



HEALTHCARE *IQ*

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Industry-Specific Overview of Recent M&A and Capital Markets Activity

MARCH 2026

Recent Market Observations

The U.S. healthcare sector entered 2026 with performance increasingly diverging across subsectors. Hospitals are facing renewed margin pressure after a period of relative stabilization, while insurers continue to contend with profitability challenges driven by elevated medical costs and shifting enrollment trends. Despite these headwinds, demand for care remains resilient, with continued growth in outpatient and physician utilization helping support overall revenue stability

Hospitals began the year with weaker financial performance as expense growth outpaced revenue gains. Median operating margins declined to approximately 2.1% in January 2026, down from 4.9% in December 2025. Non-labor expenses increased roughly 9% year-over-year, while bad debt and charity care moved higher, reflecting early impacts from coverage losses. A continued shift toward higher-acuity patients is further driving higher cost per case, adding pressure to margin recovery. That said, revenue trends remain constructive, with gross, inpatient, and outpatient revenue per calendar day increasing approximately 10% year-over-year, supported by stable volumes and favorable case mix.

Evolving public program dynamics are creating additional pressure across the healthcare system. Following eligibility redeterminations, an estimated 5–10 million individuals are expected to lose Medicaid coverage by 2028, contributing to higher uninsured rates and greater uncompensated care. At the same time, the expiration of enhanced ACA subsidies is weighing on marketplace participation, with enrollment projected to decline to approximately 23 million in 2026, down about 5% year over year, though still near historically elevated levels.

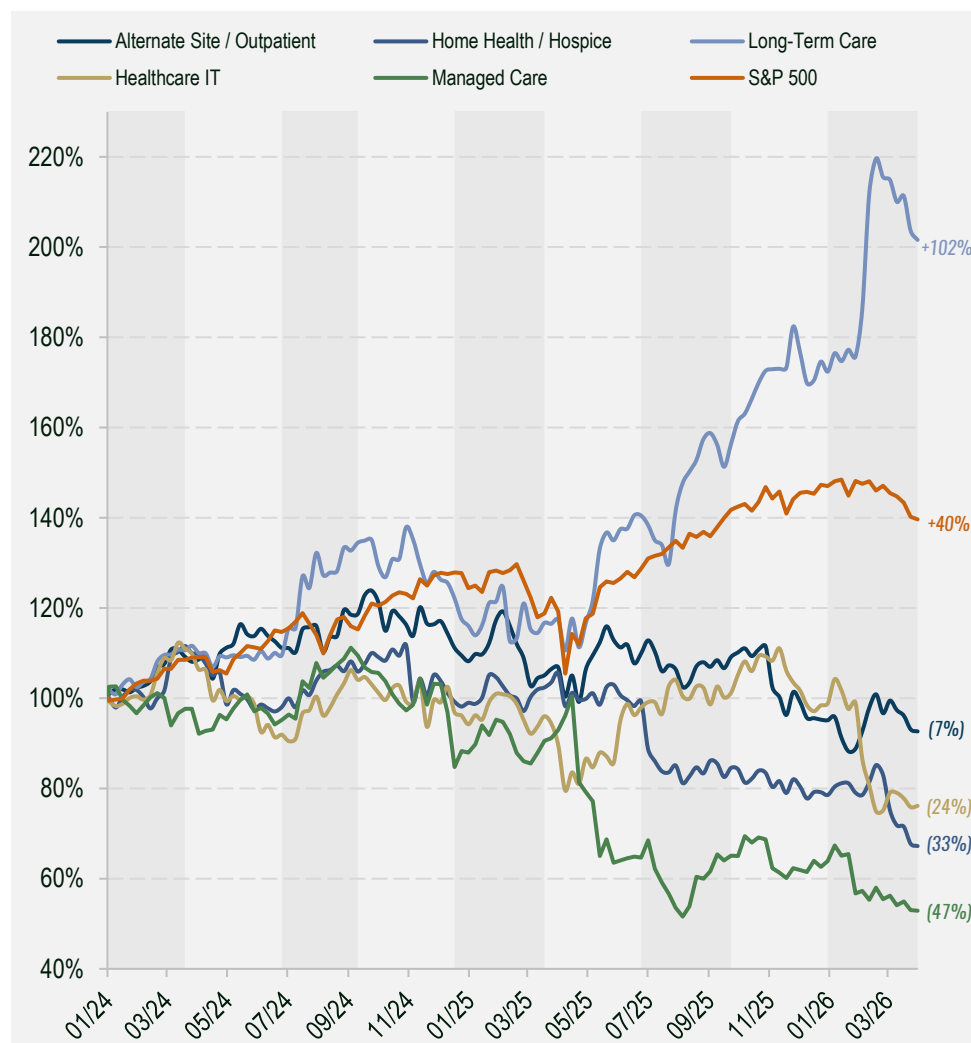
Insurers also remain under pressure as elevated utilization and cost inflation continue to compress margins, with medical loss ratios exceeding 90% in late 2025. ACA market conditions are adding to that strain, as higher 2026 premiums raise affordability concerns and may drive adverse selection if healthier individuals leave the market. Meanwhile, Medicare Advantage enrollment has reached approximately 34–35 million in early 2026, with penetration exceeding 50% of eligible beneficiaries, reinforcing its position as a core segment of the U.S. healthcare system. In response, insurers are narrowing plan offerings, reducing benefits, and exiting select markets to protect margins.

Regulatory and pricing reforms are also reshaping the pharmaceutical landscape. Medicare's initial drug price negotiations will take effect in 2026 and are expected to generate approximately \$1.5 billion in beneficiary savings. These changes come amid ongoing cost pressure, with medical cost trends projected at approximately 8.5% for group plans and 7.5% for individual plans, while pharmacy costs are running 2–3 percentage points higher. In response, manufacturers are adjusting pricing and launch strategies as regulatory scrutiny increases.

Across the sector, healthcare organizations are placing greater emphasis on cost control and operational efficiency. Approximately 75% of health systems have adopted AI-enabled solutions to streamline operations. At the same time, workforce constraints persist, with physician shortages projected to approach 96,000 in 2026, reinforcing the need for productivity enhancements.

Despite these pressures, healthcare EBITDA is expected to grow by approximately 5% annually through 2027, supporting continued M&A activity focused on scale and efficiency. Healthcare M&A activity is expected to remain active but selective, with buyers continuing to favor scaled assets, resilient reimbursement profiles, and clear operational upside. Recent deal activity also points to continued appetite, including CommonSpirit's \$1.9 billion agreement with Tenet tied to Conifer Health Solutions in Q1 2026.












Recent Stock Price Performance – Amherst Healthcare Indices



Source: Capital IQ
 Healthcare Universe – **Alternate Site/Outpatient:** ACHC, CCM, DR, DVA, EHC, FME, JYNT, RDNT, SEM, SGRY, USPH;
Home Health/Hospice: ADUS, CHE; **Long-Term Care:** BKD, ENSG; **Managed Care:** CNC, CI, ELV, HUM, MOH, UNH;
Healthcare Information Technology: CCLD, EVH, HQY, HSTM, IQV, NRC, OMCL, TDOC, TBRG, VEEV

Public Market Trading Multiples

Healthcare Industry Update | March 2026

(\$ in millions, other than stock price)		3/31/2026	Quarterly	Market	Total	LTM		Gross	EBITDA	Net Debt /	Enterprise Value / LTM	
Company		Stock Price	Price Δ	Cap.	EV ⁽¹⁾	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
 Acadia Healthcare Company		\$23.39	65%	\$2,153	\$4,866	\$3,313	\$577	41%	17%	4.0x	1.5x	8.4x
 Concord Medical Services		3.84	(1%)	17	1,078	51	(50)	(11%)	(98%)	NM	NM	NM
 DaVita		153.69	35%	10,263	24,246	13,643	2,751	32%	20%	3.5x	1.8x	8.8x
 Encompass Health Corporation		96.73	(9%)	9,617	13,096	5,935	1,381	43%	23%	1.8x	2.2x	9.5x
 Fresenius Medical Care		44.47	(7%)	12,021	23,599	23,045	3,079	26%	13%	2.8x	1.0x	7.7x
 Medical Facilities Corporation		11.95	3%	210	250	254	53	43%	21%	0.2x	1.0x	4.7x
 RadNet		55.89	(22%)	4,338	5,695	2,040	243	18%	12%	2.2x	2.8x	23.4x
 Select Medical Holdings		16.29	10%	2,020	5,193	5,453	476	17%	9%	3.7x	1.0x	10.9x
 Surgery Partners		11.92	(23%)	1,528	7,141	3,309	656	23%	20%	5.1x	2.2x	10.9x
 The Joint Corp.		8.85	1%	125	103	55	1	80%	1%	NM	1.9x	NM
 U.S. Physical Therapy		74.96	(4%)	1,134	1,706	773	103	22%	13%	1.7x	2.2x	16.6x
Median								26%	13%	2.8x	1.8x	9.5x

Alternate Site / Outpatient











Source: Capital IQ

(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity, and minority interest.

(2) Medians exclude all non-meaningful values.

Public Market Trading Multiples (cont'd)

Healthcare Industry Update | March 2026

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Company		Stock Price	Price Δ	Cap.	EV ⁽¹⁾	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
Long-Term Care	 Brookdale Senior Living	\$13.68	27%	\$3,253	\$8,491	\$3,054	\$460	28%	15%	7.8x	2.8x	18.5x
	 The Ensign Group	201.50	16%	11,622	13,258	5,058	529	16%	10%	2.1x	2.6x	NM
	Median							22%	13%	4.9x	2.7x	18.5x
Home Health / Hospice	 Addus HomeCare Corporation	\$93.65	(13%)	\$1,699	\$1,788	\$1,423	\$156	32%	11%	0.5x	1.3x	11.4x
	 Chemed Corporation	377.74	(12%)	5,200	5,269	2,530	404	33%	16%	0.1x	2.1x	13.0x
	Median							33%	13%	0.3x	1.7x	12.2x
Managed Care	 Centene Corporation	\$32.74	(20%)	\$16,101	\$16,478	\$176,151	\$2,561	10%	1%	0.1x	0.1x	6.4x
	 Cigna Corporation	266.75	(3%)	70,332	93,224	274,900	12,047	9%	4%	1.9x	0.3x	7.7x
	 Elevance Health	292.75	(16%)	64,307	87,710	199,126	9,040	26%	5%	2.5x	0.4x	9.7x
	 Humana	173.39	(32%)	20,816	29,966	129,664	3,569	15%	3%	2.4x	0.2x	8.4x
	 Molina Healthcare	133.30	(23%)	6,944	6,742	43,563	902	9%	2%	NM	0.2x	7.5x
	 UnitedHealth Group	270.59	(18%)	245,608	311,835	447,567	21,625	19%	5%	2.5x	0.7x	14.4x
Median								13%	4%	2.4x	0.3x	8.1x











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Public Market Trading Multiples (cont'd)

Healthcare Industry Update | March 2026

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Company		Stock Price	Price Δ	Cap.	EV ⁽¹⁾	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
Healthcare Information Technology	 CareCloud	\$3.65	25%	\$155	\$156	\$120	\$16	47%	14%	0.1x	1.3x	9.5x
	 Evolent Health	2.28	(43%)	255	1,092	1,876	88	21%	5%	9.0x	0.6x	12.4x
	 HealthEquity	83.57	(9%)	7,060	7,742	1,313	482	70%	37%	1.4x	5.9x	16.1x
	 HealthStream	20.71	(10%)	608	569	304	38	65%	13%	NM	1.9x	14.8x
	 IQVIA Holdings	170.54	(24%)	28,628	42,919	16,310	2,938	33%	18%	4.6x	2.6x	14.6x
	 National Research Corporation	16.98	(10%)	386	462	137	37	62%	27%	2.0x	3.4x	12.5x
	 Omnicell	33.38	(26%)	1,517	1,524	1,185	46	43%	4%	0.1x	1.3x	NM
	 Teladoc Health, Inc.	5.45	(22%)	972	1,231	2,530	33	70%	1%	5.6x	0.5x	NM
	 TruBridge, Inc.	14.64	(34%)	212	353	347	38	53%	11%	3.6x	1.0x	9.2x
 Veeva Systems Inc.	175.66	(21%)	28,691	22,226	3,195	985	76%	31%	NM	7.0x	22.6x	
Median								57%	13%	2.8x	1.6x	13.6x

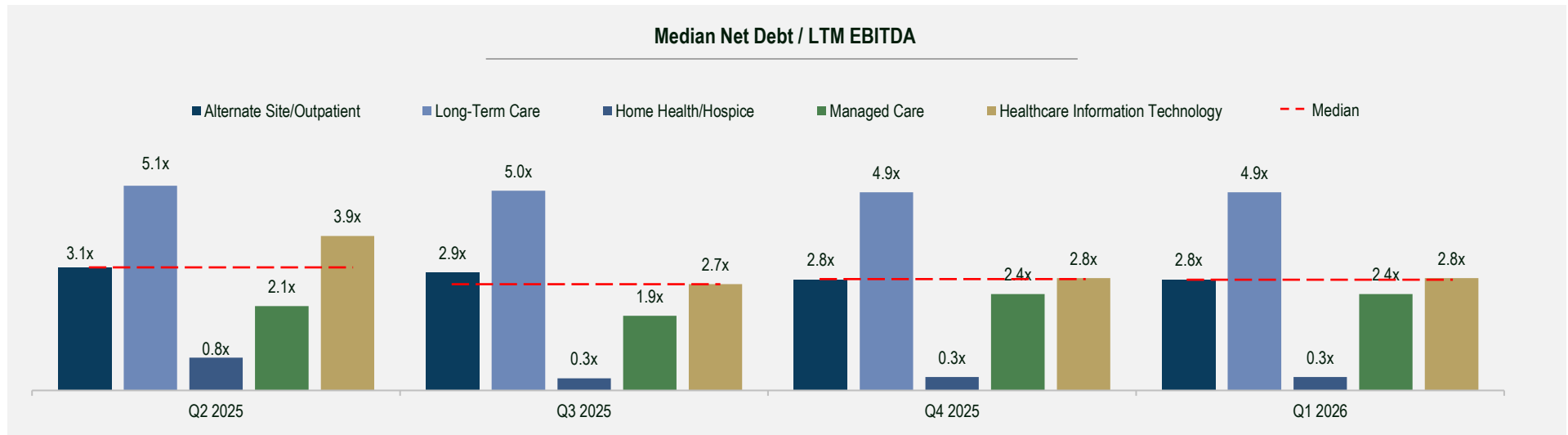
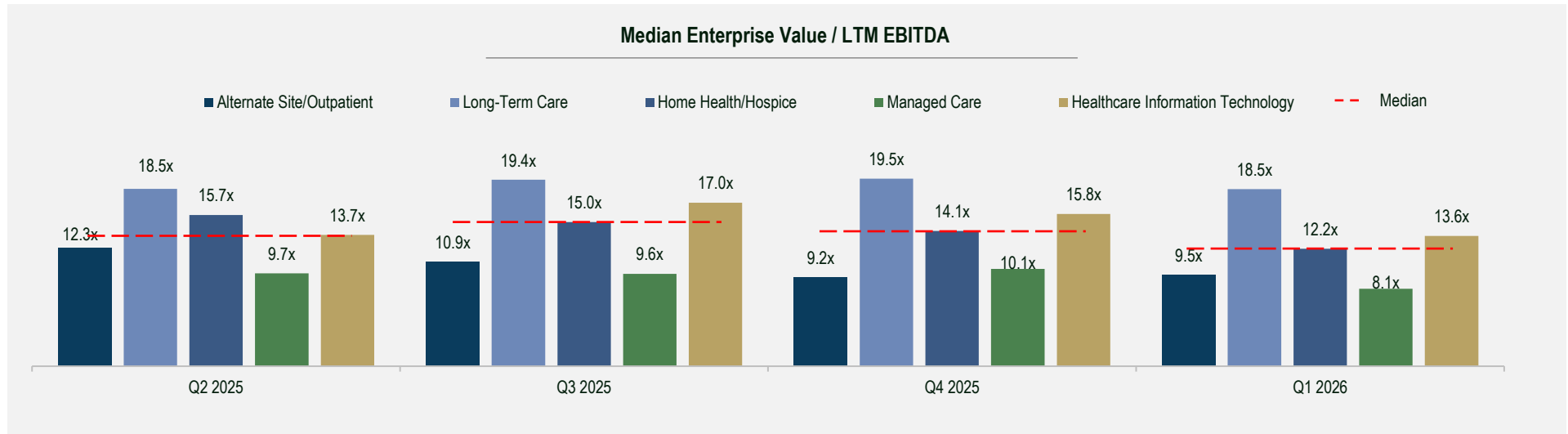
Source: Capital IQ

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Valuation and Debt Multiples

Valuation levels declined modestly across most sub-segments in Q1 2026, compared to the previous quarter, while debt levels have remained relatively stable



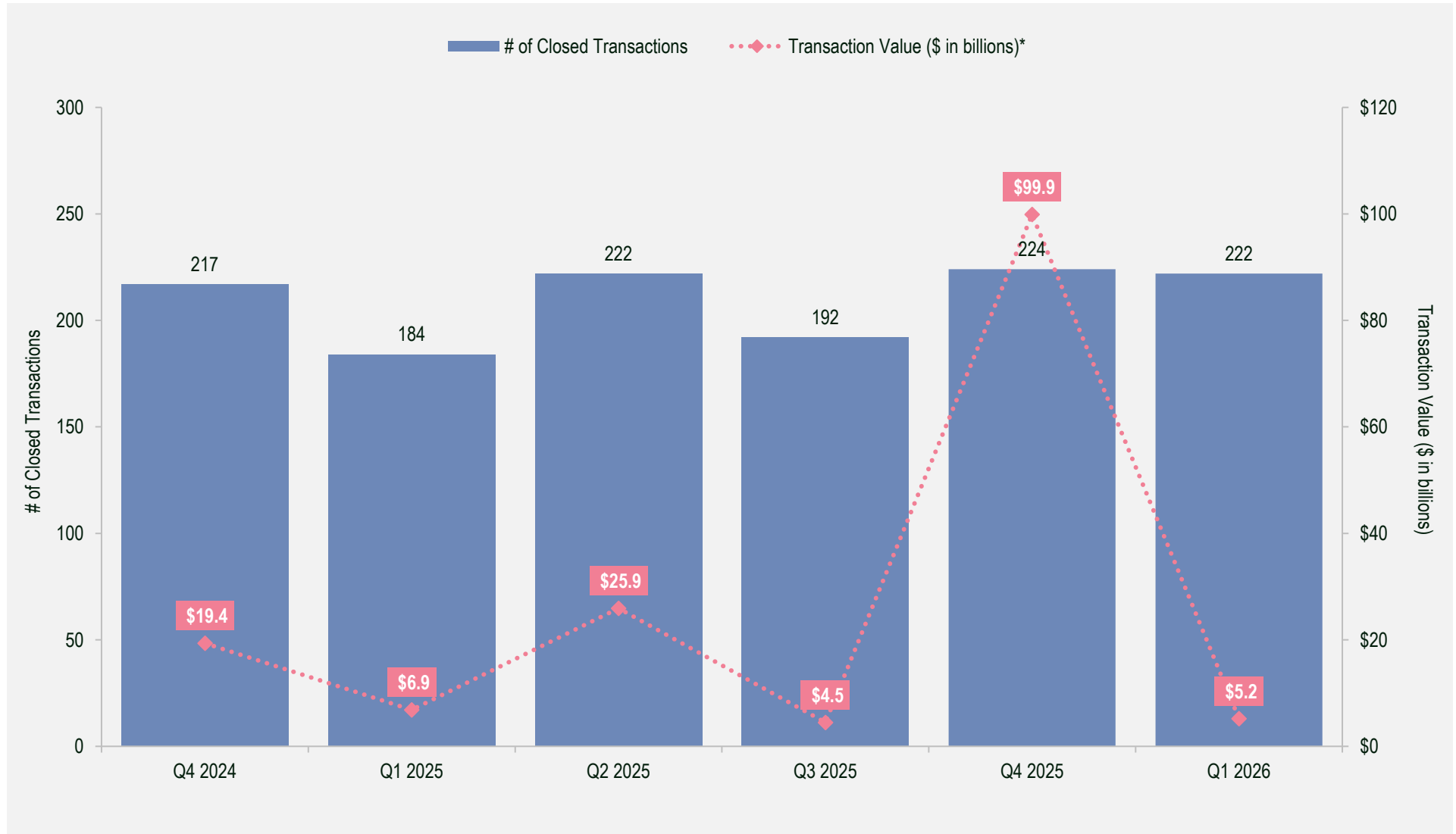
Source: Capital IQ

(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.

(2) Median and mean values exclude all non-meaningful values.

U.S. M&A Activity

Closed transaction volume remained stable over the past six quarters, with aggregate deal value peaking in Q4 2025






























Source: Capital IQ

*Transaction Value represents publicly announced deal terms

Recent Transaction Activity

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Date	Target	Acquiror	Enterprise Value (\$M)	Target Description
03/26	 somatix <small>insights that empower</small>	 VITALIST	\$4.8	Develops a behavioral modification B2B2C software platform
03/26	 MAJESTIC <small>MEDICAL SOLUTIONS</small>	 RADSON <small>MEDICAL IMAGING</small>	Undisclosed	Provides medical imaging equipment services and solutions to hospitals, imaging centers, private practices, and other healthcare facilities
03/26	 Level 3 <small>Benefit Advisors</small>	 HATCHER <small>LINSURANCE</small>	Undisclosed	Provides health benefits and insurance for employees
03/26	 VitalData <small>TECHNOLOGY</small>	 MedReview <small>Physician Approved Payment Integrity</small>	Undisclosed	Develops and operates cloud-based data science, artificial intelligence, and analytics solutions to automate processes and deliver insights for the healthcare sector
03/26	Digestive Specialists Inc.	Premier Health Partners, Inc.	Undisclosed	Operates as a gastrointestinal medical practice group that provides care for digestive diseases
03/26	 Apellis	 Biogen	\$6,757	A commercial-stage biopharmaceutical company, focuses on the discovery, development, and commercialization of novel therapeutic compounds to treat diseases with high unmet needs
03/26	Frederick Eye Institute	Chesapeake Eye Care Management, LLC	Undisclosed	Offers ophthalmology services
03/26	Ellicott Center Nursing Home	200th Seventh SNF Realty LLC	\$21.4	Operates as health care center that offers medical and supportive services
03/26	 KEZAR <small>LIFE SCIENCES</small>	 Aurinia	\$53.6	A clinical-stage biotechnology company, engages in the discovery and development of novel small molecule therapeutics to treat unmet needs in immune-mediated diseases
03/26	 transcend <small>therapeutics</small>	 Oisuka	\$1,225	Operates as a biotechnology company that develops medicines to treat neuropsychiatric diseases
03/26	 HealthTech <small>SOLUTIONS</small>	 HMA	Undisclosed	Provides Medicaid-focused technology, analytics, and compliance solutions
03/26	 ZYNEX <small>MEDICAL</small>	 ALTIVERA <small>MEDICAL</small>	Undisclosed	Designs, manufactures, and markets medical devices to treat chronic and acute pain, and activate and exercise muscles for rehabilitative purposes with electrical stimulation
03/26	 BOCA CHIROPRACTIC <small>SPINE AND WELLNESS</small>	 CHAMPION <small>WELLNESS CENTERS</small>	Undisclosed	Operates as a comprehensive chiropractic and wellness clinic
03/26	 Pledge Health	 Collectly	Undisclosed	Provides AI-powered automation solutions for healthcare revenue cycle management, focusing on automating insurance-related administrative tasks
03/26	 Excellergy	 NOVARTIS	\$2,000	Develops a portfolio of trifunctional effector cell response inhibitors (ECRIs) to combat severe allergic diseases
03/26	 PULMATRIX	 Eos SENOLYTIC	Undisclosed	A biopharmaceutical company, focused on development of novel inhaled therapeutic products to prevent and treat migraine and respiratory diseases with unmet medical needs
03/26	 Optimum <small>HEALTHCARE IT</small>	 Infosys	\$465	Provides business and clinical consulting services to the healthcare sector
03/26	MODA Platform	 STARLIMS	Undisclosed	Develops a platform that provides modular, scalable software for end-to-end quality control and manufacturing execution

Source: Capital IQ

Amherst's Representative Healthcare Transactions

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<p>Ontario Systems Muncie, IN</p>  <p>has been acquired by management and an investor group led by Oxford Financial Group, Ltd. Indianapolis, IN</p>  <p>AmherstPartners Acted as advisor to Oxford Financial Group, Ltd.</p>	<p>Equipment Maintenance Solutions, LLC Ferndale, MI</p>  <p>has been acquired by Avante Health Solutions Chicago, IL</p>  <p>AmherstPartners Acted as advisor to Equipment Maintenance Solutions, LLC</p>	<p>Arbor Associates Philadelphia, PA</p>  <p>has been acquired by eBenx, Inc. Plymouth, MN</p>  <p>AmherstPartners Acted as advisor to Arbor Associates</p>	<p>Ritzman Pharmacy Wadsworth, OH</p>  <p>has obtained senior debt financing from AloStar Bank of Commerce Birmingham, AL</p>  <p>AmherstPartners Acted as advisor to Ritzman Pharmacy</p>	<p>Ritzman Pharmacy Wadsworth, OH</p>  <p>has been acquired by CVS Pharmacy, Inc. Woonsocket, RI</p>  <p>AmherstPartners Acted as advisor to Ritzman Pharmacy</p>
<p>ProSolv Cardiovascular, Inc. Indianapolis, IN</p>  <p>has been acquired by Fujifilm Medical Systems USA, Inc. Woonsocket, RI A subsidiary of FUJIFILM Holdings Corporation (TSE:4901)</p>  <p>AmherstPartners Acted as advisor to ProSolv CardioVascular, Inc.</p>	<p>MMM Healthcare Inc. San Juan, Puerto Rico</p>  <p>has been acquired by The Straus Group New York, NY</p>  <p>AmherstPartners Acted as advisor to MMM Healthcare Inc.</p>	<p>Wright & Filippis, Inc. Rochester Hills, MI</p>  <p>has divested its Sleep Therapy, Respiratory and DME service lines to Lincare, Inc. Clearwater, FL</p>  <p>A subsidiary of Linde</p>  <p>AmherstPartners Acted as advisor to Wright & Filippis, Inc.</p>	<p>Roush Life Sciences Salem, NH</p>  <p>has been acquired by Foxx life Sciences Salem, NH</p>  <p>AmherstPartners Acted as advisor to Roush Life Sciences</p>	<p>Triumph Healthcare, LLC Houston, TX</p>  <p>has been acquired by TA Associates Boston, MA</p>  <p>AmherstPartners Acted as advisor to Triumph Healthcare</p>

(1) Transactions executed by Amherst professionals while employed at previous firms

Amherst's Representative Healthcare Transactions (cont'd)

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<p>VITAS Healthcare Corporation Miami, FL</p>  <p>has been acquired by</p> <p>Roto-Rooter, Inc. Cincinnati, OH</p>  <p>AmherstPartners Acted as advisor to VITAS Healthcare Corporation</p>	<p>Acute Care Pharmaceuticals San Diego, CA</p>  <p>has been acquired by</p> <p>PNC Riverarch Capital Pittsburgh, PA</p>  <p>AmherstPartners Acted as advisor to Acute Care Pharmaceuticals</p>	<p>Brandywine Senior Living, LLC Mount Laurel, NJ</p>  <p>has been acquired by</p> <p>Warburg Pincus LLC New York, NY</p>  <p>AmherstPartners Acted as advisor to Brandywine Senior Living, LLC</p>	<p>Renex Corp. Cora Gables, FL</p>  <p>has been acquired by</p> <p>National Nephrology Associates Inc. Nashville, KY</p>  <p>AmherstPartners Acted as advisor to Renex Corp.</p>	<p>Mectra Labs Bloomfield, IN</p>  <p>has been acquired by</p> <p>Key Surgical Eden Prairie, MN</p>  <p>AmherstPartners Acted as advisor to Mectra Labs</p>
<p>Commonwealth Communities, LLC Stoughton, MA</p> <p>has been acquired by</p> <p>Kindred Healthcare, Inc. Louisville, KY</p>  <p>AmherstPartners Acted as advisor to Commonwealth Communities, LLC</p>	<p>Brandywine Senior Living, LLC Mount Lauren, NJ</p>  <p>has been acquired by</p> <p>Retirement Residences REIT Toledo, OH</p>  <p>AmherstPartners Acted as advisor to Commonwealth Communities, LLC</p>	<p>Medical Analysis Systems, Inc Camarillo, CA</p>  <p>has been acquired by</p> <p>The Control Division of Dade Behring Deerfield, IL</p>  <p>AmherstPartners Acted as advisor to Medical Analysis Systems, Inc.</p>	<p>UroQuest Medical Corporation Menlo Park, CA</p>  <p>has been acquired by</p> <p>Chemfab Merrimack, NH</p>  <p>AmherstPartners Acted as advisor to UroQuest Medical Corporation</p>	<p>Wellstone Retirement Communities Miami, FL</p> <p>has been acquired by</p> <p>Senior Lifestyle Corporation Chicago, IL</p>  <p>AmherstPartners Acted as advisor to Wellstone Retirement Communities</p>

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The Amherst Partners Team

With a track record spanning 30 years, Amherst Partners is a boutique investment banking firm focused on providing M&A advisory and capital raising services primarily for closely-held businesses

Boutique investment bank with significant Wall Street experience



Core Execution Team



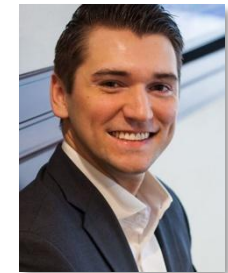
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Charles Chandler
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John Wendzinski
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Sam Jabara
Associate



Emily Pachla
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Amber Dunn
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Operations Advisory



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Owner, Venetian Associates



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AmherstPartners

EXPERIENCE | SOLUTIONS | RESULTS

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