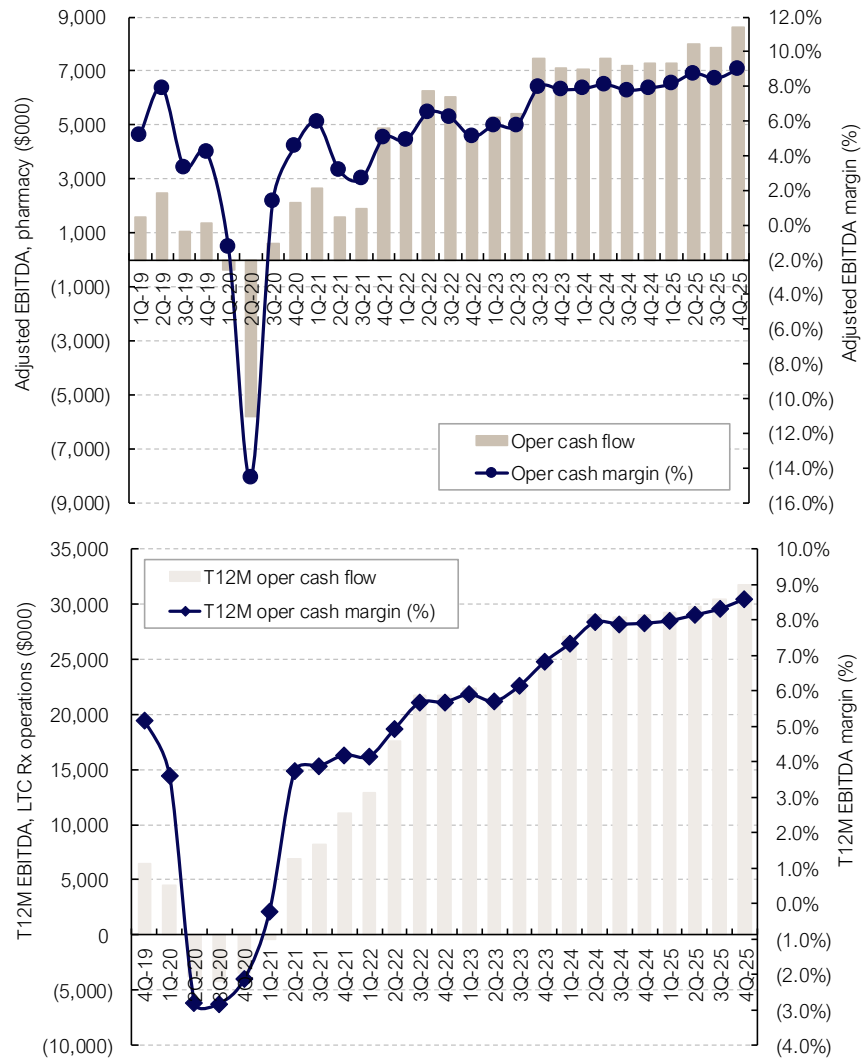


Source: CareRx financial filings; Leede Financial

Operating cash flow experienced the same upward trajectory as EBITDA in the quarter, mitigating dividend risk in the process. Shifting to cash flow, CareRx recorded FQ425 pure operating cash flow of \$8.6M, or \$0.14/shr, as compared to FQ325 data of \$7.9M (\$0.13/shr) & FQ424 data of \$7.3M (\$0.12/shr), with the magnitude of quarterly operating cash flow augmentation clearly modest in absolute terms but still on an upward trajectory that we believe can continue on improving bed capacity utilization as driven by new LTC Rx contract wins & not dependent on acquisitive growth as transpired in prior years. Quarter-end cash actually declined by \$1.5M sequentially, but this was driven predominantly by \$2.5M in debt reduction in FQ425 alone, along with \$0.8M in CRRX share repurchasing by the firm & of course by \$1.3M in dividend paid in the quarter.

Working capital surplus in the quarter of \$0.96M through a combination of inventory & payables surpluses in the period was offset by interest paid of \$1.6M that CareRx chooses to allocate into *Financing Activity* (this would not be our preference but it is nonetheless a long-standing accounting practice for the firm & not unusual to FQ425 specifically) & then cumulative cash deployment to tangible/intangible assets in the quarter of (\$3.2M) contributed to the cash flow-independent cash downdraft in the period. Our model assumes that most of CareRx’s LTC Rx revenue is derived from government sources & so bad debt risk is somewhere between low & non-existent. Interestingly, CareRx’s cumulative working capital imbalance since FQ119 (the first quarter of CareRx’s history as a LTC Rx-focused firm) is well into surplus territory at \$10.9M & it seems plausible to assume that quarterly working capital imbalance could swing into deficit territory in the next quarter or two, but without impacting business risk for the firm when considering existing balance sheet strength & free cash flow-generating capabilities of core operations.;

Exhibit 4. Quarterly & T12M Operating Cash Flow/Margin Data for CareRx, FQ119A-to-FQ425A



Source: Leede Financial

**Dividend policy provides supplemental justification for holding CRRX shares independent of share price augmentation as driven by core EBITDA/cash flow fundamentals.** CareRx’s quarterly dividend of \$0.02/shr corresponded to about \$1.26M in cash pay-out to shareholders, representing about 13% of consolidated FQ425 operating cash flow of \$9.6M, but a slightly higher proportion of 16% if we adjust FQ425 operating cash flow for interest paid in the quarter of \$1.56M. CareRx does not report maintenance capex so we have insufficient data to precisely calculate free cash flow or AFFO in the quarter, but we assume that maintenance capex is low & concentrated in CareRx’s fulfillment centers with the highest levels of automation. But our key takeaway is that CareRx is generating sufficient operating cash flow to fund its current dividend policy, with residual cash (at

least in a quarter when share repurchasing & debt reduction are not overly active) to fund discretionary tuck-in acquisitions if such transactions can be identified & valued on attractive terms.

### Exhibit 5. Comparable Companies for CareRx

Company	Curr.	Sym	Shares Out (M)	Share Price 5-Mar	Mkt Cap (\$M)	Ent. Value (\$M)	EV/EBITDA			Price/Earnings			Description
							(T12)	(FY1)	(FY2)	(T12)	(FY1)	(FY2)	
<b>Canada-based healthcare services firms</b>													
Chartwell REIT	CAD	CSH.UN	316.6	\$9.36	\$2,964	\$9,711	24.2x	19.3x	17.5x	NA	31.2x	NA	Nursing care and retirement residences operator
Extencare	CAD	EXE	94.5	\$27.05	\$2,555	\$2,537	14.4x	11.7x	10.1x	24.3x	22.8x	19.4x	Nursing care and home healthcare operator
K-Bro Linen	CAD	KBL	13.0	\$35.93	\$467	\$767	8.6x	8.0x	7.1x	21.7x	21.5x	15.8x	Linen & laundry processing for hospital & hospitality sectors
Medical Facilities	CAD	DR	17.8	\$16.97	\$301	\$298	5.2x	4.3x	5.2x	13.2x	12.5x	17.2x	US-based physician-owned surgical services
Northwest Health-care Properties	CAD	NWH.UN	250.0	\$5.88	\$1,470	\$2,746	10.6x	12.1x	12.2x	NA	NA	NA	REIT, with sizable client base of healthcare services vendors
Quipt Home Medical	CAD	QIPT	44.5	\$4.97	\$221	\$278	6.7x	4.2x	3.9x	NA	NA	NA	OH-based post-acute care respiratory equipment distrib
Savaria Corp	CAD	SIS	71.7	\$24.32	\$1,744	\$1,950	10.5x	9.8x	8.9x	25.6x	18.1x	15.3x	QC-based patient mobility device manufacturer
Sienna Senior Living	CAD	SIA	99.3	\$23.36	\$2,320	\$3,626	24.2x	18.2x	16.6x	NA	NA	34.4x	Nursing care and retirement residences operator
Viemed Healthcare	USD	VMD	38.0	\$9.08	\$345	\$357	5.8x	5.1x	NA	23.9x	19.3x	14.6x	LA-based post-acute respiratory services & disease mgmt
<b>Average</b>							<b>12.2x</b>	<b>10.3x</b>	<b>10.2x</b>	<b>21.7x</b>	<b>20.9x</b>	<b>19.4x</b>	
<b>Hospice, home health services, rehabilitation therapy</b>													
Ensign Group	USD	ENSG	58.1	\$212.05	\$12,323	\$11,895	22.0x	17.3x	15.7x	36.3x	28.2x	25.7x	CA-based rehabilitation therapy and nursing services firm; 77 facilities mostly in western U.S.
Encompass Health	USD	EHC	99.4	\$108.95	\$10,831	\$14,045	10.2x	10.2x	9.4x	19.7x	18.3x	16.8x	AL-based inpatient rehab services (LT care/ acute care hospitals)
UnitedHealth Group	USD	UNH	907.7	\$291.96	\$265,005	\$326,617	NA	11.5x	10.7x	22.1x	16.4x	14.8x	Subsidiary Optum acquired LHC Group for US\$5.4M in Feb/23, acquired Amedisys for US\$3.3B in Aug/25
National HealthCare	USD	NHC	15.5	\$172.83	\$2,686	\$2,476	14.0x	NA	NA	22.5x	NA	NA	TN-based operator of LT care & assisted living facilities, home care and hospice care services
Select Medical Holdings	USD	SEM	124.0	\$16.25	\$2,015	\$4,164	NA	8.0x	7.5x	14.0x	12.7x	11.9x	PA-based specialty hospitals; 89 LT acute care hospitals, 6 inpatient rehab clinics, 961 outpatient rehab clinics
<b>Average</b>							<b>15.4x</b>	<b>11.7x</b>	<b>10.8x</b>	<b>22.9x</b>	<b>18.9x</b>	<b>17.3x</b>	
<b>Hospital management</b>													
Community Health Systems	USD	CYH	138.6	\$3.43	\$475	\$11,168	7.3x	7.9x	7.7x	0.9x	NA	NA	TN-based hospital manager; 122 hospitals with 18,140 beds in 29 states; merged with Triad Hospitals in 2007
Netcare	ZAc	NTC	1,371.1	\$1,638.00	\$2,245,908	\$35,088	7.2x	6.7x	6.3x	NA	NA	NA	Acute care hospital provider in UK/South Africa
Ramsay Health Care	AUD	RHC	230.8	\$44.00	\$10,157	\$22,481	10.5x	9.8x	9.3x	NA	32.5x	26.8x	Private hospital and day surgery service provider in Australia, France, Indonesia, UK
Tenet Healthcare	USD	THC	87.0	\$244.80	\$21,289	\$36,330	7.8x	7.9x	7.7x	15.8x	14.4x	13.9x	TX-based hospital operator; 53 hospitals with 14,352 beds
Universal Health Services	USD	UHS	61.1	\$202.31	\$12,358	\$17,107	6.5x	6.4x	6.1x	8.7x	8.6x	7.9x	PA-based acute care/surgical hospital-ASC-radiation oncology center operator
<b>Average</b>							<b>7.9x</b>	<b>7.7x</b>	<b>7.4x</b>	<b>8.5x</b>	<b>18.5x</b>	<b>16.2x</b>	
<b>Specialty health services</b>													
Chemed	USD	CHE	13.8	\$410.99	\$5,657	\$5,594	13.3x	11.3x	10.4x	22.4x	17.1x	15.3x	OH-based hospice care (Vitas division), plumbing repair (Roto-Rooter division)
CVS Caremark	USD	CVS	1,272.2	\$80.57	\$102,502	\$156,642	9.2x	8.8x	7.9x	NA	11.2x	9.8x	RI-based retail pharmacy, mail service drug distrib, formulary mgmt, claims processing
Davita	USD	DVA	66.8	\$154.79	\$10,340	\$21,722	7.8x	7.6x	7.4x	16.2x	11.1x	9.4x	CO-based dialysis services provider, 1,530 outpatient centers in 43 US states, acute inpatient dialysis services
Guardian Pharmacy	USD	GRDN	63.3	\$34.76	\$2,201	\$2,176	NA	20.8x	19.4x	NA	NA	33.6x	CareRx's main US peer in the LTC Rx industry, consummated IPO in Q324
Healthcare Services Group	USD	HCSG	70.3	\$21.31	\$1,497	\$1,329	20.3x	11.8x	10.8x	26.1x	22.3x	19.5x	Cleaning, maintenance, food services for nursing homes and rehab facilities
Pediatric Medical Group	USD	MD	83.0	\$19.88	\$1,650	\$1,748	6.9x	6.1x	6.0x	10.3x	8.9x	8.5x	FL-based neonatal and pediatric anesthesia services
<b>Average</b>							<b>11.5x</b>	<b>11.1x</b>	<b>10.3x</b>	<b>18.7x</b>	<b>14.1x</b>	<b>16.0x</b>	
<b>CareRx</b>	<b>CAD</b>	<b>CRRX</b>	<b>62.8</b>	<b>\$3.82</b>	<b>\$240</b>	<b>\$266</b>	<b>8.6x</b>	<b>6.9x</b>	<b>6.2x</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>ON-based LTC pharmacy operations, mainly in Ontario &amp; western Canada</b>

Source: Leede Financial, Consensus Data - Refinitiv

**Legacy funding policy in ON that was poised to implement scheduled reduction in professional fees appears to be shelved for now, at least according to CareRx's MD&A commentary.** We were encouraged to see in CareRx's FQ425 MD&A that it no longer believes that the ON Ministry of Health is committed to enacting its previously-proposed reduction in professional fees as applied to LTC Rx services that are currently funded on a per-bed capitation revenue model. Recall that the ON Drug Benefit Act had in 2020 proposed to reduce professional fees from the current level of \$1,500 per bed annually down to \$1,200 per bed annually over a three-year phase-in period, a policy that during the pandemic era was postponed annually by the Ministry. We did not hear CareRx management address ON funding risk in its remarks & indeed, the firm states explicitly in its FQ425 financial documents that it has indications from the Ministry that the current per-bed capitation fee structure will remain in place in the near-term. Accordingly, our model will assume during our F2026-to-F2028 forecast period that our annualized per-bed reimbursement rate of about \$4,000 per bed can be sustained, not just in ON but also in BC-AB-SK-NB where the firm also operates.

Though CareRx has clearly grown to its existing scale almost exclusively through acquisition, starting with the original acquisition of foundational ON-based Rx operation Classic Care in seminal transactions include the firm's initial acquisition in ON of Classic Care back in FQ411, followed by several regional transactions in western Canada (AB-based PharmaCare in FQ115 & of course BC-based CareRx in FQ316, from which it derives its current corporate brand) and then concluding with the acquisition of Rexall's (private) long-term care Rx operations in FQ221 & the Medical Pharmacies Group acquisition in FQ421, cumulatively forming the national infrastructure contributing exclusively to the firm's financial performance since divesting physio/rehab operations back in FQ415 & specialty surgery services in FQ319. But in reflecting on CareRx's substituent components in its existing LTC Rx operations, we emphasize that our F2026-to-F2028 forecast period does not assume any acquisitive growth & certainly not to the scale that the firm consummated during F2011-to-F2016 & again in F2021.

With Rexall (private) no longer a major player in the LTC Rx industry, CareRx's main competitors are Loblaw's Shoppers Drug Mart-Medisystem (L-T, NR) in ON and Sobey's National Pharmacy Group (part of Empire Company; EMP.A-T, NR) in Atlantic Canada, neither of which publishes financial data specific to LTC Rx operations to which we could notionally compare CareRx's financial performance. The firm does have one US peer in GA-based Guardian Pharmacy Services (GRDN-NY, NR) for which F2026 revenue/EBITDA are projected to be US\$1.4B-to-US\$1.42B & US\$115M-to-US\$118M, respectively. If achieved, Guardian's EBITDA margin, admittedly in a distinct eldercare market with equally distinct funding metrics, would be at or slightly below that which CareRx was able to achieve in trailing quarters.

Disclosures None

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Tender	1	6%
Under Review	1	6%

**Historical Target Price**

