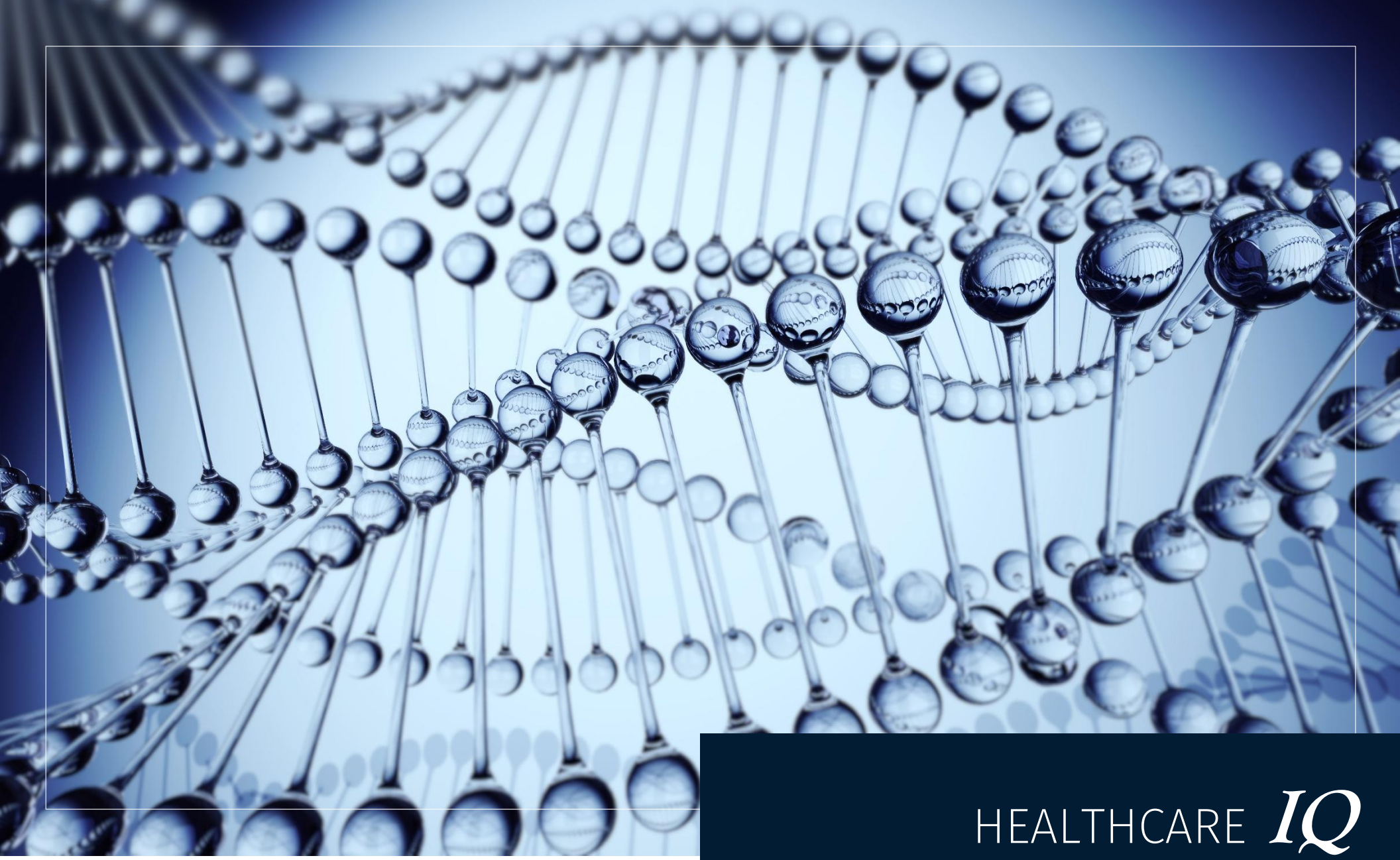


HEALTHCARE *IQ*

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

OCTOBER 2026

AmherstPartners

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Recent Market Observations

The U.S. healthcare sector entered the second half of 2026 amid significant policy and financial pressures. The expiration of enhanced ACA subsidies at the end of 2025, phased Medicaid reductions under the One Big Beautiful Bill Act (OBBBA), and changes to Medicare's 2027 payment policies are reshaping the operating environment. While underlying demand remains strong, declining insurance coverage and medical costs rising faster than reimbursement are contributing to uneven financial performance across the sector.

Hospital finances have stabilized but remain fragile, with operating margins trending below 2025 levels as weaker payer mix, rising bad debt, and higher pharmaceutical costs offset improvements in length-of-stay management and growth in outpatient volumes. Labor conditions have improved meaningfully, with lower turnover and less reliance on contract staffing, yet wages remain structurally elevated. With labor still representing roughly half of operating expenses, health systems are increasingly focused on care-team redesign, automation, and other operating efficiencies. AI-enabled coding tools are also gaining adoption, supporting productivity while potentially increasing reimbursement claims and insurer costs.

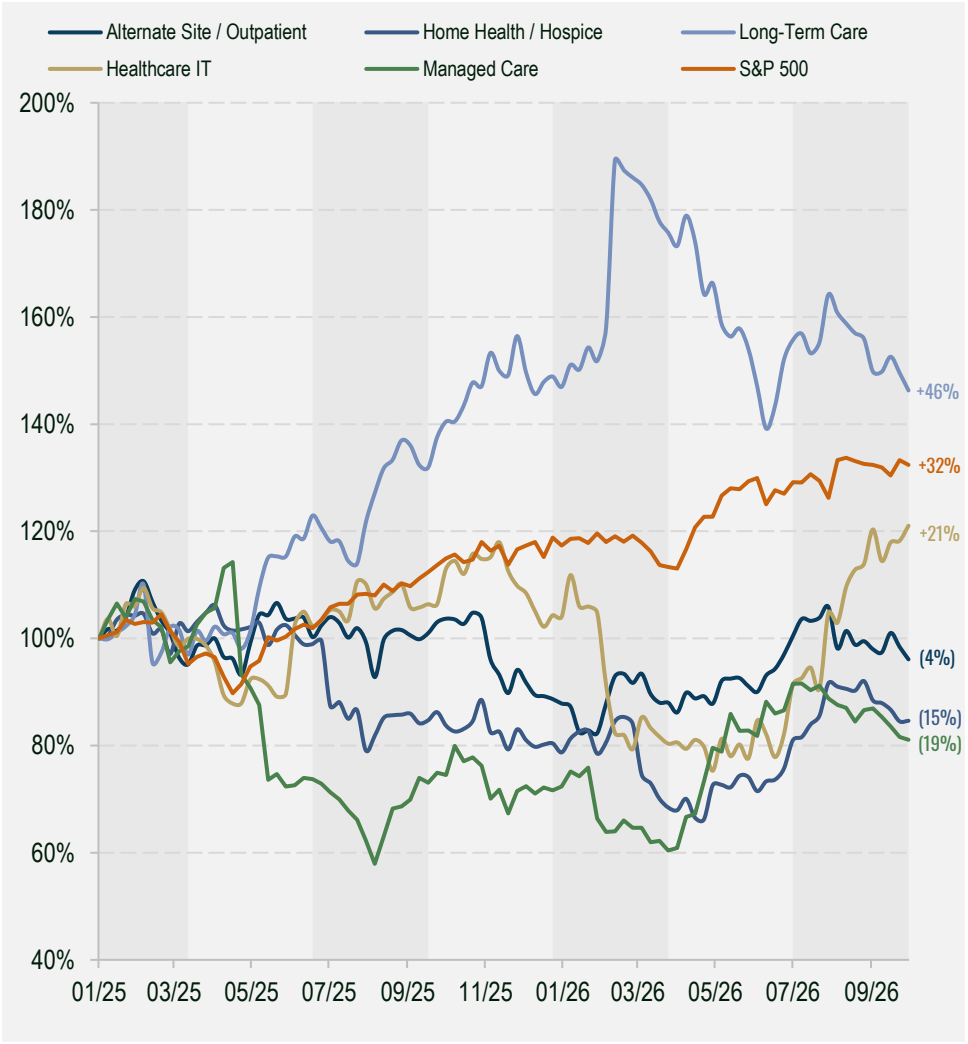
Declining insurance coverage has emerged as a significant headwind, with the expiration of enhanced ACA subsidies driving premium increases of more than 50% for enrollees and contributing to the first decline in marketplace enrollment since 2019, to almost 19 million. Medicaid enrollment is also contracting as states tighten eligibility requirements. These coverage losses are increasing the number of uninsured patients seeking care, adding to hospitals' uncompensated care burden. HCA, the largest U.S. hospital operator, attributed ~$400 million of second-quarter pressure to shifting coverage dynamics. Additional coverage losses are expected as Medicaid work requirements take effect in 2027.

Persistent medical cost inflation remains a central industry challenge, with PwC projecting employer healthcare costs to rise ~9% in 2027, the largest increase in nearly two decades, driven partly by pharmaceutical pricing and policy changes. Against this backdrop, health insurers are experiencing an uneven recovery, with carriers concentrated in employer-sponsored and Medicare Advantage plans benefiting from premium repricing and improving profitability. UnitedHealth reduced its medical care ratio (MCR) to ~87% in the most recent quarter, while Medicaid-focused insurers such as Molina continue to face elevated medical costs, with ratios exceeding 92%. Insurers are also narrowing plan offerings and exiting unprofitable Medicaid and ACA marketplace segments to support margin recovery.

Medicare's 2027 payment policies are expected to add further pressure on hospitals while accelerating the shift toward lower-cost care settings. The finalized inpatient payment rule provides a 2.3% increase, below the ~3.2% rise in hospital costs, effectively reducing reimbursement in real terms. Proposed outpatient payment changes favor ambulatory surgery centers, while potential reductions to the 340B drug pricing program could eliminate billions in funding for safety-net hospitals. Medicare Advantage represents a notable exception, with finalized payment increases providing more than $13 billion in additional funding to insurers in 2027.

Meanwhile, healthcare M&A has become more selective amid regulatory scrutiny, elevated financing costs, and policy uncertainty. Despite these headwinds, substantial available capital and resilient demand for ambulatory services continue to support the longer-term outlook, with dealmaking expected to recover as interest rates and policy uncertainty stabilize in 2027.

Recent Stock Price Performance – Amherst Healthcare Indices



Source: Capital IQ
*Healthcare Universe – **Alternate Site/Outpatient:** ACHC, CCM, DR, DVA, EHC, FME, JYNT, RDNT, 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, VEEV*

Sources: Kaufman Hall / Strata, KFF, CMS, PwC, PitchBook, Georgetown CCF, company filings, Healthcare Dive, Fierce Healthcare, AHA, White House

Public Market Trading Multiples

	($ in millions, other than stock price)		09/30/2026	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**
Alternate Site / Outpatient	ACADIA HEALTHCARE	Acadia Healthcare Company, Inc.	$28	*(14%)*	$2,560	$5,189	$3,368	$535	*41%*	*16%*	4.2x	1.5x	9.7x
	CCM 泰和诚	Concord Medical Services Holdings Limited	$3	*(28%)*	$14	$1,056	$66	-$14	*6%*	*(22%)*	NM	NM	NM
	DaVita	DaVita Inc.	$175	*(26%)*	$11,155	$25,717	$14,010	$2,826	*32%*	*20%*	3.6x	1.8x	9.1x
	Encompass Health	Encompass Health Corporation	$121	*14%*	$11,985	$15,583	$6,206	$1,464	*44%*	*24%*	1.8x	2.5x	10.6x
	FRESENIUS MEDICAL CARE	Fresenius Medical Care AG	$45	*(5%)*	$11,909	$24,277	$22,195	$3,109	*26%*	*14%*	3.0x	1.1x	7.8x
	mfc MEDICAL FACILITIES CORPORATION	Medical Facilities Corporation	$11	*(18%)*	$172	$184	$265	$55	*42%*	*21%*	NM	0.7x	3.3x
	RadNet	RadNet, Inc.	$69	*0%*	$5,425	$7,181	$2,269	$276	*17%*	*12%*	3.7x	3.2x	NM
	SURGERY PARTNERS	Surgery Partners, Inc.	$14	*(20%)*	$1,799	$7,447	$3,366	$646	*23%*	*19%*	5.2x	2.2x	11.5x
	THE JOINT chiropractic	The Joint Corp.	$7	*(18%)*	$101	$81	$59	$4	*82%*	*7%*	NM	1.4x	20.0x
	USPh ONE PARTNER	U.S. Physical Therapy, Inc.	$86	*18%*	$1,279	$1,957	$804	$102	*21%*	*13%*	2.2x	2.4x	19.2x
		Median							***29%***	***15%***	**3.6x**	**1.8x**	**10.2x**

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)

	($ in millions, other than stock price)	09/30/2026	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**
Long-Term Care	Brookdale Senior Living	$11	*(32%)*	$2,586	$7,688	$2,932	$465	*28%*	*16%*	7.8x	2.6x	16.5x
	The Ensign Group	$172	*2%*	$9,940	$11,873	$5,487	$583	*17%*	*11%*	2.2x	2.2x	20.4x
	Median							***22%***	***13%***	**5.0x**	**2.4x**	**18.5x**
Home Health / Hospice	Addus HomeCare Corporation	$111	*5%*	$2,022	$2,031	$1,476	$161	*32%*	*11%*	0.1x	1.4x	12.7x
	Chemed Corporation	$505	*3%*	$6,574	$6,828	$2,595	$417	*33%*	*16%*	0.5x	2.6x	16.4x
	Median							***33%***	***13%***	**0.3x**	**2.0x**	**14.5x**
Managed Care	Centene Corporation	$62	*(8%)*	$30,687	$22,736	$180,304	$4,606	*11%*	*3%*	NM	0.1x	4.9x
	Cigna Corporation	$272	*(6%)*	$71,828	$96,739	$282,382	$12,758	*9%*	*5%*	1.9x	0.3x	7.6x
	Elevance Health	$389	*(7%)*	$84,323	$105,274	$201,114	$8,324	*26%*	*4%*	2.5x	0.5x	12.6x
	Humana	$382	*(4%)*	$45,819	$53,734	$145,679	$3,596	*14%*	*2%*	2.1x	0.4x	14.9x
	Molina Healthcare	$189	*(18%)*	$9,850	$8,818	$42,469	$390	*8%*	*1%*	NM	0.2x	22.6x
	UnitedHealth Group	$367	*(14%)*	$329,489	$381,734	$450,059	$28,903	*20%*	*6%*	1.6x	0.8x	13.2x
	Median							***13%***	***3%***	**2.0x**	**0.4x**	**13.5x**

Source: Capital IQ
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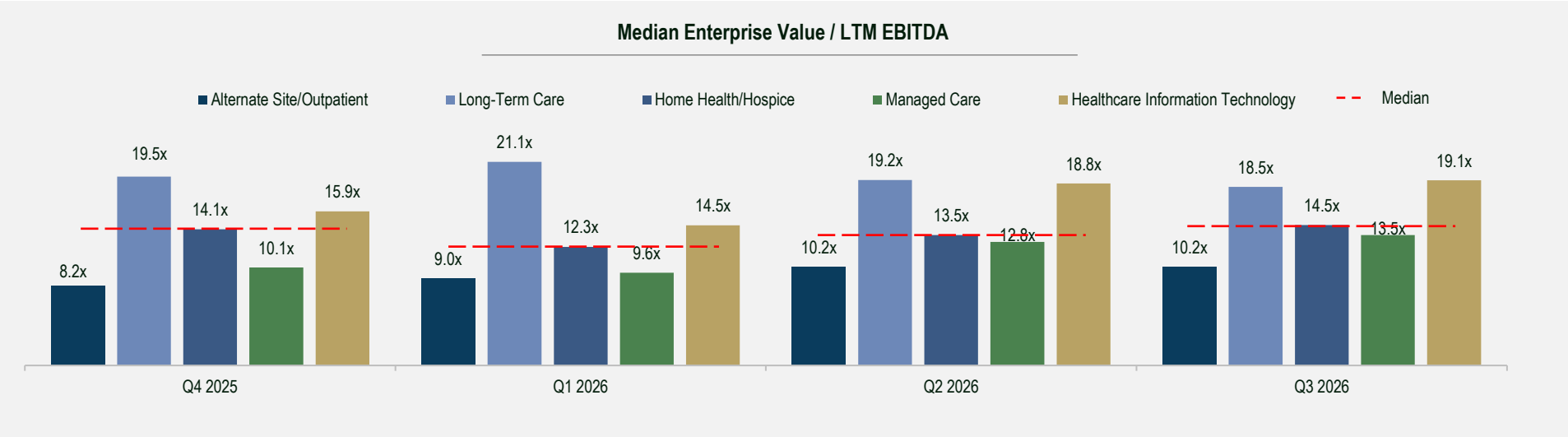
Public Market Trading Multiples (cont'd)

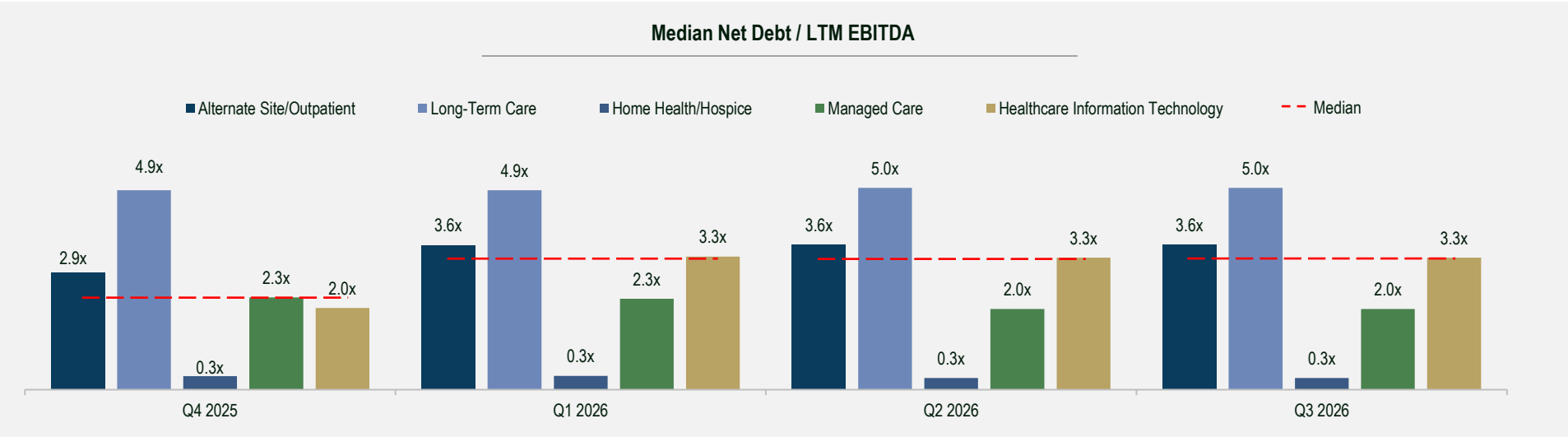
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	Company	**Stock Price**	**Price Δ**	**Cap.**	**EV(1)**	**Revenue**	**EBITDA**	**Margin**	**Margin**	**EBITDA**	**Revenue**	**EBITDA**
Healthcare Information Technology	CareCloud	$2	*(8%)*	$87	$127	$129	$15	*47%*	*12%*	2.4x	1.0x	8.4x
	Evolent Health	$3	*(39%)*	$395	$1,249	$2,097	$61	*17%*	*3%*	13.2x	0.6x	20.5x
	HealthEquity	$88	*(7%)*	$7,317	$8,032	$1,362	$514	*71%*	*38%*	1.4x	5.9x	15.6x
	HealthStream	$30	*5%*	$909	$856	$321	$45	*65%*	*14%*	NM	2.7x	19.1x
	IQVIA Holdings	$269	*30%*	$44,253	$58,558	$16,983	$3,048	*33%*	*18%*	4.4x	3.4x	19.2x
	National Research Corporation	$21	*(5%)*	$469	$556	$140	$27	*62%*	*19%*	3.2x	4.0x	20.8x
	Omnicell	$34	*(21%)*	$1,553	$1,461	$1,247	$82	*44%*	*7%*	NM	1.2x	17.8x
	Teladoc Health, Inc.	$6	*(37%)*	$1,054	$1,316	$2,489	$65	*69%*	*3%*	3.4x	0.5x	20.4x
	Veeva Systems Inc.	$285	*48%*	$46,217	$39,126	$3,458	$1,075	*75%*	*31%*	NM	NM	NM
	Median							***62%***	***14%***	**3.3x**	**1.9x**	**19.1x**

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.

Valuation and Debt Multiples

Valuation multiples increased across most healthcare subsectors since Q4 2025, led by managed care and healthcare IT. Leverage generally held steady, with increases concentrated in healthcare IT and outpatient services

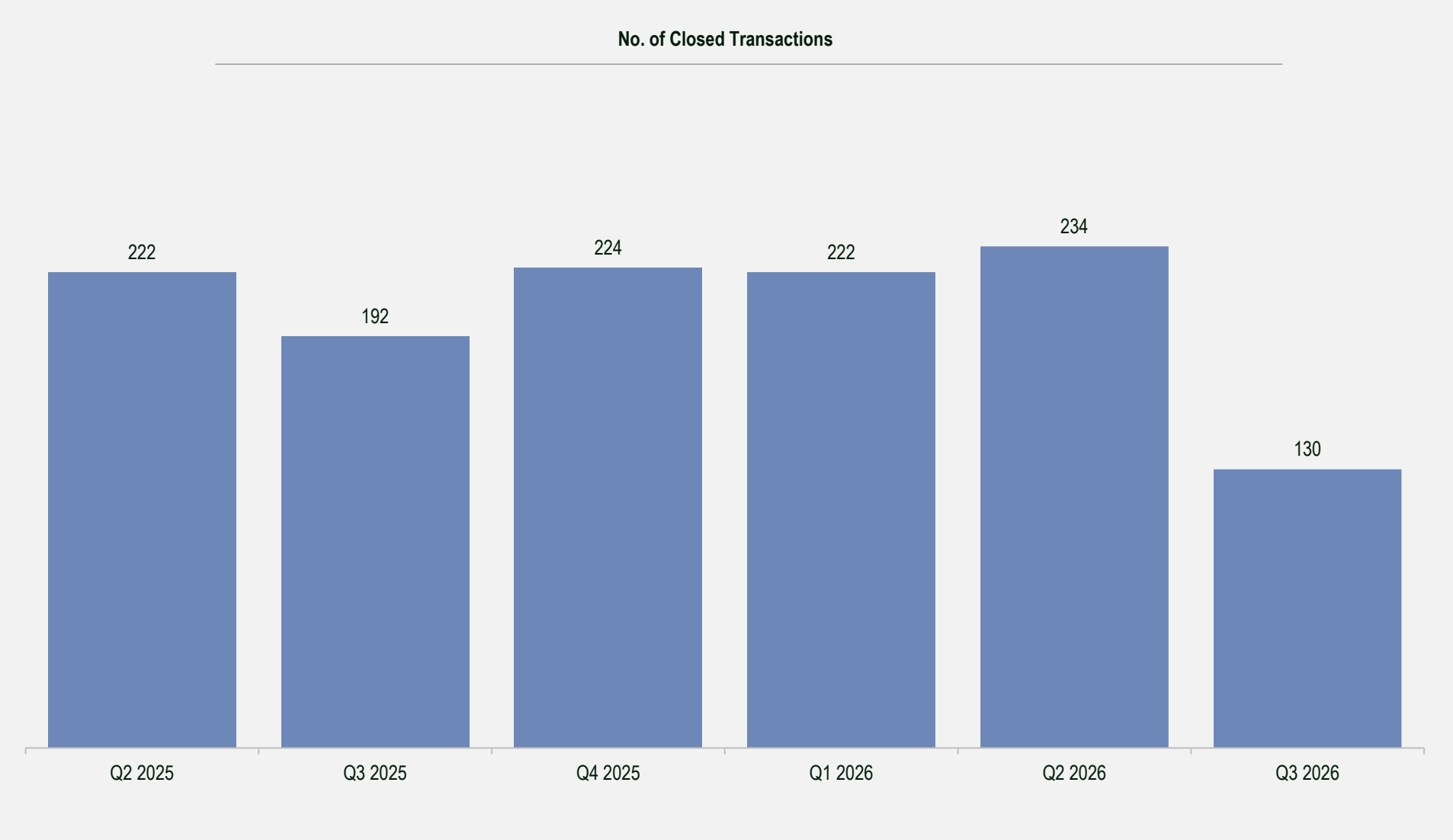




Source: Capital IQ
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.
(2) Median and mean values exclude all non-meaningful values.

U.S. M&A Activity

Healthcare deal activity slowed sharply, with closed transactions falling 44% from the prior quarter and 32% year over year to 130



Source: Capital IQ

Recent Transaction Activity

Date	Target	Acquiror	Enterprise Value ($M)	Target Description
09/26	Cross Vascular, Inc.	JLL	$4.7	Develops radiofrequency systems for transseptal puncture, including RF needles and RF generators, in arrhythmia ablation procedures
09/26	City Pro Group, Inc.	mom's belief	$2.0	Provides pediatric early intervention and school-based special education services
09/26	marea	LISATA THERAPEUTICS	$236.0	Develops medical drugs for the treatment of cardiometabolic diseases
09/26	HELOMICS	DataMEDS Ai	$1.9	Develops and provides a functional precision medicine oncology platform
09/26	CONVERGENT Genomics	veracyte	$180.0	Operates as a genomic diagnostic company focused on developing non-invasive tests for cancer detection and monitoring
09/26	BIOCIRCUIT TECHNOLOGIES	axogen	$200.0	Develops and commercializes medical devices for tissue repair and neuromodulation
09/26	icario	Vitality	$59.5	Operates a health action platform that uses data science, behavioral research, multi-channel tools, and smart rewards to support health engagement
09/26	NJBIO	Cohance	$13.0	Operates as a research organization and manufacturing organization that provides chemistry and biology services to companies in biotech & pharma sectors
08/26	merida BIOSCIENCES	Lilly	$2,875.0	Develops precision therapy to offer treatments for autoimmune-driven diseases
08/26	Southeastern Biomedical Associates, Inc.	TRANSCAT Trust in every measure	$12.8	Provides biomedical equipment-related services
08/26	OrangeDot, Inc.	sword	$300.0	A leading digital health platform specializing in mindfulness, meditation, and mental health care solutions
08/26	PRECISION MEDICINE GROUP	MCKESSON	$2,250.0	Provides drug development and commercialization services to pharmaceutical and life sciences companies internationally
08/26	actio BIOSCIENCES	Jazz Pharmaceuticals	$1,320.0	Engages in the translation of genetic insights into novel small molecule precision medicines
08/26	HEALTHCARE IT LEADERS	kyndryl	$350.0	Provides healthcare information technology staffing solutions
08/26	Alkeus PHARMACEUTICALS	tarsus	$800.0	Develops therapies for diseases of the eye with unmet needs
08/26	VitalConnect	iRHYTHM	$287.5	Operates as a provider of wearable biosensor technology and remote patient monitoring solutions for healthcare applications
08/26	spencer health solutions	custom health	$25.0	Manufactures a medical device that provides notifications when medications are due and dispenses medicines on request
08/26	NOVABONE	Halma plc (LSE:HLMA)	Undisclosed	Develops and manufactures synthetic bone graft substitutes for orthopedic and dental procedures

Source: Capital IQ

Amherst's Representative Healthcare Transactions

Ontario Systems
Muncie, IN

has been acquired by management and an investor group led by
Oxford Financial Group, ltd.
Indianapolis, IN

AmherstPartners
Acted as advisor to Oxford Financial Group, Ltd.

Equipment Maintenance Solutions, LLC
Ferndale, MI

has been acquired by
Avante Health Solutions
Chicago, IL

AmherstPartners
Acted as advisor to Equipment Maintenance Solutions, LLC

Arbor Associates
Philadelphia, PA

has been acquired by
eBenx, Inc.
Plymouth, MN

AmherstPartners
Acted as advisor to Arbor Associates

Ritzman Pharmacy
Wadsworth, OH

has obtained senior debt financing from
AloStar Bank of Commerce
Birmingham, AL

AmherstPartners
Acted as advisor to Ritzman Pharmacy

Ritzman Pharmacy
Wadsworth, OH

has been acquired by
CVS Pharmacy, Inc.
Woonsocket, RI

AmherstPartners
Acted as advisor to Ritzman Pharmacy

ProSolv Cardiovascular, Inc.
Indianapolis, IN

has been acquired by
Fujifilm Medical Systems USA, Inc.
Woonsocket, RI
A subsidiary of FUJIFILM Holdings Corporation (TSE:4901)

AmherstPartners
Acted as advisor to ProSolv CardioVascular, Inc.

MMM Healthcare Inc.
San Juan, Puerto Rico

has been acquired by
The Straus Group
New York, NY

AmherstPartners
Acted as advisor to MMM Healthcare Inc.

Wright & Filippis, Inc.
Rochester Hills, MI

has divested its Sleep Therapy, Respiratory and DME service lines to
Lincare, Inc.
Clearwater, FL

A subsidiary of

AmherstPartners
Acted as advisor to Wright & Filippis, Inc.

Roush Life Sciences
Salem, NH

has been acquired by
Foxx life Sciences
Salem, NH

AmherstPartners
Acted as advisor to Roush Life Sciences

Triumph Healthcare, LLC
Houston, TX

has been acquired by
TA Associates
Boston, MA

AmherstPartners
Acted as advisor to Triumph Healthcare

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

Amherst's Representative Healthcare Transactions (cont'd)

VITAS Healthcare Corporation
Miami, FL

has been acquired by

Roto-Rooter, Inc.
Cincinnati, OH

AmherstPartners
Acted as advisor to VITAS Healthcare Corporation

Acute Care Pharmaceuticals
San Diego, CA

has been acquired by

PNC Riverarch Capital
Pittsburgh, PA

AmherstPartners
Acted as advisor to Acute Care Pharmaceuticals

Brandywine Senior Living, LLC
Mount Laurel, NJ

has been acquired by

Warburg Pincus LLC
New York, NY

AmherstPartners
Acted as advisor to Brandywine Senior Living, LLC

Renex Corp.
Cora Gables, FL

has been acquired by

National Nephrology Associates Inc.
Nashville, KY

AmherstPartners
Acted as advisor to Renex Corp.

Mectra Labs
Bloomfield, IN

has been acquired by

Key Surgical
Eden Prairie, MN

AmherstPartners
Acted as advisor to Mectra Labs

Commonwealth Communities, LLC
Stoughton, MA

has been acquired by

Kindred Healthcare, Inc.
Louisville, KY

AmherstPartners
Acted as advisor to Commonwealth Communities, LLC

Brandywine Senior Living, LLC
Mount Lauren, NJ

has been acquired by

Retirement Residences REIT
Toledo, OH

AmherstPartners
Acted as advisor to Commonwealth Communities, LLC

Medical Analysis Systems, Inc
Camarillo, CA

has been acquired by

The Control Division of Dade Behring
Deerfield, IL

AmherstPartners
Acted as advisor to Medical Analysis Systems, Inc.

UroQuest Medical Corporation
Menlo Park, CA

has been acquired by

Chemfab
Merrimack, NH

AmherstPartners
Acted as advisor to UroQuest Medical Corporation

Wellstone Retirement Communities
Miami, FL

has been acquired by

Senior Lifestyle Corporation
Chicago, IL

AmherstPartners
Acted as advisor to Wellstone Retirement Communities

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

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

Adams Street | BAIRD | bakertilly | EY Capital Advisors, LLC | Giuliani Capital Advisors | J.P.Morgan | KPMG Corporate Finance LLC | MACQUARIE | plante moran

Core Execution Team



Donald Luciani
Partner



Charles Chandler
Partner



Fahad Siddiqui
Director



John Wendzinski
Vice President



Sam Jabara
Associate



Emily Pachla
Controller



Amber Dunn
Director of Marketing

Operations Advisory



Jon B. Cotton
CEO, Apex Health, Former President, Meridian Health Plan of Michigan



Ray Dallavecchia, Jr.
Owner, Venetian Associates



Terry Robinson
Former Senior Vice President and Director of Middle Market Banking – Comerica Bank



S. Evan Weiner
President/CEO, Edw. C. Levy Co.

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