



Healthcare Check-Up

Q3 2025

ENGLAND
COMPANY
INVESTMENT BANKING

Featuring:

- Quarterly Overview
- Market Trend Report
- Relevant M&A Activity

Q3 2025 Market At A Glance

The Healthcare Check-Up provides exclusive insights into market trends, recent merger and acquisition activity, capital markets activity, and major news stories within the Healthcare Services sector.

Healthcare Services M&A		117 Transactions	- 16.4% Change YoY		\$46.3 billion Disclosed Transaction Value	NM Change YoY
Private Financings		78 Transactions	- 28.4% Change YoY		\$7.4 billion Disclosed Transaction Value	- 30.3% Change YoY
Public Companies		1.6x EV / Median LTM Revenue	13.8x EV / Median LTM EBITDA		+ 10.1% Median Revenue Growth YoY	33.5% Median LTM Gross Margin

Founded in 2003, England & Company is an independent investment bank that provides strategic advice on mergers and acquisitions, recapitalizations and restructurings, and capital markets transactions to owners, executives, and boards of directors of domestic and international companies. The firm’s clients include leading companies in the Energy & Sustainability, Healthcare, Industrial & Infrastructure, and Technology & Media markets. For further information, please visit: www.englishco.com.

Source: S&P Capital IQ

Quarterly Overview



Healthcare services M&A activity declined quarter over quarter, with an 18.2% decrease in transaction volume from Q2 and a 16.4% decline year over year. Financing activity declined in volume but increased in total value, reflecting fewer but larger transactions. Healthcare services lagged the S&P 500 this quarter, aside from IT and distribution, which posted gains LTM gains of 38.5% and 35.1%, respectively.

Q3 2025 marked an inflection point for healthcare services as labor pressures, policy shifts, and changing patient preferences reshaped how providers operate and how capital flows through the sector. Workforce shortages strained provider performance and weighed on staffing and managed-care. However, these challenges also reinforced the long-term importance of flexible staffing models as essential tools for adapting to ongoing workforce shortages. The signing of H.R. 1 introduced new Medicaid eligibility and funding rules, prompting providers to modernize patient-engagement and coverage-navigation processes. While overall transaction volumes softened, transaction value surged around large, strategically significant platforms – highlighted by the closing of Sycamore Partners’ landmark take-private of Walgreens Boots Alliance and Evernorth Health’s investment in Shields Specialty Pharmacy. Overall, the quarter was defined by structural shifts across labor, policy, and care delivery producing ongoing uncertainty that providers and support organizations must continue to adapt to in order to remain competitive.

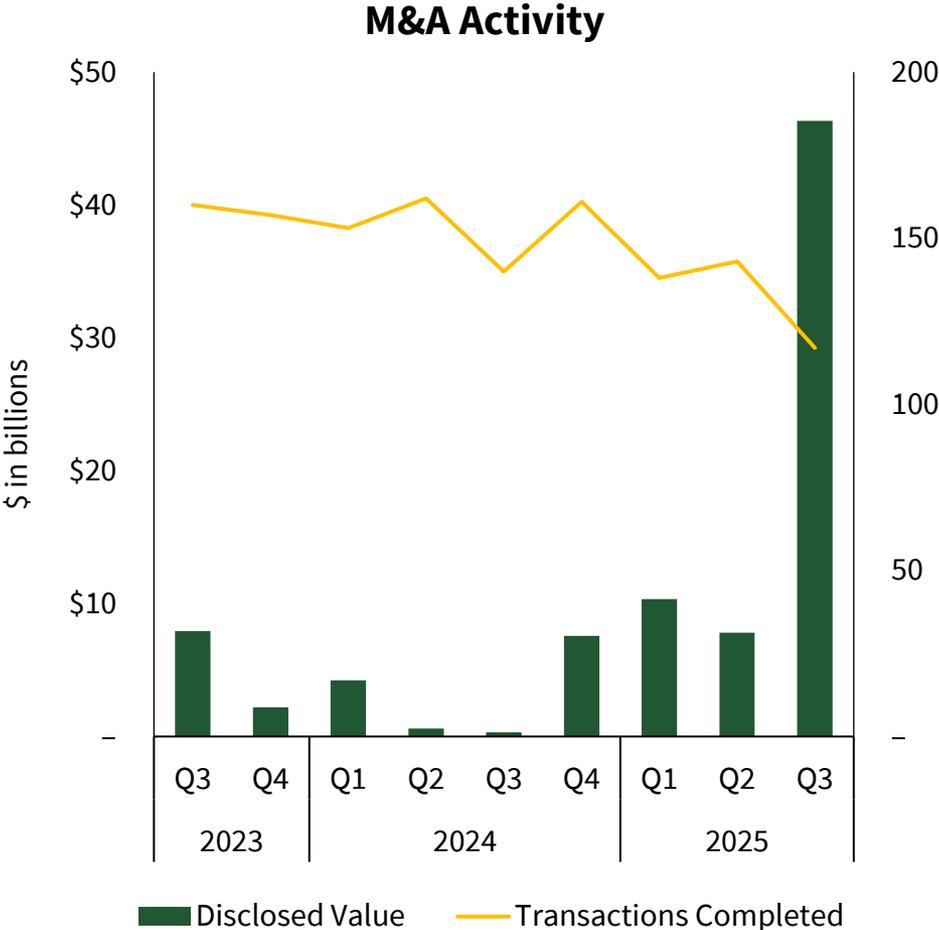
Source: S&P Capital IQ

Healthcare Services Merger & Acquisition Activity

M&A activity declined compared to the previous quarter, with 117 transactions completed. This is an 18.2% decrease from the 143 transactions completed in the prior quarter and a 16.4% decrease in transaction volume from Q3 2024.

A standout Q3 transaction was Sycamore Partners' \$41.8 billion take-private of Walgreens Boots Alliance, driven by mounting financial pressure and a renewed focus on core pharmacy operations. The transaction reflects a broader industry shift toward smaller, more efficient retail models. Five total drug retail transactions were completed this quarter, up from three in Q2. The liquidation of Rite Aid and the purchase of its assets by competitors continued.

There was significant activity in the Healthcare Facilities sector, with 29 transactions compared to 20 in the prior quarter. These transactions spanned rehabilitation, assisted living, surgery, and mental health, involving both strategic and financial buyers. This reflects increased interest in facility-based care models and renewed investor appetite for stable, service-driven platforms.



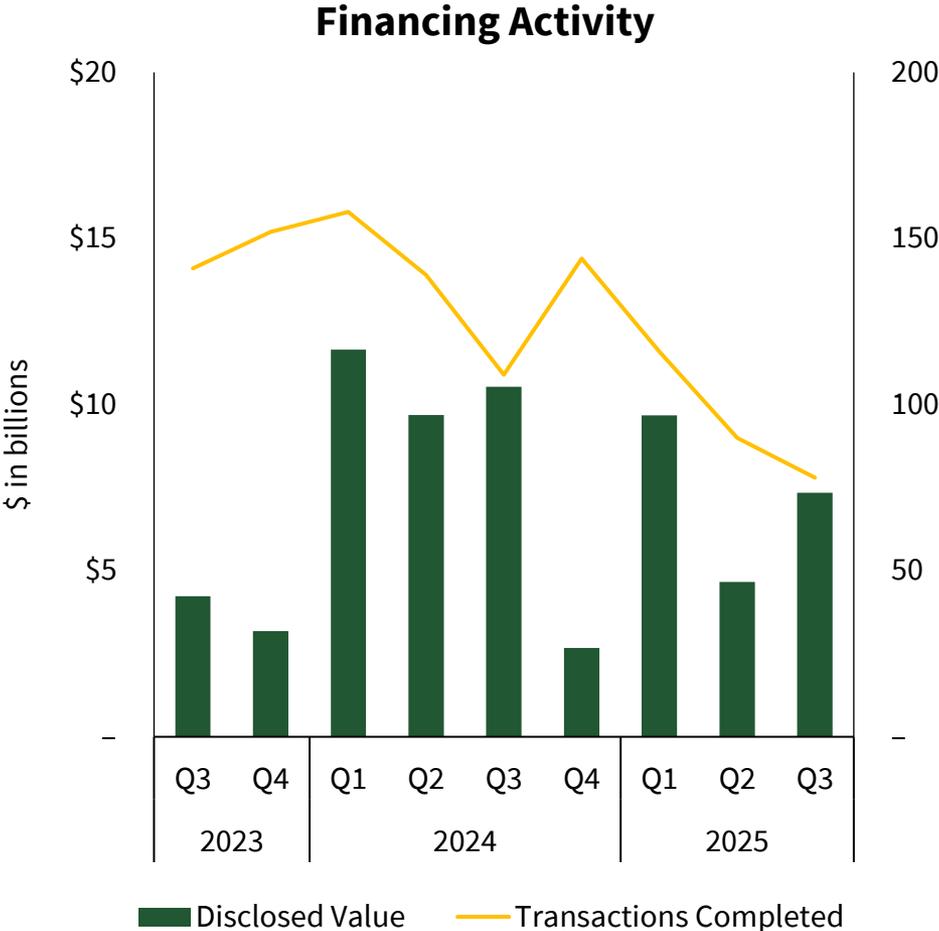
Source: S&P Capital IQ

Healthcare Services Private Financing Activity

Private financing transactions continued to decline in the quarter with 78 transactions completed, a 13.3% decrease from Q2. Total value increased, with total capital deployed rising 57.6% from last quarter to a total value of \$7.4 billion and average transaction value increasing 81.9% to \$94.2 million.

The decline in financing activity in Q3 2025 was primarily due to softer volumes across provider and life science services, though total transaction value still rose. The quarter’s largest transaction was Shields Specialty Pharmacy’s \$3.5 billion preferred equity investment from Evernorth Health, following Shields’ transition to a standalone private company as part of Walgreens Boots Alliance’s take private.

Beyond this transaction, debt financing remained the most influential category with \$2.4 billion issued, while early-stage venture funding continued to be the most active by transaction count with 27 transactions in the quarter.



Source: S&P Capital IQ

Q3 2025 Notable Healthcare Services M&A Transactions

Transactions >\$100 million EV

Target	Acquirer	Closed Date	Transaction Value (\$ in millions)	Enterprise Value	
				Revenue	EBITDA
 Walgreens Boots Alliance	 SYCAMORE PARTNERS	August 2025	\$41,800.4	5.6x	0.3x
 amedisys	 Optum	August 2025	\$3,519.9	11.7x	1.5x
 PROSPECT MEDICAL	 Astrana Health	July 2025	\$707.9	N/A	N/A
 accessone.	 Phreesia	September 2025	\$157.0	N/A	N/A
 KEYSTONE PERFUSION SERVICES	 STRATA CRITICAL MEDICAL SOLUTIONS • LOGISTICS	September 2025	\$147.0	N/A	N/A
Median			\$707.9	8.7x	0.9x

Source: S&P Capital IQ
Note: Transactions closed as of 9/30/2025

Q3 2025 Notable Healthcare Services M&A Transactions

Transactions <\$100 million EV

Target	Acquirer	Closed Date	Transaction Value (\$ in millions)	Enterprise Value	
				Revenue	EBITDA
 Lehan's	 VieMed	July 2025	\$28.2	1.1x	3.8x
 novaestiq AESTHETICS	 waldencast	July 2025	\$25.5	N/A	N/A
 Alexian Village	 avina	August 2025	\$22.3	N/A	N/A
 Helping Hands Care and Nursing at Home	 ADDUS HOME CARE	August 2025	\$21.3	1.3x	N/A
 Truvy®	 ZINZINO	September 2025	\$17.5	1.5x	N/A
 Hart Medical Equipment	 quipt home medical	September 2025	\$17.4	0.3x	2.5x
Median			\$21.8	1.2x	3.2x

Source: S&P Capital IQ

Note: Transactions closed as of 9/30/2025

Q3 2025 Developing Trends

Staffing Sector Faces Cyclical Pressures Amid Post-Pandemic “Great Reset”



The healthcare staffing sector remained in a difficult part of its cycle in Q3 as the industry worked through fading COVID-19 demand and an ongoing national labor shortage for medical staff. Smaller and specialty firms, particularly in per-diem and travel nursing, were hit hardest as health systems concentrated spending on major staffing partners and non-core partners struggled to maintain MSP status. Yet despite near term weakness, some segments, such as locum tenens and certain allied-health categories including home-care and physician staffing, continued to grow. With ongoing clinician shortages and many founder-owned or highly leveraged firms expected to return to market in 2026, the sector appears to be moving through the bottom of the cycle. Platforms with more recent PE backing, along with other PE firms, are expected to be buyers over the next two years, albeit at lower multiples than those paid in 2021-2023. A reconfigured healthcare staffing sector will continue to be a critical component of healthcare human resource management solutions but will face ongoing challenges tied to baby boomer and burnout related retirements, immigration policy, and continuing evaluation of in-house solutions including float pools.

Medicaid Reforms Accelerate Demand for Services and Technology



H.R. 1, signed in July 2025, introduced major changes to Medicaid eligibility and funding that many providers expect will reshape how patients move through the healthcare system. While the new requirements may lead to more frequent shifts in coverage, they also encourage providers to strengthen patient-engagement, invest in front-end processes, and build more resilient payor-mix strategies. Organizations that can simplify benefits navigation, streamline intake, and create a better patient experience are likely to see increased demand and investment to help providers manage the transition more effectively. As the policy transition takes shape, the companies that support providers are positioned to benefit from heightened demand for more patient-friendly, adaptable operating models.

Outpatient Care Gains Momentum with Shift Away From Inpatient Settings

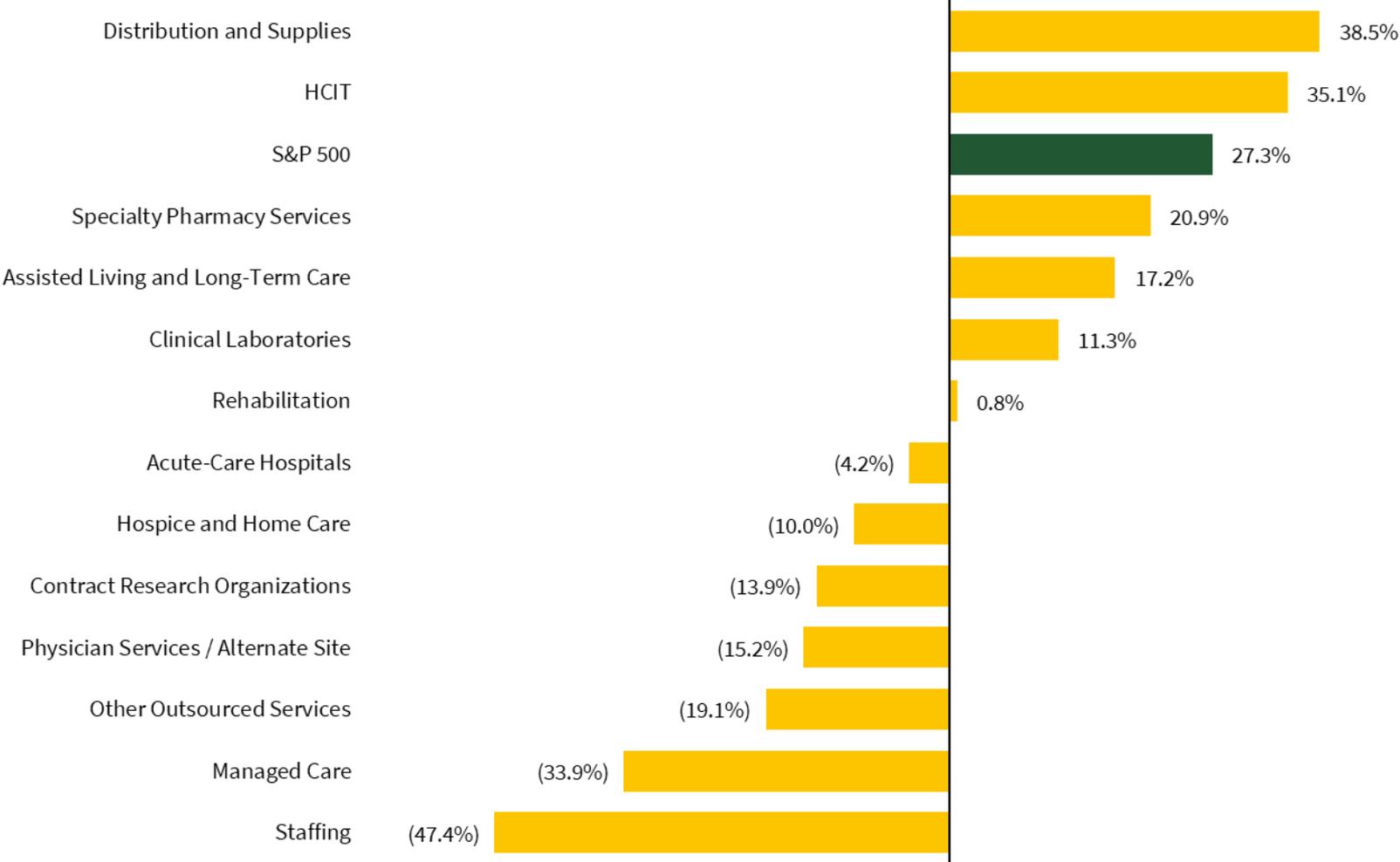


Demand for outpatient and ambulatory-care services continued to climb in Q3 as more patients sought care in lower-cost, convenience-focused settings. Providers reported growth not just in patient volume, but in case complexity, with stronger revenue per case across many service lines. For example, Tenet Healthcare’s ambulatory division saw net patient-service revenue increase 8.3% year-over-year, supported by higher surgical volumes and more involved cases. HCA Healthcare reported similar momentum, as revenue per equivalent admission rose 6.6% and same-facility outpatient surgeries increased. For healthcare-services organizations, this trend highlights the growing opportunity in flexible, facility-light models that deliver care closer to the patient, often with better economics and higher patient satisfaction than inpatient settings.

Source: The Harris Poll, Hiring Lab, U.S. Congress, Advisory Board, Tenet Healthcare, HCA Healthcare

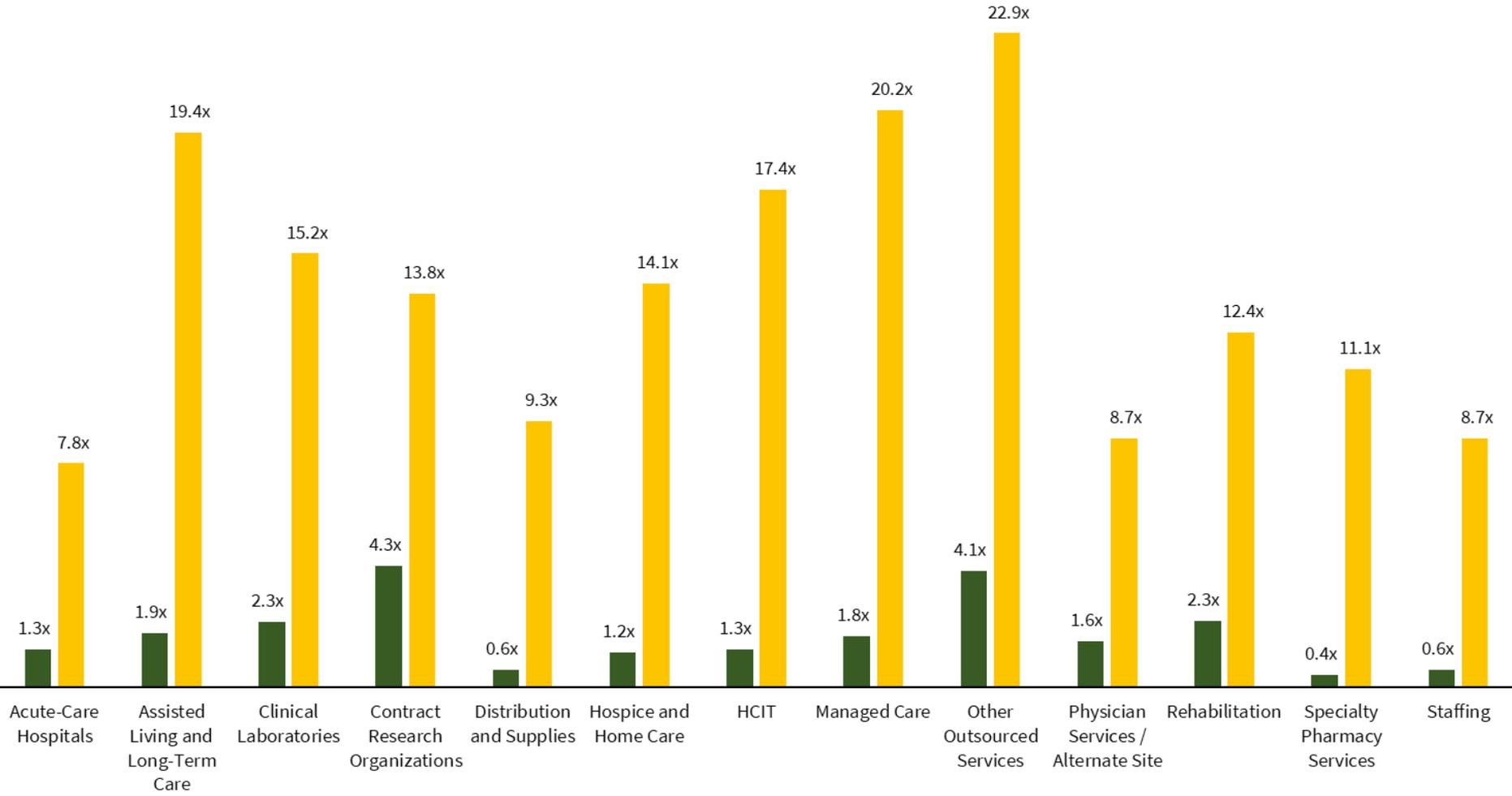
Public Market Performance

12-Month Stock Returns



Source: S&P Capital IQ
Note: As of 9/30/25

Public Company Valuation Analysis By Sector



Source: S&P Capital IQ
 Note: As of 9/30/25

■ EV / Median LTM Revenue ■ EV / Median LTM EBITDA

Recent Healthcare Experience

 <p>recapitalization by</p>  <p>Exclusive Financial Advisor</p>	 <p>has acquired</p>  <p>Buy-Side Advisor</p>	 <p>has been acquired by</p>  <p>Sell-Side Advisor</p>	 <p>has entered into a strategic relationship with</p>  <p>Exclusive Financial Advisor</p>	 <p>\$38,500,000 Series C Preferred Stock</p>  <p>Exclusive Placement Agent</p>
 <p>has been acquired by</p>  <p>A subsidiary of Colfax</p> <p>Sell-Side Advisor</p>	 <p>has been acquired by</p>  <p>Sell-Side Advisor</p>	 <p>has been acquired by</p>  <p>Sell-Side Advisor</p>	 <p>has been acquired by</p>  <p>Sell-Side Advisor</p>	 <p>has entered into a strategic partnership with</p>  <p>Financial Advisor</p>
 <p>has made a strategic investment in</p>  <p>Financial Advisor</p>	 <p>has made a strategic investment in</p>  <p>Financial Advisor</p>	 <p>has entered into a strategic partnership with</p>  <p>Financial Advisor</p>	 <p>has been acquired by</p>  <p>Sell-Side Advisor</p>	 <p>has been acquired by</p>  <p>Sell-Side Advisor</p>

About England & Company

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