

# Protech Home Medical

Our Q320 Top Pick Pre-Announces Strong FQ320 Revenue/EBITDA, Consistent with our Investment Thesis - BUY

PTQ-TSXV: \$1.17  
Buy  
\$2.50 Target

**Event:** US-based home respiratory equipment distributor Protech Home Medical provided preliminary feedback on its retrospective FQ320 revenue/EBITDA for the June-end quarter. The firm expects to report revenue in the \$25.6M-to-\$25.9M range, and EBITDA in the \$5.3M-to-\$5.5M range, thus implying EBITDA margin of 20.5%-to-21.5%. Our forecasts were for revenue of \$25.8M and EBITDA/margin of \$5.0M/19.5%.

**Bottom line:** We are highly encouraged that Protech has been able to achieve revenue/EBITDA growth objectives in a challenging economic macro-environment, though with its core operations clearly targeting a necessary medical market niche in respiratory care that we thought could be less vulnerable to operational softness in pending quarters. That thesis is now well-supported by FQ320 data that are expected to meet our revenue expectations while exceeding our EBITDA/margin projections as indicated above. Protech is solidly meeting operational performance that justifies our Top Pick status, as it did in Q220 when we also ascribed Top Pick status to the stock (generating Mar-to-Jun/20 return of 82.3% in the process). **We are thus maintaining our BUY rating, Top Pick status, and PT of \$2.50 on PTQ,** with our valuation still based on multiples of our F2022 EBITDA/EPS forecasts (Exhibit 2) and with our PT corresponding to a one-year return of 114%.

**Core financial metrics reveal operational excellence in essential respiratory equipment distribution niche:** Just to provide a bit more context for what we expect from FQ320 data once reported, Protech has typically reported higher revenue from respiratory equipment rental than for equipment sales, and our model projects a similar trend into FQ320 even with new revenue contribution from Cooley Medical and Acadia Medical as we describe below. Our model projects revenue from equipment sales of \$10.1M (was \$10.1M in FQ220 and \$7.5M in FQ319) and from equipment rental of \$15.7M (was \$14.0M in FQ220 and \$13.6M in FQ319).

Protech indicated that FQ320 gross margin should be similar to FQ220 gross margin that was 73.0%, comparable to relative gross margin achieved during FQ419 and FQ120 as well and thus slightly higher than our FQ320 projection that more conservatively assumed some SARS-CoV-2-impacted margin softness in the period. We are confident that gross margin can thus be sustained at or above 73% in future periods, while stabilizing EBITDA/margin in the process.

**Protech is already achieving EBITDA margin above 20%, as we projected during F2020 and beyond:** Sequential EBITDA growth at/near pre-announced level would correspond to 9-13% growth from \$4.9M generated in FQ220, which itself was strong by historic standard and especially so when considering overall macro-economic softness that transpired near quarter-end. FQ319 EBITDA was \$3.9M, though recall that current EBITDA levels are augmented by acquisition of KY-based respiratory equipment distributor Cooley Medical for which we project quarterly revenue/ EBITDA of about \$2.3M/\$0.45M), and of MN-based Acadia Medical for which we project lower-but-still-positive quarterly revenue/EBITDA of \$1.0M/\$0.2M.

Both transactions were consummated during H219 and thus contributed to FQ220-FQ320 headline financial data. Still, acquisitive revenue/EBITDA growth only partially accounts for Protech's near-term operational excellence that on a y/y basis has added quarterly revenue of

Projected Return: 114%  
Valuation: 25x fd EPS  
12.5x EV/EBITDA (F2022 estimates)

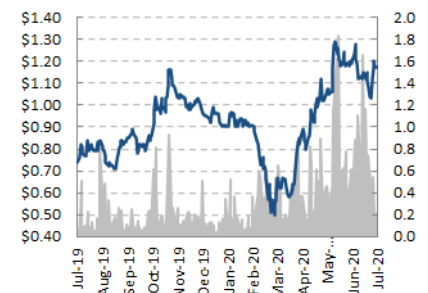
## Market Data

Basic Shares O/S (M)	111.3
FD Shares O/S (M)	136.7
Market capitalization (\$M)	130.2
Enterprise Value (\$M)	106.0
Adj pro forma cash (\$M, most rec Q)	36.3
Adj pro forma LT debt (\$M, most rec Q)	12.1
52 Week Range	\$0.47-\$1.35
Avg. Weekly Volume (M)	2.84
Fiscal Year End	Sep-30

## Financial Metrics

In C\$	F2019A	F2020E	F2021E
Total Revenue (\$000)	80,967	94,872	115,584
EBITDA (\$000)	14,858	19,274	25,770
Adj net inc (\$000)	(9,141)	606	9,269
EPS (basic)	(\$0.12)	\$0.01	\$0.08
EPS (FD)	(\$0.10)	\$0.01	\$0.07
P/E	NA	NA	14.0x
EV/EBITDA	7.1x	5.5x	4.1x

Protech Home Medical is a durable medical equipment company focused on the delivery and servicing of home-based medical equipment. The firm operates in 12 US states with 33 locations, and with deliveries/ equipment setups to more than 80,000 patients.



Source: Consensus Data - FactSet, Forecasts/Estimates - Echelon Wealth Partners

\$4.6M-to-\$4.8M and EBITDA of \$1.4M-to-\$1.6M. Margin improvements through operational cost synergies and through leveraging fixed costs through revenue growth are likely simultaneously driving growth in ways that our rating and valuation originally projected, and we continue to see PTQ as an attractive holding for diversified investors seeking any weighting in healthcare services.

### Exhibit 1 – Financial Forecasts & Statistical Summary for Protech Home Medical

Year-end September 30 (US\$000, except EPS)	F2017A	F2018A	F2019A	F2020E	F2021E	F2022E	F2023E	F2024E
Sale of medical equipment & supplies	25,858	34,569	35,227	43,334	52,927	53,851	57,889	62,231
Sales from rental of medical equipment	50,511	42,294	45,740	51,537	62,656	76,296	82,018	88,169
<b>Total revenue</b>	<b>\$76,369</b>	<b>\$76,863</b>	<b>\$80,967</b>	<b>\$94,872</b>	<b>\$115,584</b>	<b>\$130,146</b>	<b>\$139,907</b>	<b>\$150,400</b>
Revenue growth (%)	NA	0.6%	5.3%	17.2%	21.8%	12.6%	7.5%	7.5%
Direct costs	22,256	23,349	23,527	25,825	30,866	34,024	39,174	42,112
SG&A/other expense	53,056	35,981	36,896	41,559	50,748	58,175	62,538	67,228
<b>EBITDA</b>	<b>\$1,057</b>	<b>\$12,307</b>	<b>\$14,858</b>	<b>\$19,274</b>	<b>\$25,770</b>	<b>\$29,748</b>	<b>\$29,381</b>	<b>\$31,584</b>
EBITDA growth (%)	NA	NA	NA	29.7%	33.7%	15.4%	(1.2%)	7.5%
EBITDA margin (%)	1.4%	16.0%	18.4%	20.3%	22.3%	22.9%	21.0%	21.0%
Non-operating expenses	\$26,302	\$17,403	\$19,485	\$17,427	\$11,294	\$7,446	\$7,527	\$8,073
Interest expense (income)	\$1,400	\$1,908	\$2,510	\$1,275	\$585	\$568	\$498	\$428
Net income, fully-taxed	(\$27,094)	(\$6,967)	(\$9,141)	\$606	\$9,269	\$15,034	\$14,755	\$16,025
Fully-taxed EPS (basic)	(\$0.36)	(\$0.09)	(\$0.12)	\$0.01	\$0.08	\$0.14	\$0.13	\$0.14
<b>Fully-taxed EPS (fd)</b>	<b>(\$0.34)</b>	<b>(\$0.08)</b>	<b>(\$0.10)</b>	<b>\$0.01</b>	<b>\$0.07</b>	<b>\$0.11</b>	<b>\$0.11</b>	<b>\$0.12</b>
P/E (basic)	NA	NA	NA	NA	14.0x	8.7x	8.8x	8.1x
EV/EBITDA	NA	8.6x	7.1x	5.5x	4.1x	3.6x	3.6x	3.4x

Source: Historicals – Company Information (K-Bro), Forecasts/Estimates - Echelon Wealth Partners Inc.

As shown in Exhibit 3, Protech is still trading at 4.6x/20x F2021 consensus EBITDA compared to a corresponding US peer group average of 18.8x F2021 consensus EBITDA, and to its Canadian healthcare services peers that are trading on average at 13.4x consensus F2021 EBITDA. We see no justification for capital markets to continue ascribing discounted multiples to Protech's core operations or to the EBITDA projections that apply. We speculated in an earlier PTQ research comment that one future source of growth could be from deployment of inhalable nitric oxide delivery platforms, as they have shown some evidence for mitigating lung inflammation in SARS-CoV-2-infected patients. But our model does not overtly assume any revenue augmentation from equipment sales into this still-evolving market niche. NJ-based Bellerophon Therapeutics (BLPH-Q, NR) is indeed funding a 500-patient Phase III SARS-CoV-2 infection trial (the COVINOX trial) that is testing its nitric oxide delivery platform INOpulse, from which data are expected next year.

### Exhibit 2 – Valuation Scenarios for Protech

Price/earnings multiple, F2022	15x	20x	25x	30x	35x	40x
Implied share price <sup>1</sup>	\$1.65	\$2.20	<b>\$2.75</b>	\$3.30	\$3.85	\$4.40
EV/EBITDA multiple, F2022	5x	10x	12.5x	15x	17.5x	20x
Implied share price <sup>1</sup>	\$0.91	\$2.00	<b>\$2.54</b>	\$3.09	\$3.63	\$4.18
<b>One-year PTQ target price (C\$) <sup>1</sup></b>	<b>\$2.65</b>					

<sup>1</sup> Based on adjusted F2022 EBITDA of \$29.7M, F2022 EPS of \$0.11; EV incorporates FQ220 total debt of \$12.1M, pro forma cash of \$36.3M includes FQ220 cash/equivalents & net proceeds from end-of-FQ320 equity offering & S/O of 136.7M

Source: Forecasts/Estimates – Echelon Wealth Partners

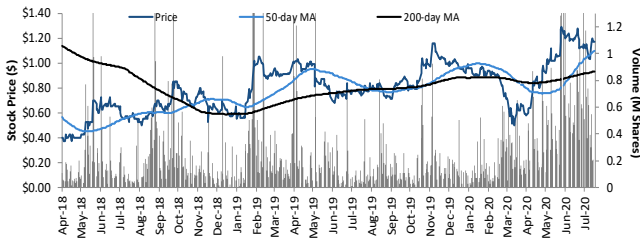
**Summary & valuation:** As stated, we are maintaining our BUY rating, Top Pick status, and one-year PT of \$2.50 on PTQ, with our valuation based on multiples of F2022 EBITDA/fd EPS (\$29.7M/\$0.11). We expect EBITDA and margin growth to be the primary drivers for PTQ valuation in coming quarters, since amortization expense on respiratory equipment has dampened net income growth prospects in most recent quarters and probably will continue to do so into F2021 as well. Our EV calculation incorporates FQ220 debt of \$12.1M and pro forma cash of \$36.3M. Pro forma cash includes FQ220 cash of \$6.2M, and net proceeds of about \$30.1M from an equity offering consummated in Jun/20. FQ320 balance sheet data when reported should incorporate both of these metrics as well as FQ320 operating cash flow that should be comparable to FQ320 EBITDA, excluding any impact from working capital deficit that may transpire on respiratory equipment inventory build-out that may have transpired during the period. Our model assumes that bad debt expense will be at or near \$2.0M, as it was during FQ120-FQ220 as well.

**Exhibit 3 – Peer Universe for Protech Home Medical**

Company	Curr	Sym	Shares out (M)	Share price 20-Jul	Mkt cap (\$M)		EV		Ent val (\$M)		EV/EBITDA			Price/Earnings			Company description
					(curr)	(C\$)	(curr)	(C\$)	(curr)	(C\$)	(T12M)	(F2020)	(F2021)	(T12M)	(F2020)	(F2021)	
<i>Canadian Healthcare Services Firms</i>																	
Akumin, Inc.	CAD	AKU-CA	70.1	\$2.51	\$176	\$176	\$856	\$856	\$856	7.9x	9.3x	13.1x	22.4x	6.8x	NA	US-based medical imaging clinic consolidator, focused on Florida & neighboring geographies	
Assure Holdings Corp.	CAD	IOM-CA	12.9	\$1.13	\$15	\$15	\$45	\$45	\$45	NA	NA	NA	NA	NA	NA	US-based neuromonitoring services firm, operations in CO, TX, LA, UT; planned expansion	
CareRx Corporation	CAD	CRRX-CA	21.8	\$4.29	\$93	\$93	\$2,184	\$2,184	\$2,184	NA	NA	NA	NA	NA	NA	ON-based long-term care pharmacy operator	
CRH Medical Corporation	CAD	CRH-CA	71.6	\$3.11	\$223	\$223	\$369	\$369	\$369	6.2x	7.3x	18.0x	NA	44.8x	NA	US-based GI anesthesiology/ endoscopy services	
Extencare Inc.	CAD	EXE-CA	89.5	\$5.64	\$505	\$505	\$951	\$951	\$951	10.4x	10.3x	10.7x	15.9x	29.7x	31.3x	ON-based long-term care & home health-care services provider	
K-Bro Linen Inc.	CAD	KBL-CA	10.6	\$27.25	\$289	\$289	\$386	\$386	\$386	8.1x	8.8x	19.7x	40.8x	26.4x	NA	AB-based linen/laundry processing firm, focused on healthcare/ hospitality sectors	
Medical Facilities Corporation	CAD	DR-CA	31.1	\$3.75	\$117	\$117	\$465	\$465	\$465	3.7x	3.9x	7.0x	3.0x	8.2x	4.3x	US-based physician-owned surgical hospital operator	
Savaria Corporation	CAD	SIS-CA	50.6	\$13.84	\$701	\$701	\$745	\$745	\$745	13.4x	13.4x	13.7x	25.1x	26.1x	30.4x	QC-based patient mobility device manufacturer (elevators, wheel-chairs, stair & ceiling lifts)	
Viemed Healthcare Inc	CAD	VMD-CA	38.5	\$14.10	\$543	\$543	\$574	\$574	\$574	25.2x	22.4x	11.8x	37.7x	50.3x	19.1x	LA-based post-acute respiratory services & disease management	
<b>Average</b>									<b>\$731</b>	<b>10.8x</b>	<b>13.4x</b>	<b>27.5x</b>	<b>21.3x</b>				
<i>US-based &amp; RoW home medical equipment distribution peers</i>																	
AdaptHealth Corp. Class A	USD	AHCO-US	38.7	\$18.98	\$734	\$996	\$1,216	\$1,216	\$1,651	8.6x	7.2x	5.4x	NA	30.1x	20.9x	PA-based medical equip provider; 66% equip sales vs 34% rental; 16% of business is respiratory	
Byram Healthcare (Owen & Minor)	USD	OMI-US	63.0	\$8.10	\$510	\$693	\$1,992	\$1,992	\$2,703	10.4x	8.9x	9.1x	NA	16.3x	12.5x	VA-based med supplies/services in diabetes, wound care, urology, ostomy	
Envista Holdings Corp.	USD	NVST-US	159.2	\$21.91	\$3,489	\$4,734	\$4,893	\$4,893	\$6,641	12.0x	35.5x	13.9x	17.5x	NA	17.8x	CA-based dental products devel-oper	
Fisher & Paykel Healthcare	NZD	FPH-NZ	574.9	NZD 35.76	NZD 20,559	\$18,308	\$20,698	NZD 20,698	\$18,433	NA	37.6x	35.2x	NA	56.9x	53.4x	NZ-based med device developer; respiratory, acute care, obstructive sleep apnea	
Hill-Rom Holdings, Inc.	USD	HRC-US	66.6	\$112.43	\$7,483	\$10,155	\$9,454	\$9,454	\$12,830	16.2x	14.2x	13.3x	50.9x	20.3x	18.6x	IL-based med equip developer, focused on respiratory care, medical diagnostics surg supplies	
Inogen	USD	INGN-US	22.0	\$36.86	\$813	\$1,103	\$610	\$610	\$828	11.1x	37.5x	14.8x	57.3x	NA	NA	CA-based portable oxygen con-centrator marketer (One G4-G3-G2-At Home systems)	
Inspiration Healthcare	GBP	IHC-GB	68.0	\$0.63	\$43	\$58	\$17	\$17	\$24	8.0x	5.3x	NA	28.7x	17.9x	NA	UK-based respiratory care, thermoregulation, neonatal resuscitation device developer	
Linde plc	USD	LIN-US	525.2	\$242.60	\$127,410	\$172,912	\$145,108	\$145,108	\$196,931	18.1x	17.7x	16.3x	55.7x	32.4x	28.7x	UK-based distributor of industrial gases, acquired FL-based Lincare in Q312, TN-based American Home Patient in Q415	
ResMed Inc.	USD	RMD-US	144.7	\$199.00	\$28,789	\$39,071	\$30,144	\$30,144	\$40,910	32.2x	31.4x	31.0x	55.9x	44.4x	42.9x	CA-based medical equipment developer, focused on respiratory, sleep & SaaS software for out-of-hospital services	
Vapotherm, Inc.	USD	VAPO-US	24.8	\$49.15	\$1,219	\$1,655	\$1,012	\$1,012	\$1,374	NA	NA	NA	NA	NA	NA	NH-based ventilator support & nasal cannula developer	
Wright Medical Group NV	USD	WMGI-US	128.9	\$29.94	\$3,859	\$5,237	\$4,874	\$4,874	\$6,614	NA	NA	30.2x	NA	NA	NA	Netherlands-based orthopedic & bone regeneration product developer	
<b>Average</b>									<b>\$26,267</b>	<b>21.7x</b>	<b>18.8x</b>	<b>31.2x</b>	<b>27.8x</b>				
Protech Home Medical Corp.	CAD	PTQ-CA	111.3	\$1.17	\$130	\$130	\$126	\$106	\$106	7.5x	5.5x	4.6x	NA	NA	22.0x	US-based home medical equipment rental/sales, focused on respiratory care	

Source: Consensus Data - FactSet

**TEARSHEET - Protech Home Medical Corp. (PTQ-V, \$1.17, BUY, PT: \$2.50)**

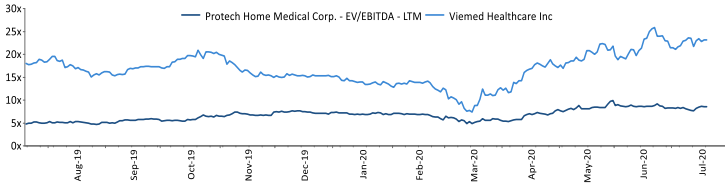


**Company Description**

Protech Home Medical is a durable medical equipment company focused on the delivery and servicing of home-based medical equipment, predominantly in respiratory care. Presently, the firm operates in 12 US states in 33 locations, & with deliveries/equipment setups to more than 80,000 patients.

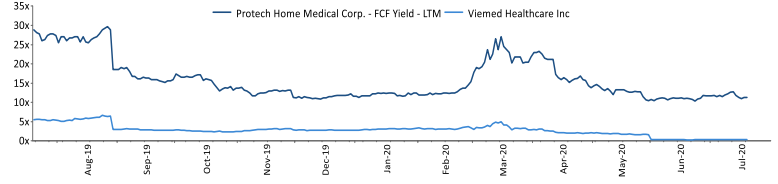
Consensus		Return
Rating:	Buy	
Target:	\$2.31	97.2%
Median:	\$2.30	96.6%
High:	\$2.60	122.2%
Low:	\$2.00	70.9%
# Est:	7	
Consensus Distribution		
Sector Outperform/Buy	7	
Sector Perform/Hold	0	
Sector UnderPerform/Sell	0	

**T12M EV/EBITDA**



**Historical Valuations**

**T12M FCF Yield**



Financial Summary/Key Metrics	F2016A	F2017A	F2018A	F2019A	F2020E	F2021E	F2022E
<b>CS000's except for per share data</b>							
Sale of medical equipment & supplies	NA	25,858	34,569	35,227	43,334	52,927	53,851
Sales from rental of medical equipment	NA	50,511	42,294	45,740	51,537	62,656	76,296
Total revenue	NA	76,369	76,863	80,967	94,872	115,584	130,146
Gross margin	NA	54,113	53,514	57,440	69,047	84,718	96,122
Gross margin (%)	NA	70.9%	69.6%	70.9%	72.8%	73.3%	73.9%
<b>Total Revenue</b>	<b>NA</b>	<b>76,369</b>	<b>76,863</b>	<b>80,967</b>	<b>94,872</b>	<b>115,584</b>	<b>130,146</b>
Growth y/y	NA	NA	0.6%	5.3%	17.2%	21.8%	12.6%
Cons. (CSMM)	NA	NA	76,900	81,000	96,935	110,705	130,228
Cons. 3 Mts. Ago (CSMM)	NA	NA	13	15	19	24	30
<b>EBITDA</b>	<b>NA</b>	<b>1,057</b>	<b>12,307</b>	<b>14,858</b>	<b>19,274</b>	<b>25,770</b>	<b>29,748</b>
Margin	NA	1.4%	16.0%	18.4%	20.3%	22.3%	22.9%
Cons. (CSMM)	NA	NA	12.6	14.9	19.3	23.2	27.6
Cons. 3 Mts. Ago (CSMM)	NA	NA	12.6	14.9	19.2	24.5	30.2
Net income, fully taxed	NA	(27,094)	(6,967)	(9,141)	606	9,269	15,034
<b>EPS (fd, fully-taxed)</b>	<b>NA</b>	<b>(\$0.34)</b>	<b>(\$0.08)</b>	<b>(\$0.10)</b>	<b>\$0.01</b>	<b>\$0.07</b>	<b>\$0.11</b>
Cons.	(\$1.05)	NA	(\$0.05)	(\$0.10)	(\$0.01)	\$0.05	\$0.10
Cons. 3 Mts. Ago	(\$1.05)	NA	(\$0.05)	(\$0.10)	(\$0.02)	\$0.07	\$0.16
P/E (basic)	NA	NA	NA	NA	NA	14.0x	8.7x
EV/EBITDA	NA	NA	8.6x	7.1x	5.5x	4.1x	3.6x

Valuation			
Price/Earnings Multiple		20.0x	25.0x
Implied value/share <sup>1</sup>		\$2.20	\$2.75
EV/EBITDA Multiple		10.0x	12.5x
Implied value/share <sup>1</sup>		\$2.00	\$2.54
<b>One year Protech Target Price (C\$)<sup>1</sup></b>			<b>\$2.50</b>

Key Statistics	Value
52-Wk High:	\$1.35
52-Wk Low:	\$0.47
Avg Vol (3-Mo)	2.78
Shares O/S:	84.2
Market Cap:	98.5
Cash (\$M):	36.3
Ent. Value (\$M):	62.2
Div Yield:	0.0%
Website:	<a href="http://www.protechhomemedical.com">http://www.protechhomemedical.com</a>
FYE:	Sep 30
Employees:	N/A

Top Inst. Ownership	M Shares	% Held
Claret Asset Management Corp.	3.7	4.4%
StoneCastle Investment Management, Inc.	0.31	0.4%

**Total Institutional Ownership** 5.0%

Top Insider Ownership	M Shares	% Held
CRAWFORD GREGORY J	4.783	5.7%
EWING D EUGENE	0.278	0.3%
GREENBERG MARK ALAN	0.058	0.1%
HOYT CASEY	0.000	0.0%
MEHTA HARDIK	0.000	0.00%

**Total Top Insider Ownership** 6.1%  
**Vs. % Float** 93.9%

Comparables and Peer Analysis										% Return				Consensus Estimates					
Ticker	Trading CCY	Current Price	Target Price	Dividend Yield	% Return	Market Cap	Ent. Value	1-Week	1-Month	3-Month	1-Year	EBITDA			EPS				
												T12M	2020E	2021E	T12M	2020E	2021E		
Protech Home Medical Corp.	IGX	CAD	\$1.17	\$2.31	0.0%	97.2%	98.5	126.1	13.6%	(2.5%)	31.5%	58.1%	14.1	19.3	23.2	(\$0.10)	(\$0.01)	\$0.05	
CareRx Corporation	NEPT	CAD	\$4.29	\$7.75	0.0%	80.7%	93.4	2,184.0	2.6%	(10.6%)	19.2%	12.9%	7.4	13.7	20.3	(\$0.15)	(\$0.07)	\$0.11	
CRH Medical Corporation	DVA	CAD	\$3.11	\$3.89	0.0%	25.2%	222.6	369.1	3.7%	2.3%	9.1%	(12.9%)	59.9	20.5	45.7	\$0.03	(\$0.14)	\$0.06	
Assure Holdings Corp.	ORMP	CAD	\$1.13	N/A	0.0%	NA	14.5	45.2	0.0%	(9.6%)	(3.4%)	(25.7%)	0.9	0.0	0.0	\$0.01	-	-	
Savaria Corporation	DOSE	CAD	\$13.84	\$15.26	3.3%	13.6%	700.8	745.3	16.6%	6.8%	22.3%	15.5%	55.7	54.3	64.0	\$0.55	\$0.46	\$0.61	
Viemed Healthcare Inc	PVOTF	CAD	\$14.10	\$15.59	0.0%	10.6%	542.7	574.1	6.7%	(9.7%)	48.3%	46.0%	24.0	48.5	43.3	\$0.40	\$0.74	\$0.61	
<b>Average</b>					0.6%	45.5%			7.2%	-3.9%	21.2%	15.6%							

Comparables - Multiples Analysis																		
	FCF Yield			Current - EV/EBITDA			Target - EV/EBITDA			EV/Revenue			P/E			P/CFPS		
	2018A	2019E	2020E	T12M	2020E	2021E	T12M	2020E	2021E	T12M	2020E	2021E	T12M	2020E	2021E	T12M	2020E	2021E
Protech Home Medical Corp.	20.3%	(1.2%)	3.2%	8.9x	6.5x	5.4x	8.9x	7x	5x	1.5x	1.3x	1.1x	0.0x	0.0x	22.0x	8.0x	58.5x	19.5x
CareRx Corporation	(5.8%)	(1.2%)	2.9%	293.4x	159.0x	107.6x	NA	NA	NA	17.4x	12.6x	10.4x	NA	0.0x	40.2x	(352.3x)	214.5x	8.3x
CRH Medical Corporation	17.1%	28.0%	13.3%	6.2x	18.0x	8.1x	6.2x	18x	8x	2.4x	3.4x	2.2x	NA	0.0x	48.2x	4.2x	10.4x	5.2x
Assure Holdings Corp.	0.7%	0.0%	0.0%	50.1x	0.0x	0.0x	NA	NA	NA	2.1x	0.0x	0.0x	77.9x	NA	NA	(10.7x)	0.0x	0.0x
Savaria Corporation	2.4%	4.1%	5.1%	13.4x	13.7x	11.7x	13.4x	14x	12x	2.0x	2.1x	1.9x	NA	30.4x	22.8x	23.3x	17.3x	14.4x
Viemed Healthcare Inc	10.2%	0.0%	0.0%	23.9x	11.8x	13.3x	23.9x	12x	13x	4.7x	3.5x	3.6x	35.2x	19.1x	23.0x	22.2x	0.0x	0.0x
<b>Average</b>				66.0x	34.8x	24.3x	NA	12.5x	9.6x	5.0x	3.8x	3.2x	37.7x	9.9x	31.2x	-50.9x	50.1x	7.9x

<sup>1</sup> Targets, forecasts and valuations reflect consensus estimates derived from FactSet  
Source: Consensus data - FactSet, Forecasts/estimates - Echelon Wealth Partners

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**Company: Protech Home Medical | TSX:PTQ**

I, Douglas Loe, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that I have not, am not, and will not receive, directly or indirectly, compensation in exchange for expressing the specific recommendations or views in this report.

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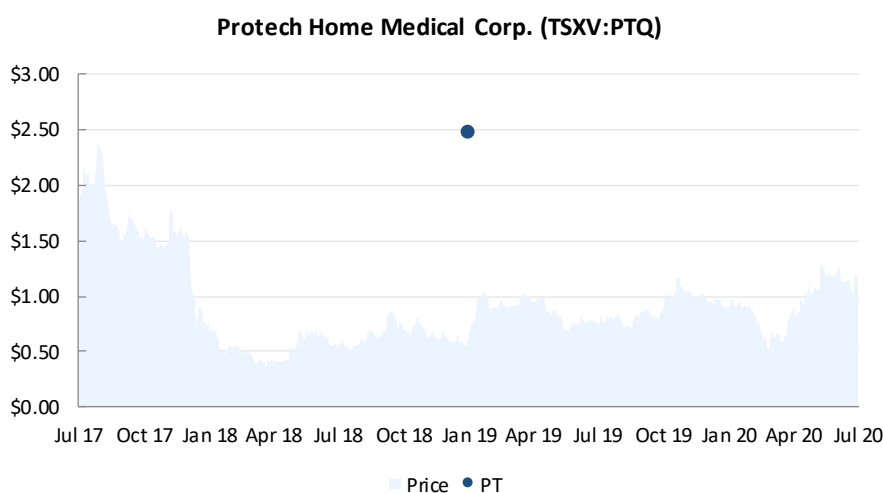
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<b>Buy</b>	The security represents attractive relative value and is expected to appreciate significantly from the current price over the next 12 month time horizon.
<b>Speculative Buy</b>	The security is considered a BUY but in the analyst’s opinion possesses certain operational and/or financial risks that are higher than average.
<b>Hold</b>	The security represents fair value and no material appreciation is expected over the next 12-18 month time horizon.
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Recommendation Hierarchy	Buy	Speculative Buy	Hold	Sell	Under Review	Restricted	Tender
Number of recommendations	36	31	20	0	7	1	2
% of Total (excluding Restricted)	38%	33%	21%	0%	7%		
Number of investment banking relationships	16	11	7	0	3	1	1
% of Total (excluding Restricted)	43%	30%	19%	0%	8%		

**PRICE CHART, RATING & PRICE TARGET HISTORY**



Date	Target (\$)	Rating
21 Jan 2020	C\$2.50	Buy

Coverage Initiated: Jan 21, 2020

Data sourced from: FactSet

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