DRESNER PARTNERS
INVESTMENT BANKING

Healthcare Services

Quarterly M&A Market Update

Q3 2025

"We're not just investment bankers — we're strategic partners who understand how to maximize value and find the right buyer, partner, or investor"

Healthcare Services Overview

Q3 2025 Market Commentary

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Key Takeaways

- **General Summary**:
  - ✓ Healthcare services M&A remains active despite a tougher macro backdrop
  - ✓ Deal volume in Q3 2025 showed a moderate increase and buyer appetite continues to be strong, particularly for scalable platforms
  - ✓ Valuations have normalized from peak 2021–2022 levels but remain healthy for businesses with recurring revenue and defensible positioning
  - ✓ Private equity is emphasizing subsectors with operating leverage (Behavioral, select Specialty PPMs (especially Dental), Home-Based Care, and HCIT/RCM)
  - ✓ Diligence expectations have risen — clean financials and clarity around earnings quality are now determining both pricing and pace
- **Subsector Activity:**
  - ✓ PPMs (especially Dental), Behavioral Health, and Home Health remain the most active subsectors in terms of both PE-backed platforms and transaction count
  - ✓ In addition, we have seen increased activity in CROs, Medical Spas, and Healthcare Staffing
  - ✓ These segments continue to attract capital due to scalable operations, recurring revenue models, and strong growth runways
- **Geographic Distribution**:
  - ✓ PE-backed headquarters are most concentrated in TX, FL, CA, and the Northeast — consistent with population centers, healthcare demand, and established provider ecosystems
  - ✓ Regional fragmentation continues to present roll-up opportunities for both mid-market and large-cap sponsors
- **Publicly-Traded Valuation Multiples**:
  - ✓ High-multiple sectors (CROs, CMOs, PPMs) highlight investor preference for specialized, high-margin niches
  - ✓ Healthcare Staffing, Clinical Labs, and Long-Term Care remain highly active but with moderate multiples, reflecting market maturity and saturation

Source: S&P Capital IQ, PitchBook, Reuters

Healthcare Services Overview

Q3 2025 Market Commentary (cont.)

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Key Takeaways

- **What This Means for Founders and Operators:**
  - ✓ Buyers are paying premiums for scale, revenue visibility, and infrastructure that can support add-ons
  - ✓ Processes are moving fastest when the financial story is clean and defensible
  - ✓ Regional density continues to be a meaningful differentiator in platform value
  - ✓ Strong appetite from private equity remains — but structure now varies based on quality of earnings
  - ✓ If planning a transaction in the next 12–24 months, early preparation materially improves valuation, speed, and certainty to close

What's Driving Valuation Right Now

What Buyers Are Prioritizing

- Earnings quality and margin visibility
- Durable payor mix and compliance infrastructure
- Scalable staffing / provider throughput
- Tech enablement that protects or enhances EBITDA
- Regional density and platform "fit"

Where Buyers Are Hesitating

- Inconsistent AR / working capital timing
- Add-backs unlikely to survive diligence
- Wide performance gaps between locations
- Heavy founder dependency

Competition is strongest for businesses with clarity, not just growth. The more diligence-ready the story, the stronger the pricing and structure

If you're considering a transaction within the next 12–24 months, the window remains favorable — especially if your business offers scale, tech enablement, and/or clinical differentiation

Source: S&P Capital IQ, PitchBook, Reuters

Healthcare Services Transaction Volume

M&A Deal Volume for PE-Backed Platform Investments Up in Q3 2025

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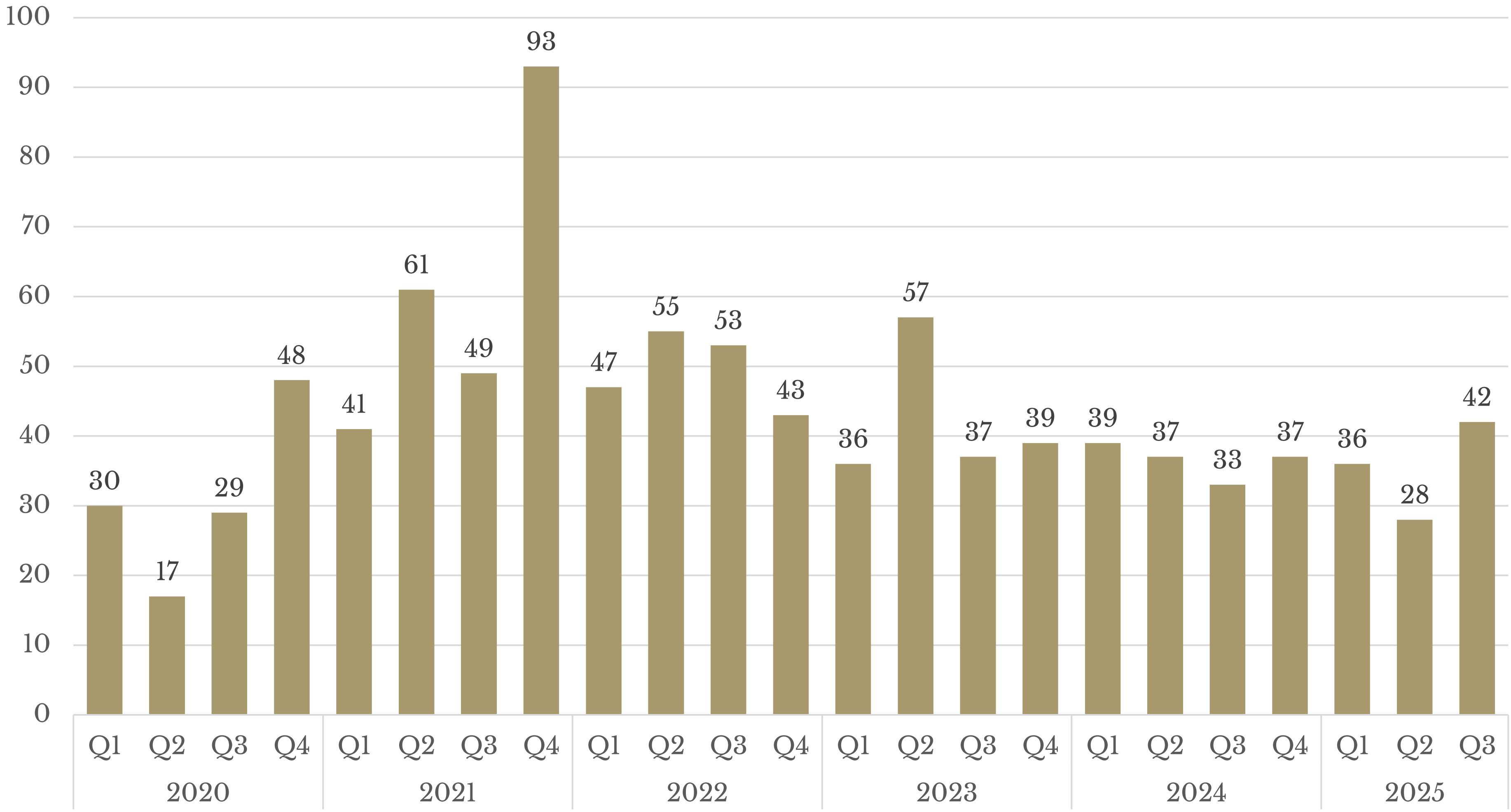
Quarterly U.S. PE-Backed Healthcare Services Platform Investments



Source: S&P Capital IQ, Proprietary Research

Subsectors With Most Active M&A Deal Flow

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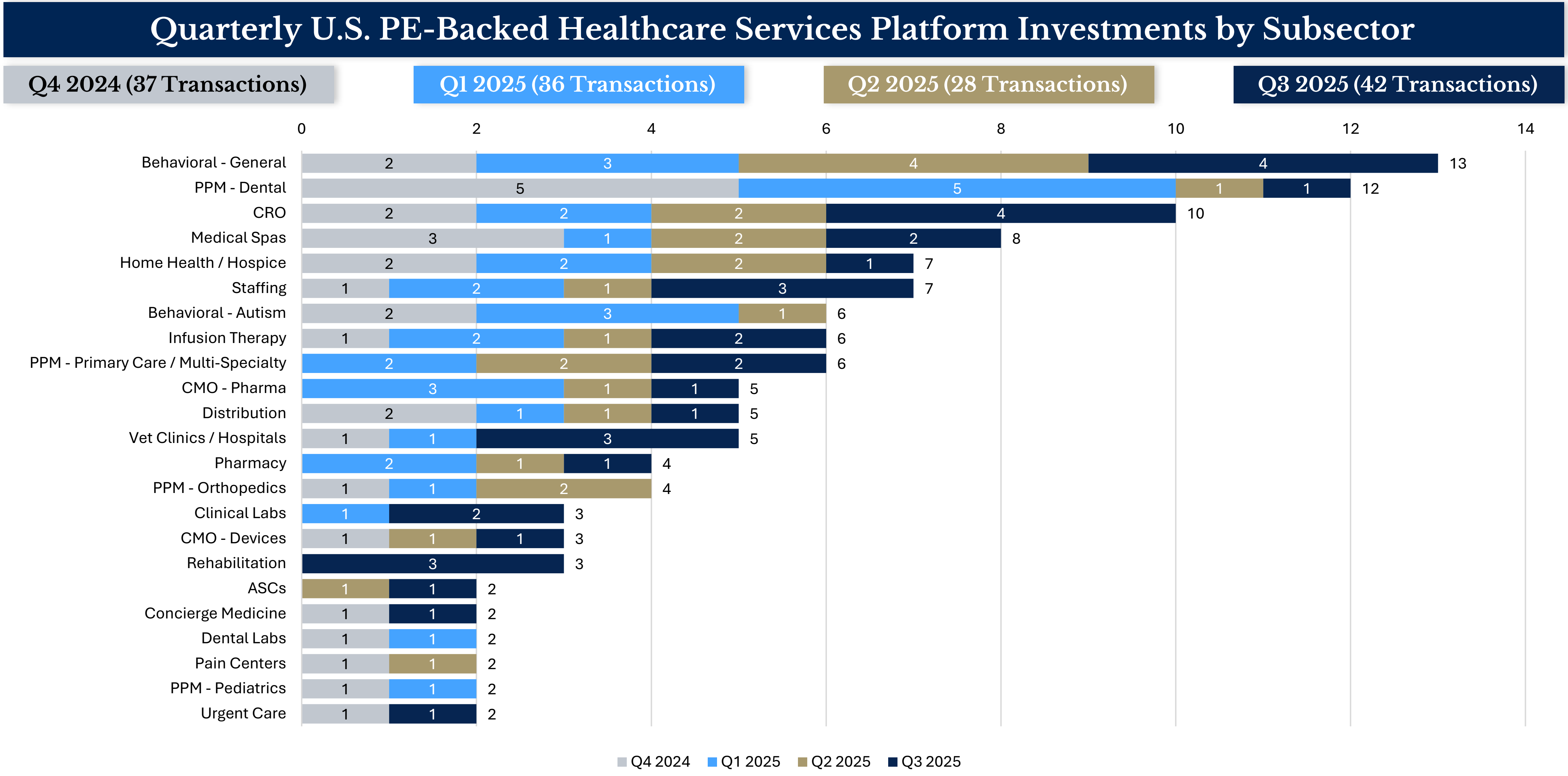
Number of Platform Transactions by Subsector



Selected subsectors with multiple transactions

Source: S&P Capital IQ, Proprietary Research

Healthcare Services U.S. PE-Backed Companies

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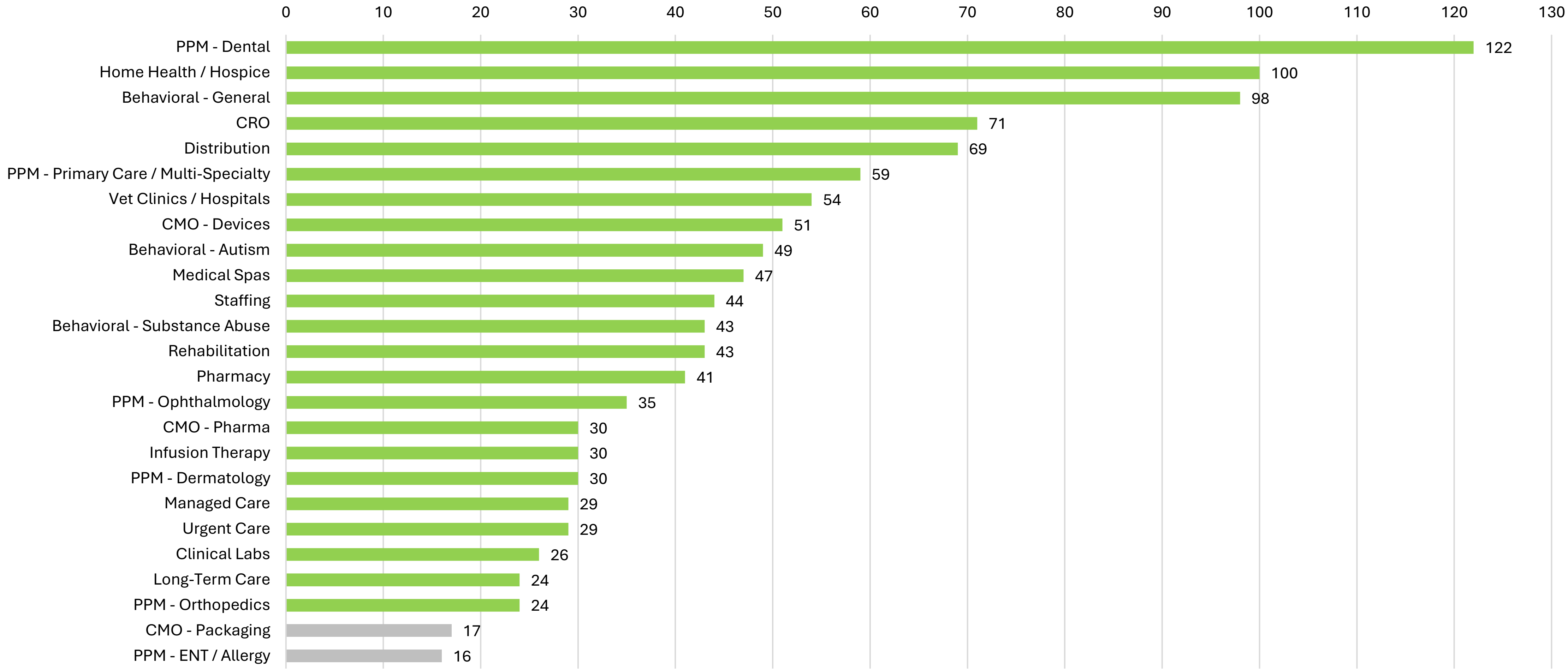
U.S. Private Equity-Backed Companies Operating as of the end of Q3 2025

Subsector Overview



Dental PPM transactions remain the most active subsector

Selected subsectors with multiple transactions

Source: S&P Capital IQ, Proprietary Research

Healthcare Services U.S. PE-Backed Companies

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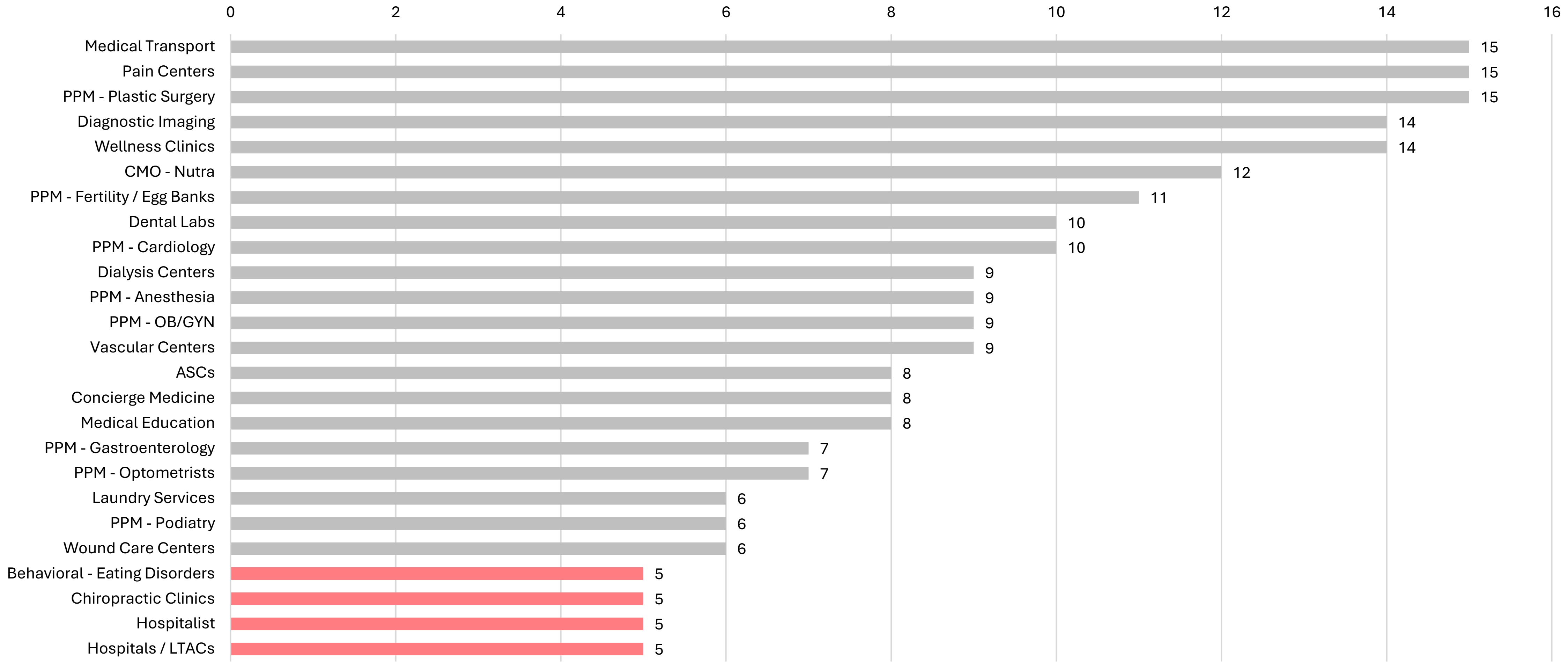
U.S. Private Equity-Backed Companies Operating as of the end of Q3 2025 (cont.)

Subsector Overview (cont.)



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Selected subsectors with multiple transactions

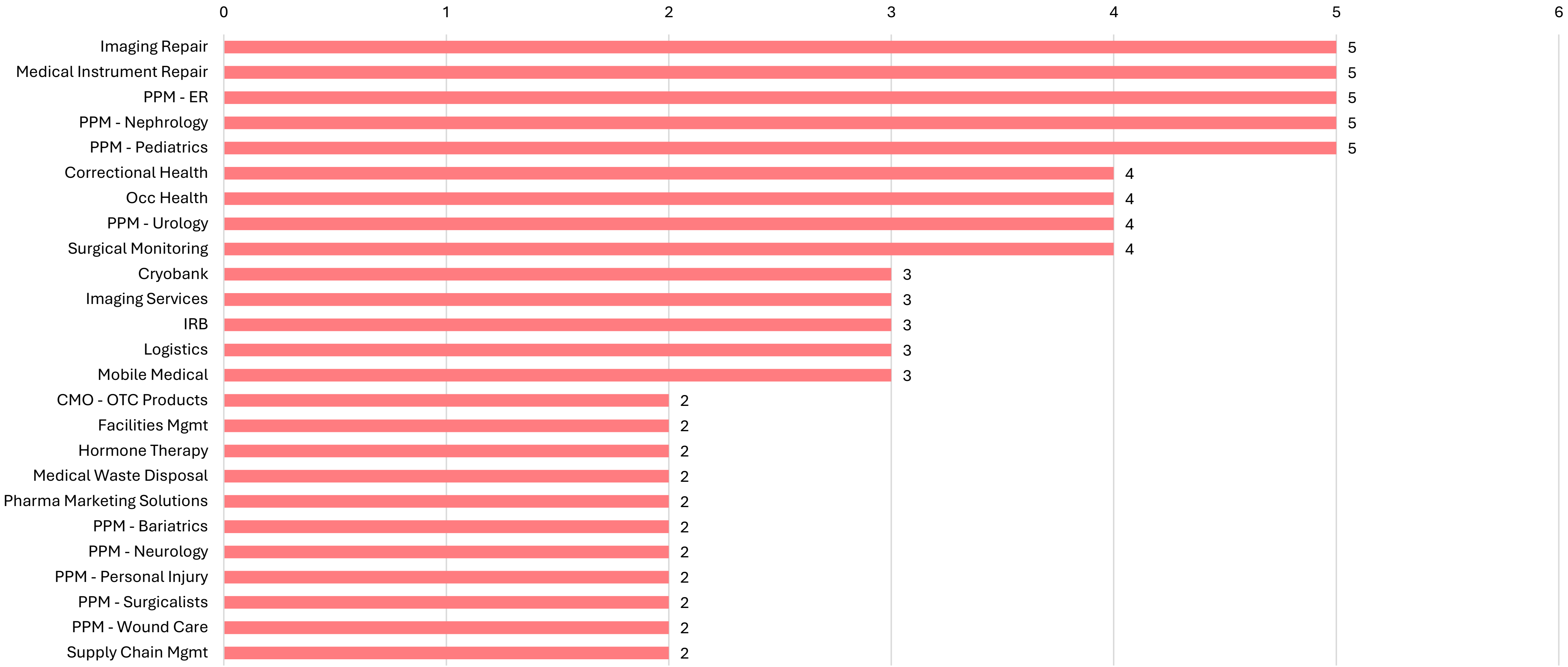
Source: S&P Capital IQ, Proprietary Research

Healthcare Services U.S. PE-Backed Companies

DRESNER PARTNERS INVESTMENT BANKING

U.S. Private Equity-Backed Companies Operating as of the end of Q3 2025 (cont.)

Subsector Overview (cont.)



Dental PPM transactions remain the most active subsector

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Source: S&P Capital IQ, Proprietary Research

Healthcare Services U.S. PE-Backed Companies

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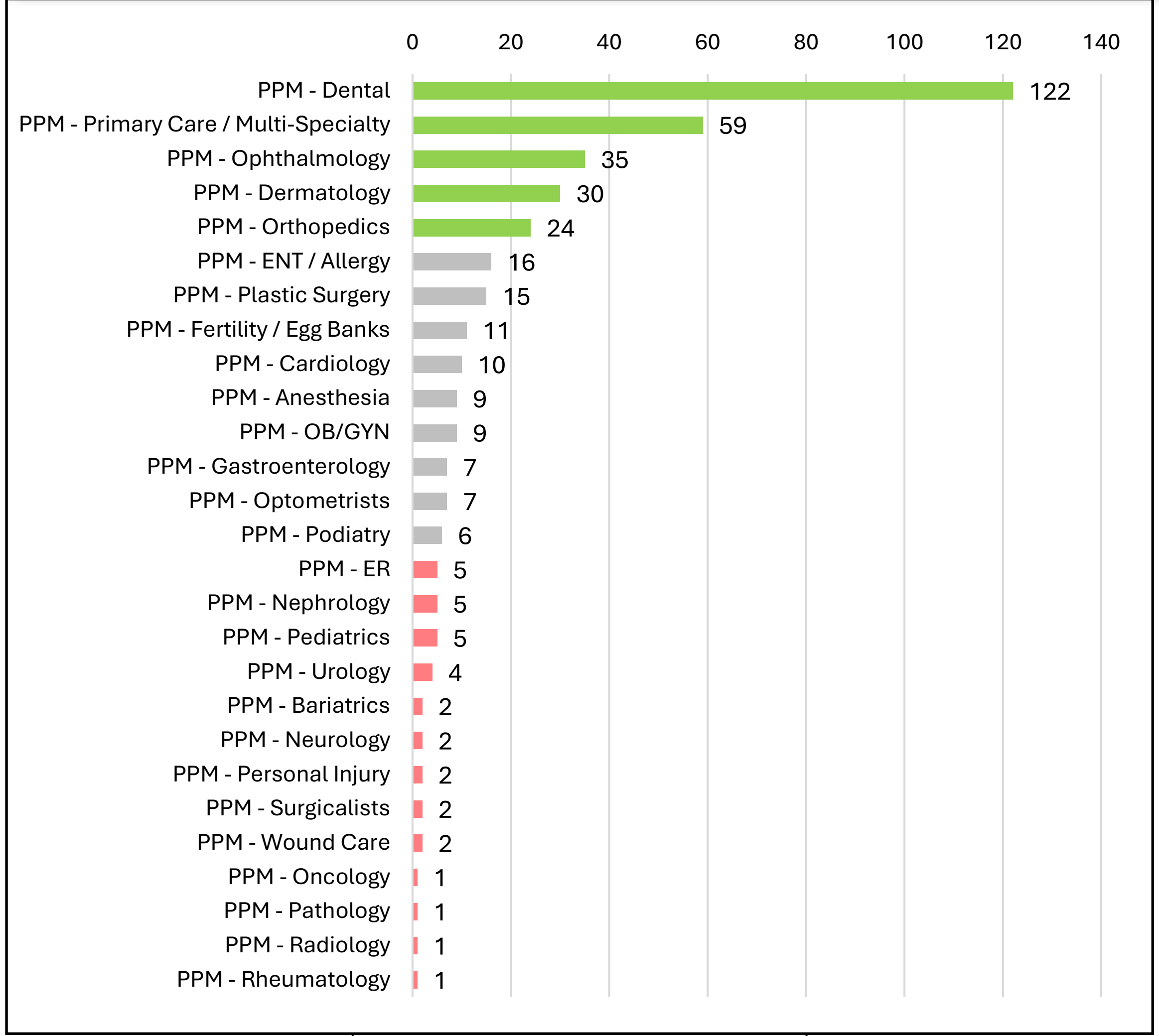
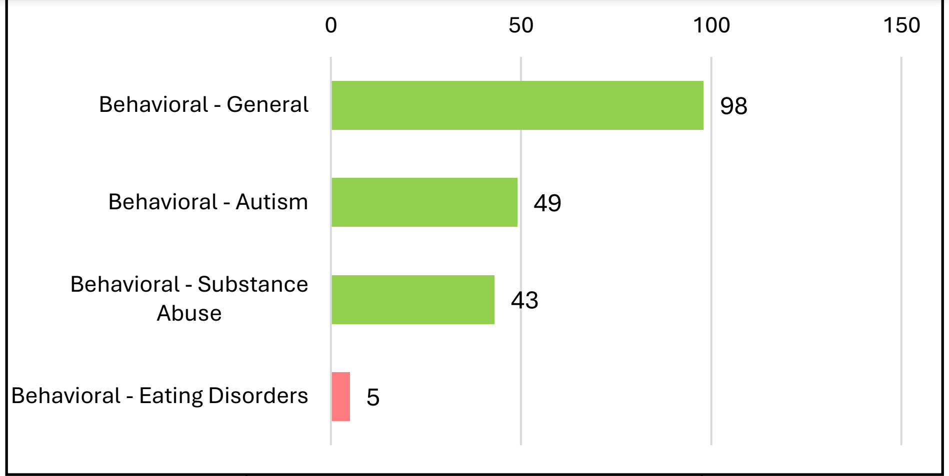
U.S. Private Equity-Backed Companies Operating as of the end of Q3 2025 (cont.)

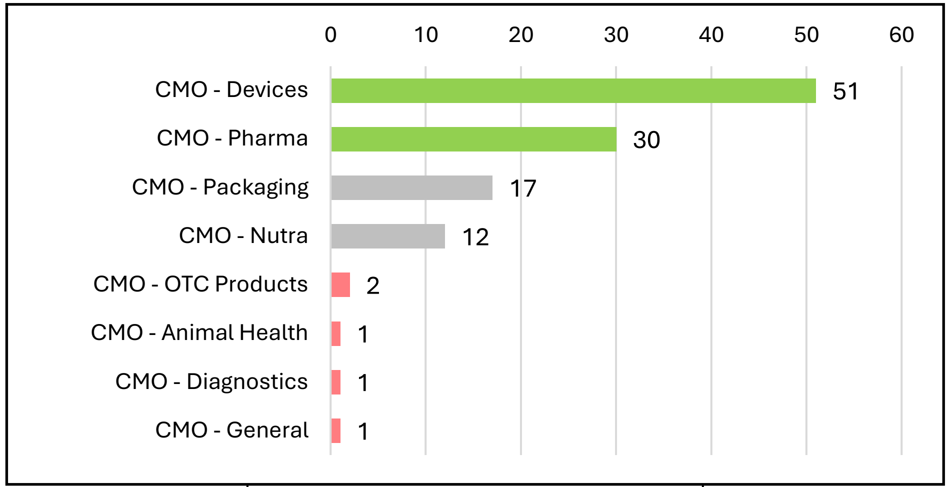
Selected Subsector Overview



PPM Total 393



Behavioral Total 195



CMO Total 115

Source: S&P Capital IQ, Proprietary Research

Healthcare Services Geographic Distribution

U.S. Private Equity-Backed Companies Operating as of the end of Q3 2025

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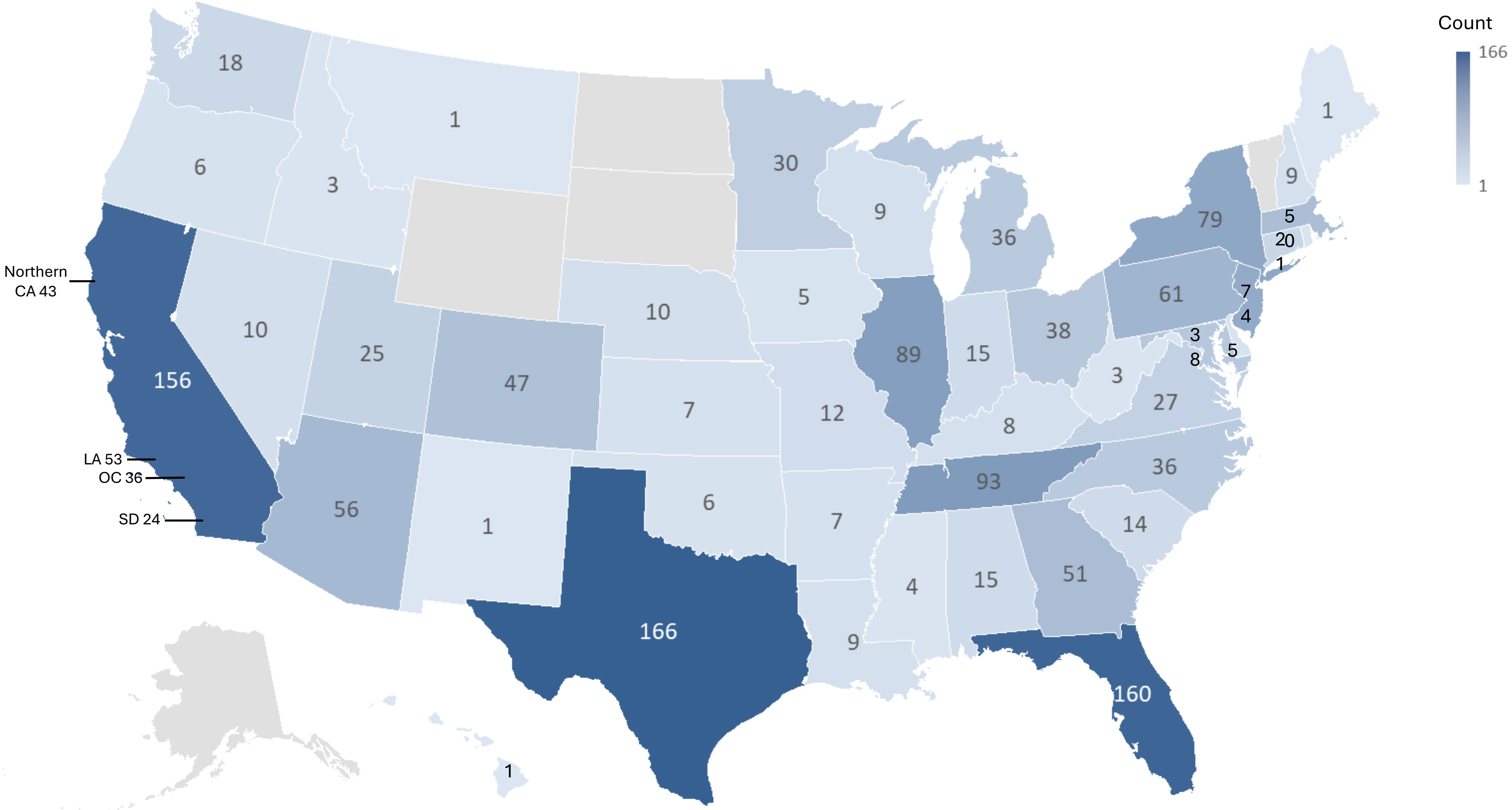
Corporate Headquarters Map



Source: S&P Capital IQ, Proprietary Research

Healthcare Services Publicly-Traded Comps

Public Multiples: CROs, CMOs, and Long-Term Care Lead the Way

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Publicly-Traded Healthcare Services Companies by Subsector

$ in millions

Subsector	Count	Market Cap.	Ent. Value	Revenues	EBITDA	EV/Revenue	EV/EBITDA
CRO	7	$9,214	$12,192	$3,607	$736	2.4x	19.7x
CMO - Packaging	3	13,835	14,235	2,197	794	4.5x	18.0x
Long-Term Care	6	3,284	5,312	2,817	277	2.2x	17.5x
PPM - Primary Care / Multi-Specialty	6	1,232	1,130	2,339	63	0.5x	15.3x
CMO - Devices	7	5,304	6,811	1,756	399	2.7x	15.0x
Clinical Labs	6	8,327	10,301	4,285	1,331	2.8x	14.5x
Rehabilitation	3	7,043	8,471	2,130	690	2.4x	14.1x
Home Health / Hospice	9	2,209	2,523	1,504	269	1.4x	13.8x
Managed Care	18	37,133	40,997	70,488	4,610	1.4x	10.9x
Staffing	3	1,094	1,754	2,656	205	0.6x	10.7x
Behavioral - General	4	3,490	5,197	4,479	342	1.3x	10.1x
Distribution	9	25,495	29,017	104,899	1,721	0.6x	9.8x
Hospitals / LTACs	8	19,310	30,251	16,826	2,961	1.2x	7.8x
Other Subsectors	42	4,914	8,164	10,948	875	1.7x	10.6x
Mean		$10,135	$12,597	$16,495	$1,091	1.8x	13.4x
Median		$6,174	$8,317	$3,212	$713	1.6x	13.9x

Data as of September 30, 2025

Public market multiples continue to anchor private valuations, but dispersion is widening — quality and financial clarity are now driving premiums

Source: S&P Capital IQ, Proprietary Research
Note: Excludes companies with market capitalizations under $10 million, negative multiples, EV/Revenue multiples over 15.0x, and EV/EBITDA multiples over 30.0x

Sale Preparation and Market Outlook

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How to Prepare for a Sale (Before Going to Market)

What to Get in Place Early

- Clean revenue recognition and AR aging visibility
- Standardized location / unit-level margin reporting
- Consistent provider productivity and compensation tracking
- Compliance and credentialing documents organized in advance
- Light "pre-QoE" diagnostics to identify issues before a buyer does

Why This Matters

- Reduces diligence friction and time to close
- Protects valuation late in the process
- Builds buyer confidence in durability

Strong outcomes today are less about timing the market and more about being diligence-ready before going to market

Where the Market Is Headed Next

Market Outlook

- The environment continues to favor sellers with scale and clean financials
- Capital remains abundant — gating factor is earnings quality, not interest
- Add-on acquisitions will continue to transact fastest
- High-quality platforms will remain scarce and attract premium bids

What to Expect Over the Next 12–18 Months

- Buyer selectivity will stay high, but competition intensifies for clarity
- Margin durability will drive structure as much as valuation
- If rates ease, scarcity premiums may expand further

The window remains constructive — sellers who prepare early will capture the strongest valuations and deal terms

Dresner Partners

Healthcare Services Coverage

About Dresner Partners

Dresner Partners is an investment bank focused on serving middle-market companies with merger & acquisition advisory, institutional private placements of debt and equity, valuation, and strategic consulting services. We work with clients across a wide range of industries in the U.S. and internationally, delivering thoughtful, senior-level guidance through complex transactions. Our professionals bring deep experience, market insight, and a steadfast commitment to integrity—consistently exceeding client expectations and maximizing long-term value

Why Clients Choose Dresner Partners

- **Sector Specialization**: Deep coverage in healthcare services/HCIT, especially PPMs and clinic-based businesses, as well as medical products
- **Senior-Level Execution**: Managing Directors lead every transaction — no handoff to juniors
- **Proprietary Network**: Relationships with thousands of PE firms, family offices, and strategics
- **Customized Processes**: Tailored approach based on shareholder goals, deal structure, and timing

Healthcare Services Coverage Team

Mitchell Stern Managing Director, Head of Healthcare	**Brian Schofield** Managing Director	**Lawrence Pier** Managing Director
Nicholas Coomer Vice President	**Peter Bremhorst** Associate	**James Jin** Associate

Mergers Alliance / Dresner Partners

- Coordinated global partnership of industry-focused bankers in all major geographies
- 300 M&A professionals across 35 offices and 24 countries
- Closed over 1,810 transactions valued at more than $96 billion since 2010
- Consistently ranked among the Top 20 M&A advisors for mid-market transactions

For inquiries regarding potential transactions, please contact Mitchell Stern at mstern@dresnerco.com

Dresner Partners Has Deep Execution Experience Across Healthcare Verticals

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New England Fertility Institute
has been acquired by
CSG.BIO
in partnership with
CORBEL & Weave Growth
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

JADE Biomedical
Contract Research Organization
received an equity investment / strategic partnership from
charles river
Strategic Advisor
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CareCollaborative
Home Health (Nursing, Physical Therapy, Behavioral Health)
financing provided by
HOME HEALTH GROUP, LLC
Financial Advisor
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NanoInk Inc.
Contract Manufacturer (CMO) of Life Sciences Instruments and Tools
provided valuation support of tax and financial reporting purposes
Financial Advisor
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AMR LLC / pronurse
Healthcare and Nurse Staffing/HCIT
has been acquired by
MEDICAL STAFFING NETWORK
Sell-Side Advisor
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NovaMed
NovaMed Eyecare, Inc.
Ophthalmology Physician Practices and Laser Vision Correction Centers / ASCs
Advised in the consolidation and financing of ophthalmology practices
Financial Advisor
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Reliant Care Management Company, L.L.C.
Has sold a portfolio of eight skilled nursing facilities to
AMERICAN HEALTHCARE INVESTORS
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

eRAD
Radiology Workflow Solutions
has been acquired by
RadNet
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

RAD fertility
has been acquired by
CCRM FERTILITY
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

Center of Reproductive Medicine
Fertility Specialists
has been acquired by
USFertility
Sell-Side Advisor
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EAI Healthcare Staffing
Temporary Healthcare Staffing
has been acquired by
StarMed/RehabCare
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

The Spa at the Waldorf Center
The Waldorf Center for Plastic Surgery
has been acquired by
FOREFRONT DERMATOLOGY
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

DESERET HEALTH GROUP
Long-Term Care (Skilled Nursing Facilities)
Divestiture of its Kansas SNFs to
MISSION HEALTH
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

Reproductive Science Center of New Jersey
has been acquired by
inception
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

Lil' Drug Store Products
Distributor of OTC, Health and Beauty Care Products
has acquired select assets of Zila Pharmaceuticals, Inc.
Buy-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

IVF1 Fertility
has been acquired by
PINNACLE FERTILITY
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

CM HealthCare Resources Inc.
Children's Memorial Healthcare
Hospital System
divested its Specialty and Home Infusion Pharmacy to
option care
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

The Waldorf Center for Plastic Surgery
has been acquired by
FOREFRONT DERMATOLOGY
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

Nephrology Physicians LLC and DCI Dialysis Clinic, Inc.
Nephrology Physician Groups and Dialysis Clinics
have entered into a joint venture with
FRESENIUS MEDICAL CARE
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

novia CareClinics
On-Site Wellness Clinics
has been acquired by
QuadMed
Sell-Side Advisor
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MEDICAL RESOURCES, INC.
Healthcare Imaging Specialists
Diagnostic Imaging Centers
has been acquired in separate transactions by multiple buyers
RadNet, INSIGHT IMAGING, TRISTATE IMAGING GROUP
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

CONCEPTIONS Reproductive Associates of Colorado
has been acquired by
IVIRMA
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

CM HealthCare Resources Inc.
Children's Memorial Healthcare
Hospital System
divested The Pediatric Place (outpatient rehabilitation)
Physiotherapy Associates
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

NEW HORIZONS Center for Cosmetic Surgery
has been acquired by
PINNACLE DERMATOLOGY
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

Fertility Institute of New Jersey & New York
has been acquired by
Axia Women's Health
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

Carle Foundation Hospital
Hospital System
divested its pharmacy business, CarleRX Express, to
Walgreens
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

InVia Fertility
has been acquired by
first fertility
Sell-Side Advisor
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absolute aesthetics Rejuvenation Center
has been acquired by
dermcare MANAGEMENT
Sell-Side Advisor
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KRU Medical Ventures
13 Dialysis Centers
has been acquired by
DaVita
Sell-Side Advisor
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RMA Reproductive Medicine Associates of New Jersey
The Source for New Beginnings
has merged with
IVI
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

The Workman Center for Beautiful Skin & Bodies
has been acquired by
FOREFRONT DERMATOLOGY
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

Advanced Fertility Center of Chicago
has been acquired by
Prelude
Sell-Side Advisor
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igenomix
Pioneers in Reproductive Genetics
Fertility Testing Laboratories and Services
has been acquired by
Charme Capital Partners
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

DCA Dialysis Corporation of America
Hemodialysis and Peritoneal Dialysis Centers
has been acquired by
U.S. RENAL CARE
Sell-Side Advisory and Fairness Opinion
DRESNER PARTNERS INVESTMENT BANKING

Dominion Fertility
has been acquired by
PINNACLE FERTILITY
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

NEUROSOURCE
Services to Neuroscience-Focused Inpatient Facilities and Physician Practices
Advised on divestiture of neurologic and orthopedic hospital of NorthShore University Health System
Sell-Side Advisor
DRESNER PARTNERS INVESTMENT BANKING

Next Steps

We partner with high-growth healthcare businesses to deliver premium outcomes—through deep domain expertise, senior-level execution, and extensive investor relationships.

Thinking about a transaction in the next 12–24 Months?

Whether you're:

- A founder/operator exploring exit options
- A private equity firm or family office evaluating a potential liquidity event
- A strategic buyer seeking proprietary deal flow

Let's start a conversation!

For inquiries regarding potential transactions, please contact Mitchell Stern at mstern@dresnerco.com

Disclosures and Disclaimers