Healthcare Check-Up

Q4 2025

ENGLAND & COMPANY
INVESTMENT BANKING

Featuring:

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

Q4 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	↑	**162** Transactions	**0.6%** Change YoY	↑	**$21.1 billion** Disclosed Transaction Value	**179.2%** Change YoY
Private Financings	↓	**106** Transactions	**- 26.4%** Change YoY	↑	**$4.8 billion** Disclosed Transaction Value	**79.2%** Change YoY
Public Companies	↓	**1.5x** EV / Median LTM Revenue	**13.4x** EV / Median LTM EBITDA	↓	**+ 8.5%** Median Revenue Growth YoY	**33.3%** 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.englandco.com.

Source: S&P Capital IQ

Quarterly Overview

Healthcare services M&A activity rebounded sharply in Q4, with the highest transaction count quarter of the year at 162 transactions. Private financing recovered in parallel, reversing three consecutive quarters of decline. Within public markets, pharmacy and care facilities outperformed while staffing and physician practice segments continued to face pressure.

Q4 2025 reflected an industry under pressure but showing signs of adaptation and selective recovery. Health system pressures widened as the early effects of H.R. 1 compounded pre-existing cost and reimbursement challenges, pushing more providers, particularly small and independent systems, toward consolidation. Pharmacy services entered a period of structural repricing as direct-to-consumer distribution models, cost-plus pricing, and federal most-favored-nation initiatives added new uncertainty to an already competitive landscape. Across the sector, AI moved from pilot into production, with health systems building out the organizational and technological infrastructure needed to deploy it at scale, reinforcing the long-term growth outlook for healthcare technology. Policy change, technology adoption, and financial pressure each advanced meaningfully in Q4, and their combined effect on provider operations and competitive dynamics is expected to grow through 2026 and beyond.

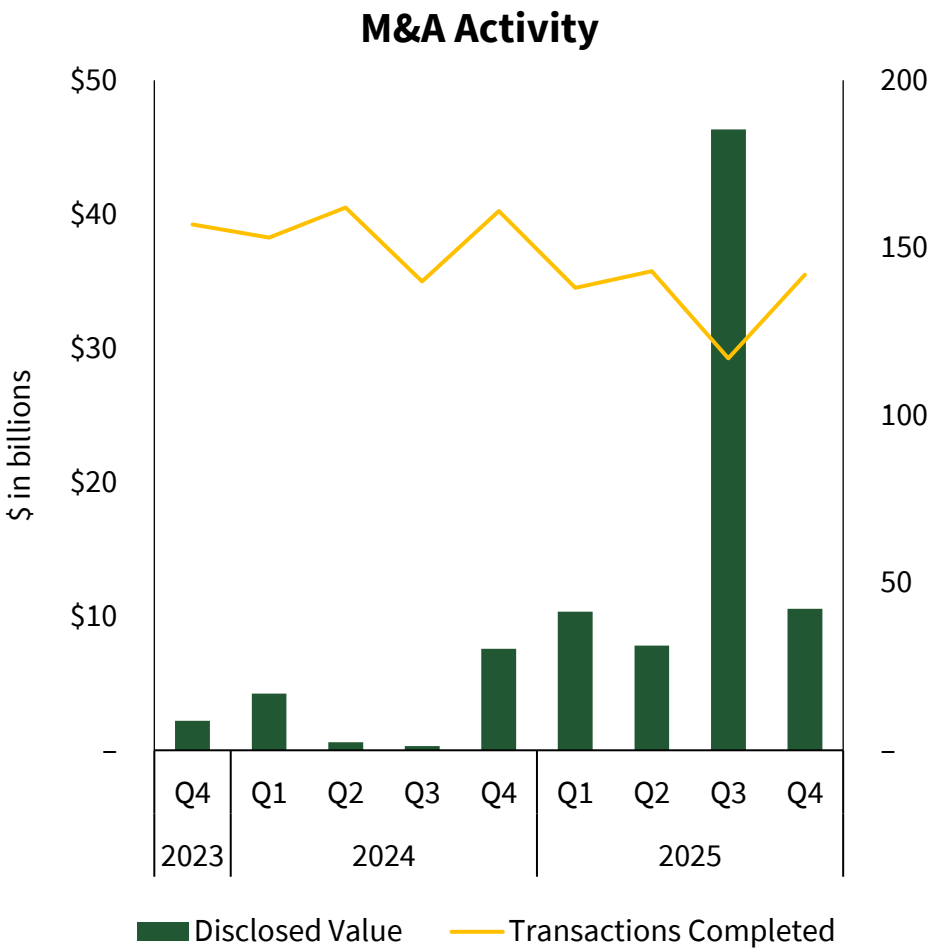
Source: S&P Capital IQ

Healthcare Services Merger & Acquisition Activity

M&A activity rose by 38.2% from Q3 to 162 transactions completed, the most active quarter of 2025. Transaction value remained strong with $21.1 billion total recorded value.

M&A rebounded in Q4 after a sluggish third quarter, with transaction count reaching its highest level of the year. As the policy and reimbursement environment became clearer, buyers grew more comfortable investing in select parts of the market. Transaction activity continued to concentrate around stable segment add-ons, as investors remained cautious about segments facing meaningful Medicaid or reimbursement exposure.

Healthcare facilities remained an active area with 24 transactions, driven largely by financial distress as providers continued to struggle with rising costs and reimbursement uncertainty. Rural and independent hospitals were particularly active sellers, seeking the scale and stability of larger health systems. One of the biggest announcements in the quarter was about the transaction that didn't happen, as Aya terminated its proposed $615 million acquisition of Cross Country Healthcare in early December after multiple information requests and ongoing extensions of the HSR waiting period by the FTC.



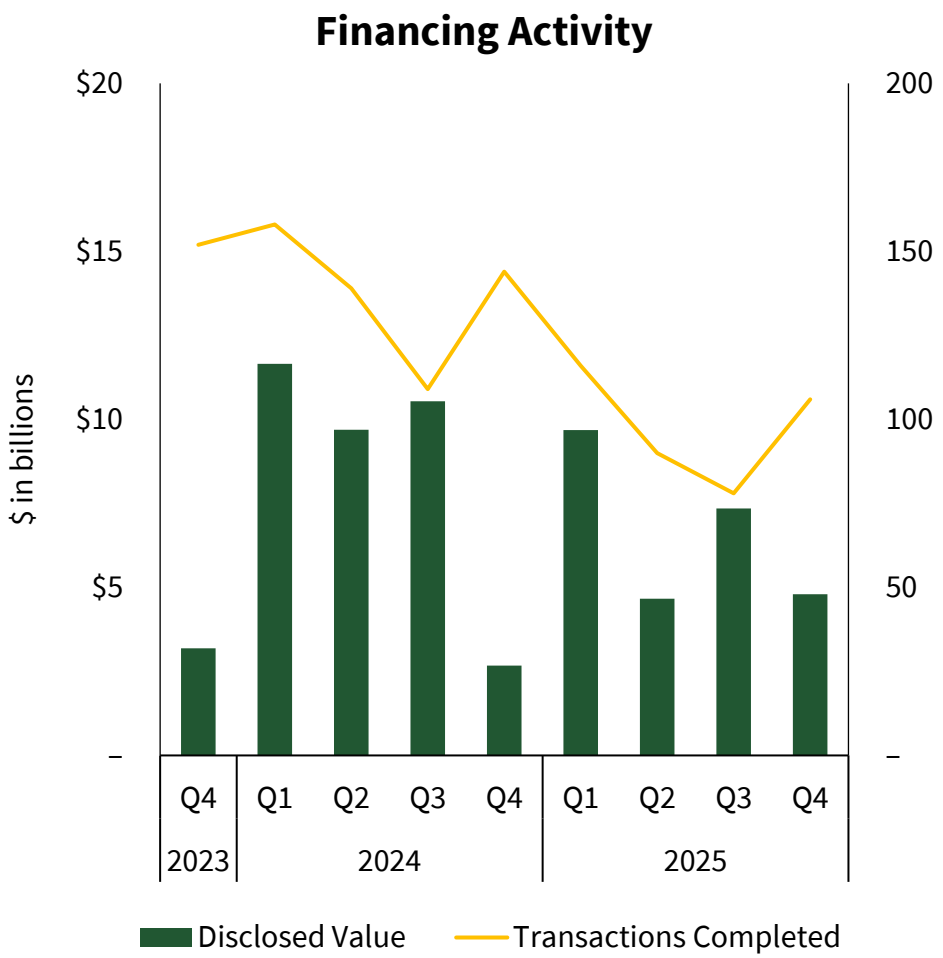
Source: S&P Capital IQ

Healthcare Services Private Financing Activity

Private financing transactions rebounded in the quarter with 106 transactions after three quarters of decline. Total value fell by 34.8% from Q3 but rose 79.2% relative to Q4 2024.

Private financing transaction count recovered in Q4, aided by rate cuts that made new raises and refinancing more attractive. This reflects broader structural momentum that is expected to continue into 2026. AI remained a dominant theme, with capital concentrating in clinical documentation, revenue cycle management, and workflow automation companies.

As the financial impact of H.R. 1 became clearer, a number of providers moved to raise capital and strengthen their balance sheets ahead of expected revenue declines, using financing more defensively than in prior periods.



Source: S&P Capital IQ

Q4 2025 Notable Healthcare Services M&A Transactions

Transactions >$250 million EV

Target	Acquirer	Closed Date	Transaction Value ($ in millions)	Enterprise Value	
				Revenue	EBITDA
PREMIER	PATIENT SQUARE CAPITAL	November 2025	$2,778.6	2.8x	N/A
SOLARISHEALTH A NEW DAY IN HEALTHCARE	The Specialty Alliance	November 2025	$2,400.0	2.4x	19.2x
Andlauer HEALTHCARE GROUP	ups	November 2025	$1,630.4	3.5x	15.7x
NeueHealth	NEA	October 2025	$1,456.0	4.8x	N/A
iodine	WAYSTAR	October 2025	$1,260.2	10.5x	26.3x
FORESIGHT DIAGNOSTICS	natera	December 2025	$450.0	N/A	N/A
			Median	**3.5x**	**19.2x**

Source: S&P Capital IQ
Note: Transactions closed as of 12/31/2025

Q4 2025 Notable Healthcare Services M&A Transactions

Transactions <$250 million EV

Target	Acquirer	Closed Date	Transaction Value ($ in millions)	Enterprise Value	
				Revenue	EBITDA
Quick Med Claims	sarnova	November 2025	$139.8	N/A	N/A
BioPharm Communications	indegene	October 2025	$106.0	2.8x	N/A
Overture Cary	Principal	October 2025	$73.0	N/A	N/A
Hygate Active Retirement Living	Sienna Senior Living	December 2025	$67.8	N/A	N/A
LaSalle Park Retirement Community by Signature	Sienna Senior Living	December 2025	$48.8	N/A	N/A
MissionCare Collective	HealthStream	December 2025	$40.0	N/A	N/A
			Median	**2.8x**	**N/A**

Source: S&P Capital IQ
Note: Transactions closed as of 12/31/2025

Q4 2025 Trends

Medicaid Cuts and Financial Pressure Drive Health System Consolidation

Financial distress continued to build among providers in Q4 as the early effects of H.R. 1 combined with pre-existing pressures from rising labor costs and reimbursement shortfalls – roughly one in four U.S. hospitals was already financially distressed entering the quarter. The legislation is projected to remove coverage from up to 10 million Medicaid and ACA enrollees over the next decade, translating into higher uncompensated burdens for providers least equipped to absorb them. Several health systems have already begun taking preemptive action, including staff reductions and clinic closures in anticipation of revenue losses. This financial pressure is accelerating consolidation, with M&A activity picking up through the year as smaller systems seek the stability of larger platforms. This trend is expected to continue as the bill's Medicaid provisions phase in over the next two years, further straining margins and pushing more organizations toward partnership or acquisition.

Cost-Plus Models and Federal Policy Shifts Disrupt Pharmacy

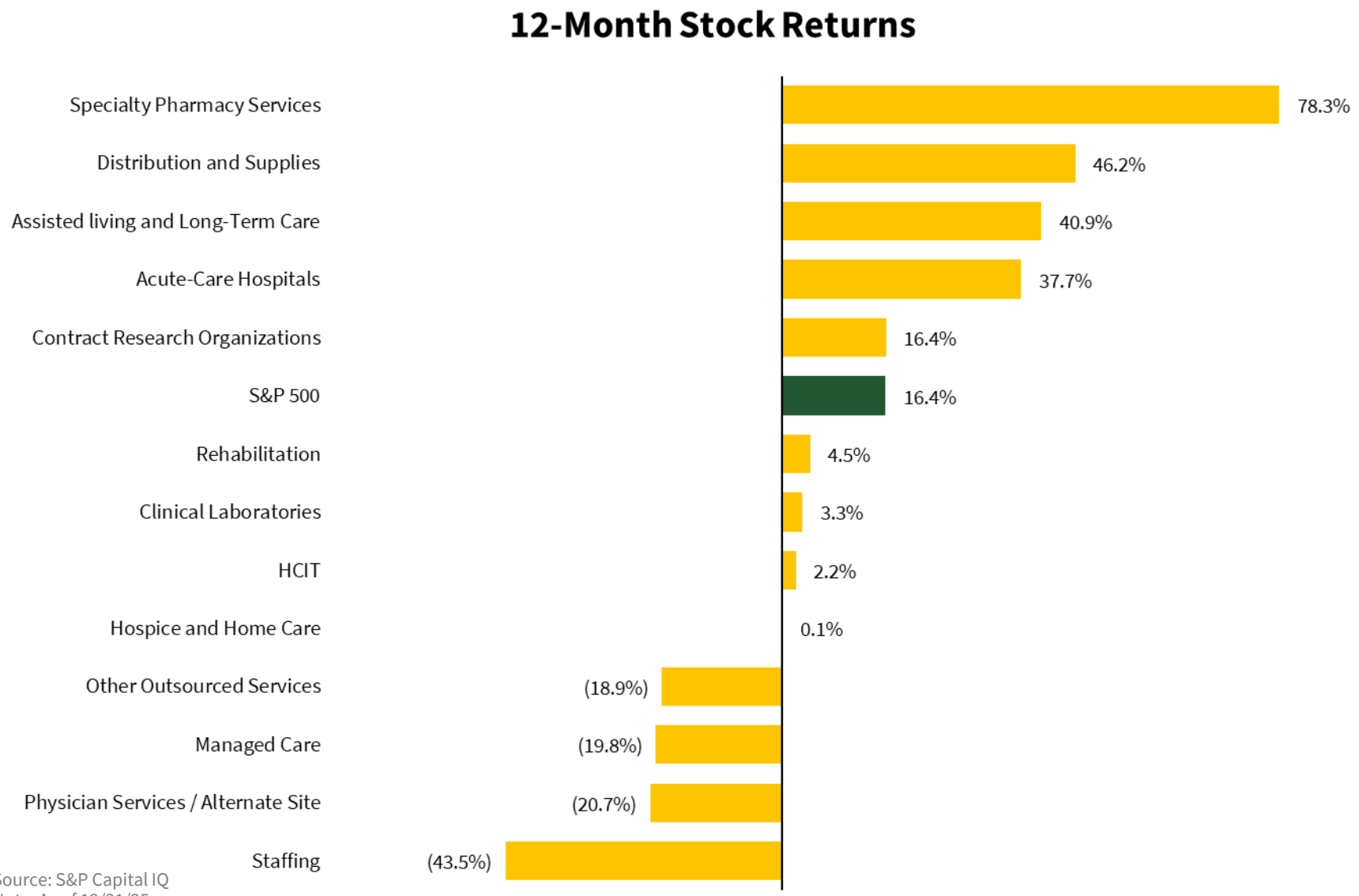
The pharmacy services sector entered a period of structural repricing in Q4, driven by the convergence of new direct-to-consumer distribution models, cost-plus pricing momentum, and an evolving federal policy backdrop. While specialty drugs and GLP-1 therapies continued to drive new drug expenditure growth, traditional value chain dynamics remained under pressure. Competition intensified across the 340B discount channel, between vertically integrated and independent pharmacies, and between hospital outpatient and ambulatory or home-based infusion settings. The administration's TrumpRx initiative, which launched in late 2025 and centers on most-favored-nation pricing agreements with major manufacturers, added a new layer of uncertainty. Among these shifts, direct manufacturer-to-consumer distribution, and international price benchmarking stand out as long-term trends that could compress revenues and margins across the pharmacy services value chain. However, in some instances, revenues may decline while profit margins improve for individual pharmacies.

AI Adoption Moves from Pilots to Enterprise Deployment

Artificial intelligence in healthcare services crossed a meaningful threshold in Q4 as organizations began transitioning to enterprise-wide deployment. Health systems increasingly treated AI as core operational infrastructure rather than a collection of standalone tools, implementing dedicated processes to support scaled rollout. Ambient scribing and administrative automation were the most visible markers of this shift, moving from early adoption to broad clinical deployment across ambulatory, inpatient, and emergency settings by year-end. For healthcare technology companies, the transition carries significant commercial implications, as demand for AI-enabled platforms is expected to accelerate, supporting what is already projected to be the fastest-growing segment in healthcare over the next several years. Workflow efficiency, staff management, and acceleration of patient identification and recruitment for clinical trials have been notable areas of activity.

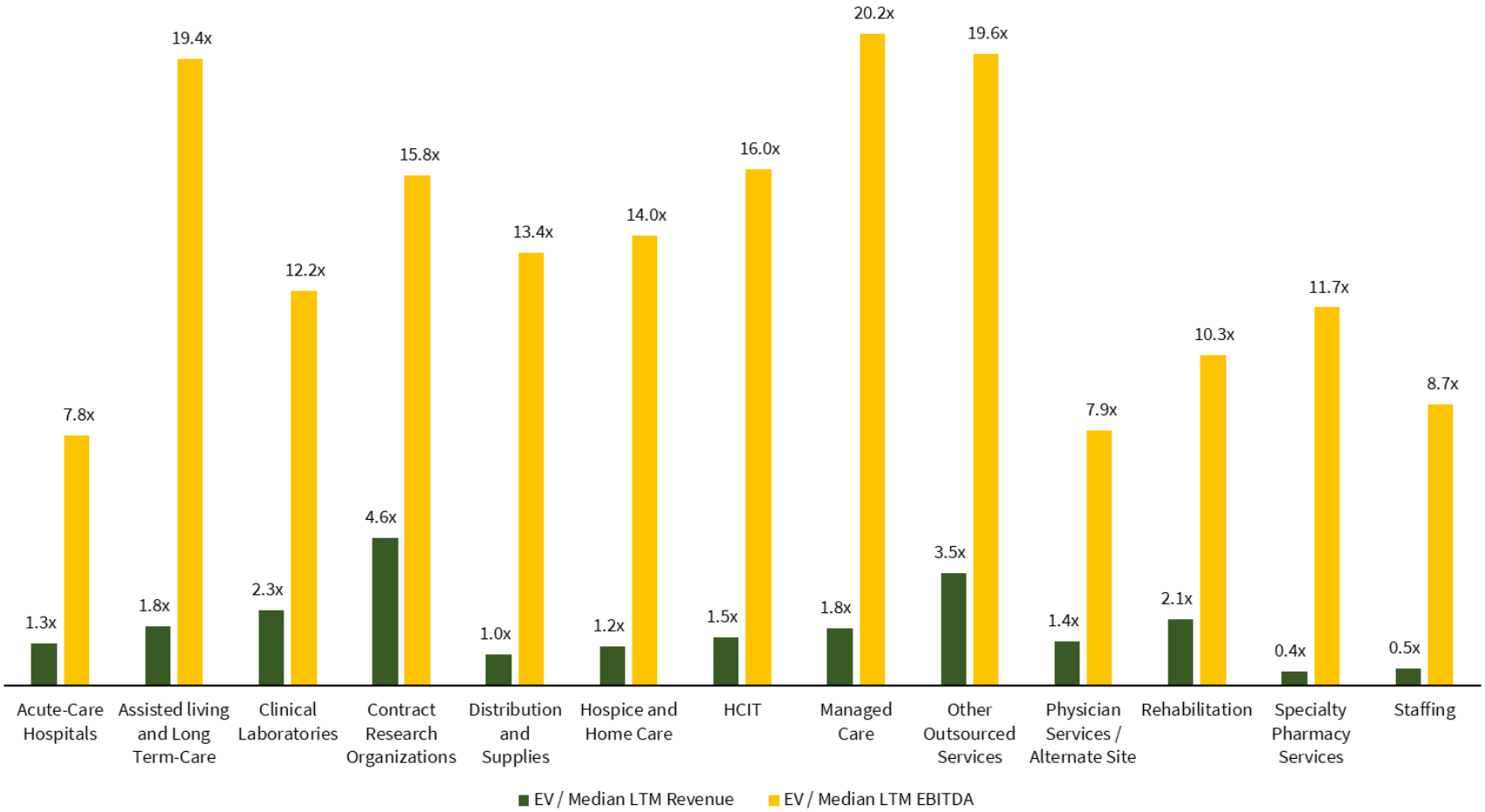
Source: Medical Buyer, Harvard School of Public Health, HealthTech Magazine, McKinsey, NPR, Georgetown University

Public Market Performance



Source: S&P Capital IQ
Note: As of 12/31/25

Public Company Valuation Analysis By Sector



Source: S&P Capital IQ
Note: As of 12/31/25

Recent Healthcare Experience

PURVIEW®
has been acquired by
HEALTHMARK GROUP
a portfolio company of
TA ASSOCIATES
Sell-Side Advisor

OneroRx
recapitalization by
CYPRIUM PARTNERS
WELLS FARGO
Exclusive Financial Advisor

Acacium Group
has acquired
Favorite Healthcare Staffing
Buy-Side Advisor

NIRx
has been acquired by
Gibbe HEALTHCARE
Sell-Side Advisor

EXTREMITY MEDICAL
has entered into a strategic relationship with
HENRY SCHEIN®
Exclusive Financial Advisor

OSSIO®
$38,500,000
Series C Preferred Stock
MVM PARTNERS
Exclusive Placement Agent

TRILLIANT SURGICAL
has been acquired by
DJO GLOBAL
A subsidiary of Colfax
Sell-Side Advisor

COLLAGEN SOLUTIONS
has been acquired by
rti surgical
Sell-Side Advisor

Pathology, Inc.
Welcome to Excellence
has been acquired by
LabCorp
Sell-Side Advisor

mindchild
has entered into a strategic partnership with
HENRY SCHEIN®
Financial Advisor

CareFirst BlueCross BlueShield
has made a strategic investment in
sharecare
Financial Advisor

CareFirst BlueCross BlueShield
has made a strategic investment in
FIGmd Simply Empowering
Financial Advisor

CareFirst BlueCross BlueShield
has entered into a strategic partnership with
exosomedx
Financial Advisor

PYNG MEDICAL
has been acquired by
Teleflex® MEDICAL
Sell-Side Advisor

MMS Medication Management Systems
has been acquired by
genoa a QoL healthcare company
Sell-Side Advisor

About England & Company

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