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Mergers &
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Healthcare Market Monitor

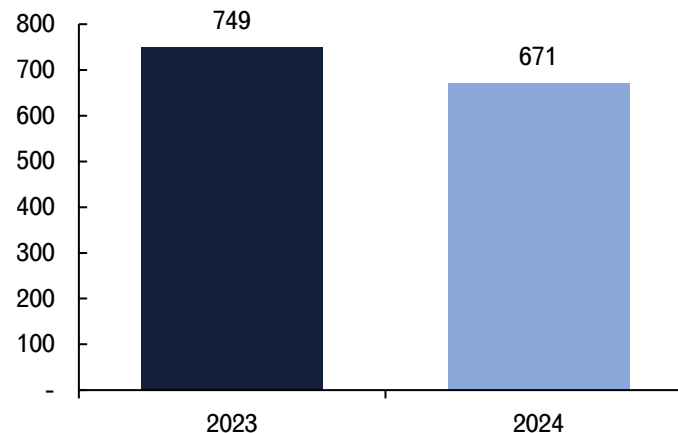
2024 Review



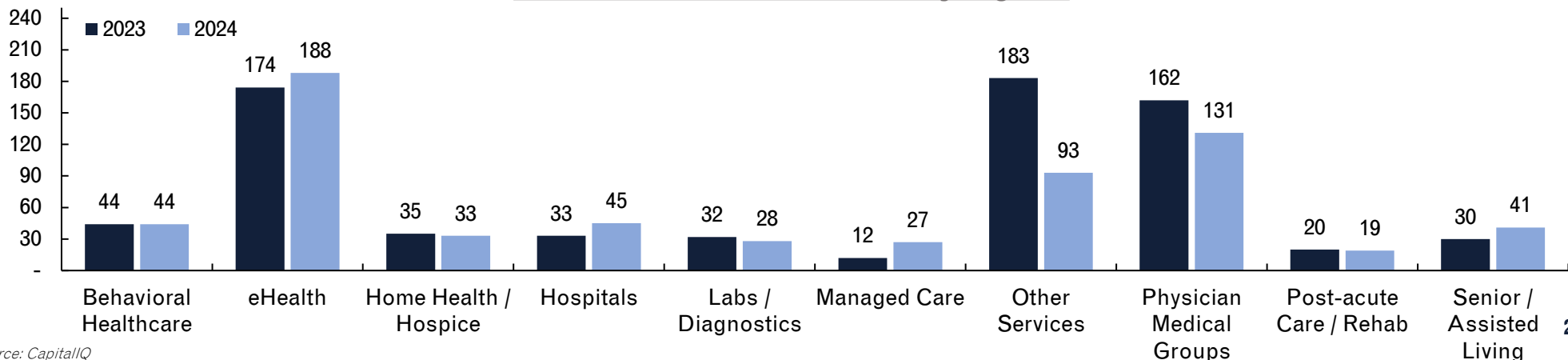
2024 Healthcare Services M&A Activity

- In 2024 there were 671 U.S. healthcare services M&A transactions, representing a 10.4% decrease from 2023 levels.
- Median EV/EBITDA multiples for publicly traded healthcare services companies have increased slightly from 13.3x to 13.5x during 2024.
- Companies and investors in the healthcare services sector are becoming increasingly focused on eHealth services as they replace traditional third-party healthcare consultants and staffing companies. As represented in the decrease in volume of the Other Services segment below, third-parties face competition from tech-enabled healthcare solutions.
- Despite regulatory and economic scrutiny, healthcare services deal volume remained resilient in 2024. We expect that interest rate cuts, capital buildup and a clearer picture on the U.S. regulatory environment will spark transaction activity across all healthcare sectors in 2025.

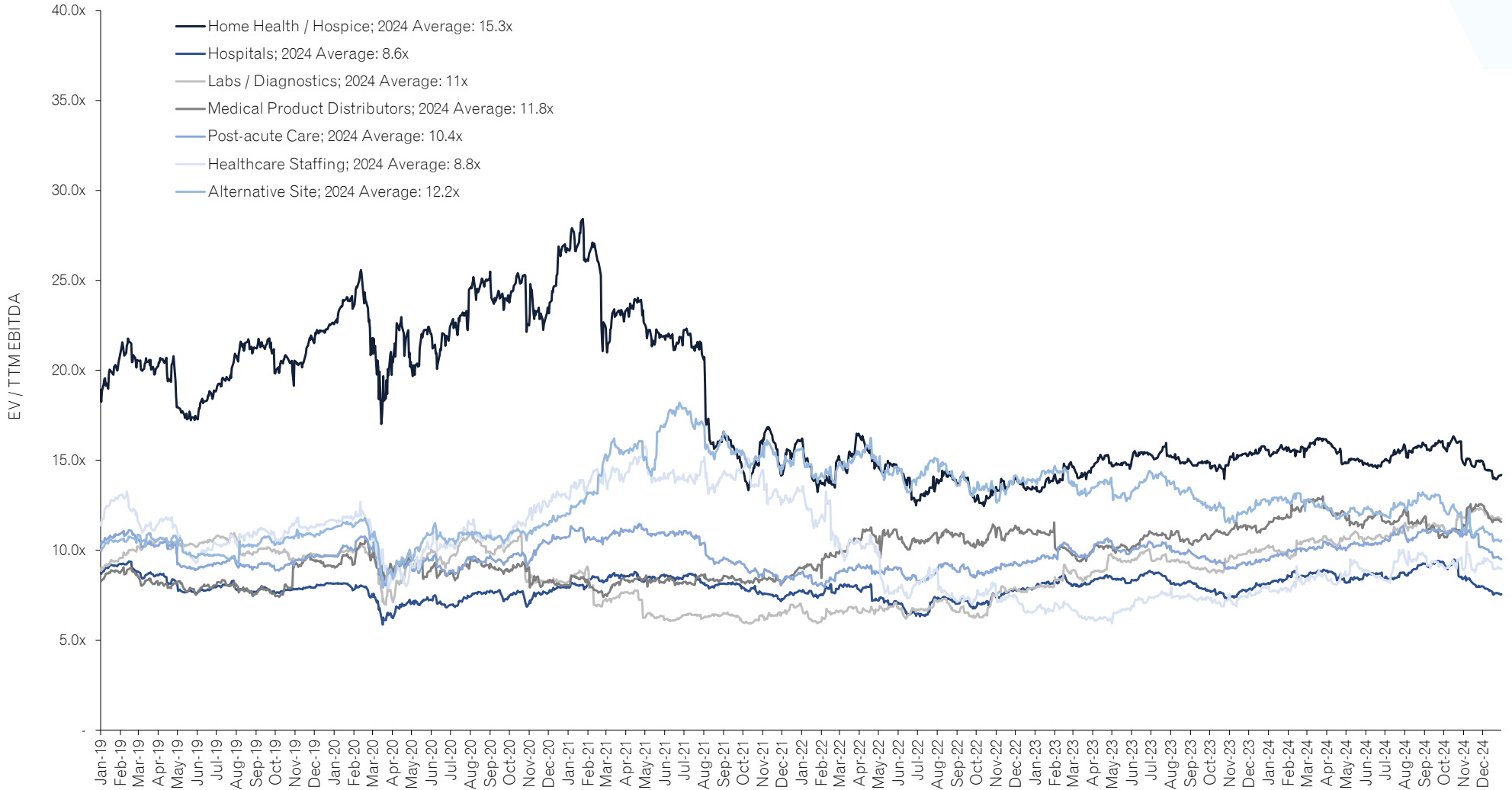
Total U.S. Healthcare Services M&A Volume



Healthcare Services M&A Volume by Segment



Public Company Valuation Timeline



MARKET DATA

Public Company Valuations

\$ in millions, except per share data

Category	Company Name	12/31/24			TTM Data					EV Multiple			
		Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	EBITDA	EBITDA Margin	TTM Sales	TTM EBITDA	NTM Sales	NTM EBITDA
eHealth	Veeva Systems Inc.	\$210.25	\$34,134	\$29,143	\$2,656	\$1,964	73.9%	\$681	25.7%	NM	42.8x	9.83x	23.8x
	Omniceil, Inc.	44.52	2,062	2,106	1,064	441	41.4%	27	2.5%	1.98x	NM	1.83x	14.5x
	Teladoc Health, Inc.	9.09	1,565	1,910	2,590	1,834	70.8%	66	2.6%	0.74x	28.9x	0.76x	6.0x
	Evolent Health, Inc.	11.25	1,294	2,020	2,464	393	16.0%	123	5.0%	0.82x	16.4x	0.70x	10.7x
	Health Catalyst, Inc.	7.07	430	407	302	139	46.2%	(32)	NA	1.35x	NA	1.22x	11.2x
	Median Average		\$1,565 \$7,897	\$2,020 \$7,117	\$2,464 \$1,815	\$441 \$954	46.2% 49.7%	\$66 \$173	3.8% 8.9%	1.08x 1.22x	28.9x 29.4x	1.22x 2.87x	11.2x 13.2x
Home Health / Hospice	Chemed Corporation	\$529.80	\$7,909	\$7,818	\$2,377	\$848	35.7%	\$430	18.1%	3.29x	18.2x	3.06x	14.9x
	Amedisys, Inc.	90.79	2,973	3,248	2,321	1,014	43.7%	234	10.1%	1.40x	13.9x	1.33x	12.4x
	Addus HomeCare Corporation	125.35	2,248	2,075	1,134	369	32.5%	124	10.9%	1.83x	16.8x	1.53x	12.4x
	The Pennant Group, Inc.	26.52	911	1,301	652	138	21.2%	41	6.3%	1.99x	31.5x	1.65x	21.0x
	Aveanna Healthcare Holdings Inc.	4.57	883	2,308	1,983	612	30.9%	138	7.0%	1.16x	16.7x	1.11x	13.2x
	Enhabit, Inc.	7.81	393	961	1,037	506	48.8%	70	6.8%	0.93x	13.7x	0.91x	9.5x
Median Average		\$1,579 \$2,553	\$2,191 \$2,952	\$1,559 \$1,584	\$559 \$581	34.1% 35.4%	\$131 \$173	8.5% 9.9%	1.61x 1.77x	16.7x 18.4x	1.43x 1.60x	12.8x 13.9x	
Hospitals	HCA Healthcare, Inc.	\$300.15	\$76,027	\$120,901	\$69,621	\$28,252	40.6%	\$13,747	19.7%	1.74x	8.8x	1.65x	8.4x
	Tenet Healthcare Corporation	126.23	12,004	25,022	20,972	8,294	39.5%	4,028	19.2%	1.19x	6.2x	1.20x	6.3x
	Universal Health Services, Inc.	179.42	11,836	16,917	15,418	6,432	41.7%	2,124	13.8%	1.10x	8.0x	1.03x	7.3x
	Community Health Systems, Inc.	2.99	396	13,044	12,551	5,189	41.3%	1,205	9.6%	1.04x	10.8x	1.04x	8.3x
	Median Average		\$11,920 \$25,066	\$20,970 \$43,971	\$18,195 \$29,640	\$7,363 \$12,042	41.0% 40.8%	\$3,076 \$5,276	16.5% 15.6%	1.15x 1.27x	8.4x 8.4x	1.12x 1.23x	7.8x 7.6x
Labs / Diagnostics	Labcorp Holdings Inc.	\$229.32	\$19,180	\$25,454	\$12,713	\$3,550	27.9%	\$1,674	13.2%	2.00x	15.2x	1.87x	10.9x
	Quest Diagnostics Incorporated	150.86	16,838	23,156	9,539	3,145	33.0%	1,805	18.9%	2.43x	12.8x	2.19x	11.4x
	Median Average		\$18,009 \$18,009	\$24,305 \$24,305	\$11,126 \$11,126	\$3,347 \$3,347	30.4% 30.4%	\$1,739 \$1,739	16.0% 16.0%	2.21x 2.21x	14.0x 14.0x	2.03x 2.03x	11.2x 11.2x

Note: Not meaningful (NM) if EV/Sales is greater than 10x, or EV/EBITDA is greater than 50x. NA if denominator is 0, for percentages and multiples, or if estimates are not available. NTM figures are based on the median estimate of Wall St. analysts.

Source: CapitalIQ, company filings.

MARKET DATA

Public Company Valuations

\$ in millions, except per share data													
Category	Company Name	12/31/24			TTM Data					EV Multiple			
		Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	EBITDA	EBITDA Margin	TTM Sales	TTM EBITDA	NTM Sales	NTM EBITDA
Medical Product Distributors	McKesson Corporation	\$569.91	\$72,344	\$77,465	\$330,187	\$12,893	3.9%	\$4,890	1.5%	0.23x	15.8x	0.21x	12.2x
	Cencora, Inc.	224.68	43,426	46,057	293,959	9,793	3.3%	4,152	1.4%	0.16x	11.1x	0.15x	10.7x
	Cardinal Health, Inc.	118.27	28,623	30,921	224,454	7,573	3.4%	2,924	1.3%	0.14x	10.6x	0.14x	9.7x
	Henry Schein, Inc.	69.20	8,628	12,962	12,499	3,948	31.6%	922	7.4%	1.04x	14.1x	0.98x	11.4x
	Owens & Minor, Inc.	13.07	1,008	3,135	10,661	2,302	21.6%	582	5.5%	0.29x	5.4x	0.29x	5.4x
	Median Average		\$28,623 \$30,806	\$30,921 \$34,108	\$224,454 \$174,352	\$7,573 \$7,302	3.9% 12.8%	\$2,924 \$2,694	1.5% 3.4%	0.23x 0.37x	11.1x 11.4x	0.21x 0.35x	10.7x 9.9x
Post-acute Care	Encompass Health Corporation	\$92.35	\$9,304	\$12,722	\$5,215	\$2,159	41.4%	\$1,124	21.6%	2.44x	11.3x	2.23x	11.1x
	Select Medical Holdings Corporation	132.86	7,560	9,011	4,109	660	16.1%	360	8.8%	2.19x	25.0x	1.93x	17.0x
	The Ensign Group, Inc.	18.85	2,432	7,194	6,969	1,402	20.1%	819	11.8%	1.03x	8.8x	0.99x	9.6x
	Median Average		\$7,560 \$6,432	\$9,011 \$9,642	\$5,215 \$5,431	\$1,402 \$1,407	20.1% 25.9%	\$819 \$768	11.8% 14.0%	2.19x 1.89x	11.3x 15.0x	1.93x 1.72x	11.1x 12.6x
Healthcare Staffing	ASGN Incorporated	\$83.34	\$3,684	\$4,623	\$4,189	\$1,203	28.7%	\$408	9.7%	1.10x	11.3x	1.12x	10.4x
	AMN Healthcare Services, Inc.	23.92	911	2,055	3,067	961	31.3%	309	10.1%	0.67x	6.6x	0.77x	8.6x
	Cross Country Healthcare, Inc.	18.16	586	527	1,448	303	20.9%	31	2.1%	0.36x	17.0x	0.43x	10.9x
	Median Average		\$911 \$1,727	\$2,055 \$2,401	\$3,067 \$2,901	\$961 \$822	28.7% 27.0%	\$309 \$249	9.7% 7.3%	0.67x 0.71x	11.3x 11.6x	0.77x 0.77x	10.4x 10.0x
Alternate site	RadNet, Inc.	\$69.84	\$5,170	\$6,382	\$1,773	\$423	23.9%	\$248	14.0%	3.60x	25.7x	3.34x	21.3x
	Option Care Health, Inc.	23.20	3,948	4,679	4,776	992	20.8%	381	8.0%	0.98x	12.3x	0.91x	10.5x
	Acadia Healthcare Company, Inc.	39.65	3,683	5,725	3,123	1,346	43.1%	689	22.1%	1.83x	8.3x	1.71x	7.5x
	Surgery Partners, Inc.	21.17	2,676	7,610	2,985	706	23.6%	596	20.0%	2.55x	12.8x	2.30x	13.7x
	U.S. Physical Therapy, Inc.	88.71	1,339	1,663	639	126	19.7%	86	13.5%	2.60x	19.3x	2.27x	18.7x
	dentalcorp Holdings Ltd.	5.76	1,146	2,050	1,118	548	49.0%	143	12.8%	1.83x	14.3x	1.77x	9.6x
	Pediatrix Medical Group, Inc.	13.12	1,109	1,572	2,007	427	21.3%	199	9.9%	0.78x	7.9x	0.82x	6.9x
	ModivCare Inc.	11.84	169	1,383	2,788	433	15.5%	131	4.7%	0.50x	10.6x	0.47x	7.4x
Median Average		\$2,007 \$2,405	\$3,365 \$3,883	\$2,397 \$2,401	\$490 \$625	22.5% 27.1%	\$224 \$309	13.2% 13.1%	1.83x 1.83x	12.5x 13.9x	1.74x 1.70x	10.1x 12.0x	
Overall Healthcare Services		Median Average	\$2,824 \$10,801	\$5,202 \$14,320	\$3,026 \$29,871	\$1,003 \$3,092	31.1% 31.2%	\$394 \$1,263	9.9% 10.7%	1.16x 1.41x	13.3x 15.0x	1.16x 1.55x	10.8x 11.5x

Note: Not meaningful (NM) if EV/Sales is greater than 10x, or EV/EBITDA is greater than 50x. NA if denominator is 0, for percentages and multiples, or if estimates are not available. NTM figures are based on the median estimate of Wall St. analysts.

Source: CapitalIQ, company filings.

What We're About

Results Driven

Meticulously craft a transaction blueprint with steadfast commitment to achieve our clients' goals

Experienced Investment Banking Professionals

A 26-year firm with professionals with more than 150 years combined experience in middle market mergers & acquisitions and corporate finance advisory services

Objective Advice

We provide frank advice, backed with analysis and perspective, to map out and execute a process to reach our clients' transaction objectives

Industry Expertise

Real-time pulse of sector activity, corporate, family office & private equity participants and enterprise valuation metrics

The Right Capital

Capital is a commodity ... the investor behind the capital is targeted based on our clients' objectives

Senior Banker Immersion

From engagement inception through post-closing transaction functions, our senior bankers are front and center

Services & Industries

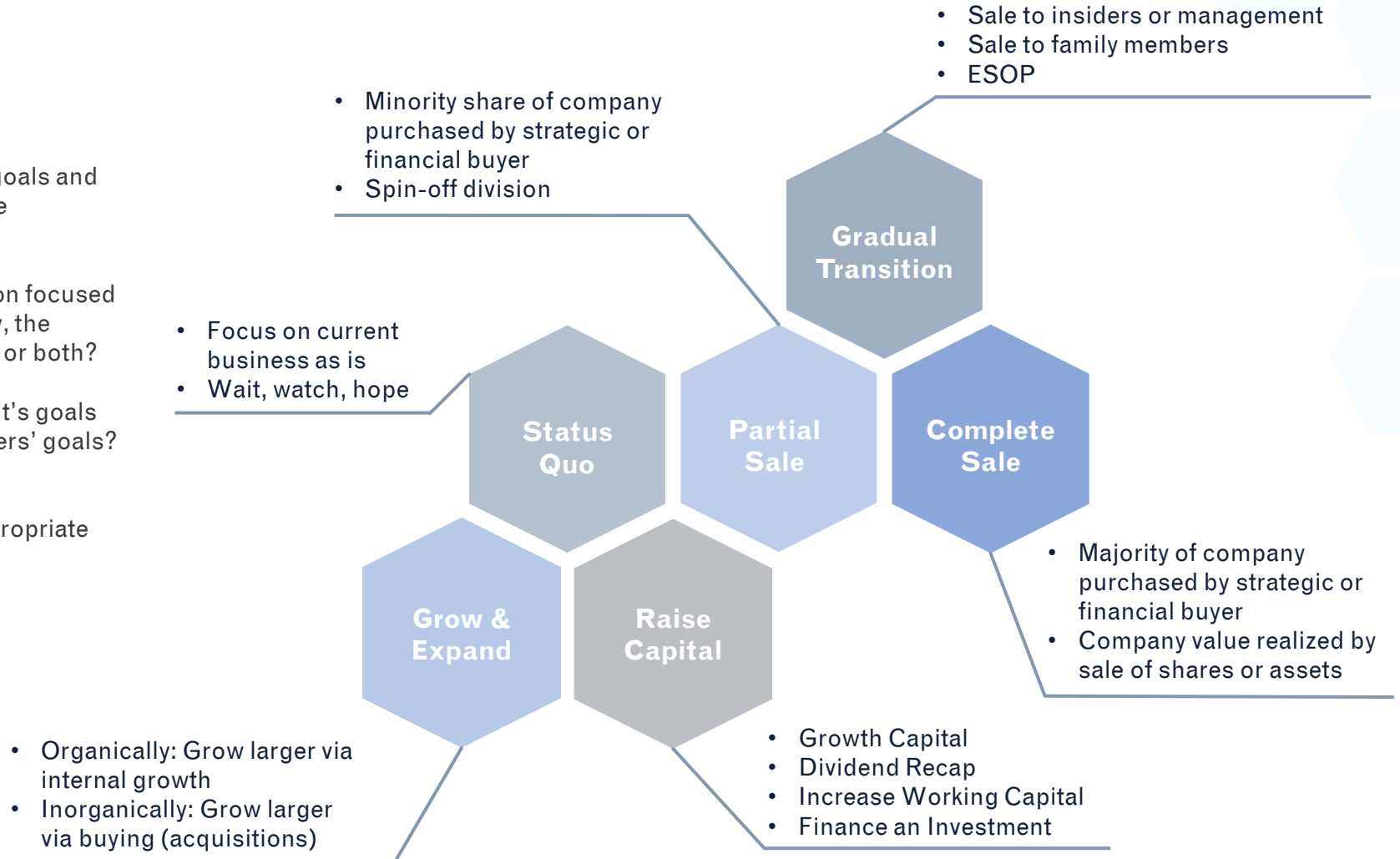
With more than 250 completed transactions, HCA's investment bankers maintain relationships with key decision-makers among strategic buyers and investors and comprehensive coverage of relevant private equity groups and family offices

- Merger and Acquisition Advisory
- Equity and Debt Capital Placement
- Strategic Alternatives Assessment
- Exclusive Sales and Divestitures
- Strategic Planning
- Management Buy-outs
- Recapitalizations















Our Clients

- What are your goals and objectives of the transaction?
- Is the transaction focused on the company, the shareholder(s), or both?
- Do management's goals differ from owners' goals? How so?
- What is the appropriate timing?



EXPERIENCE

Proven Track Record of Successful Healthcare Transactions

 <p>has been acquired by</p> 	 <p>has acquired</p>  <p>The Worldwide Home Care division of</p> 	 <p>has been acquired by</p>  	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 
 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	<p>We provided investment banking services for</p> 	 <p>formed an affiliation with</p> 	 <p>has been acquired by</p> 	<p>We provided investment banking services for</p> 	<p>We provided investment banking services for</p> 	 <p>has been acquired by</p> 
 <p>formed an affiliation with</p> 	 <p>has been recapitalized by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has acquired</p> 

*Represents a transaction executed by principals of Hexagon Capital Alliance at a prior firm

EXPERIENCE

Proven Track Record of Successful Outcomes

- Deep expertise and strong relationships with relevant market participants
- Battle tested process that drives maximum valuation and enhanced terms
- Exclusive focus on private, middle market companies
- A life-cycle approach to client service



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