



DRESNER PARTNERS
INVESTMENT BANKING

Healthcare Services

Quarterly M&A Market Update

Q3 2026

*“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 2026 Market Commentary

Key Takeaways

➤ General Summary:

- ✓ U.S. private equity-backed healthcare services platform investments increased to 33 in Q3 2026, compared with 32 in Q2 and 24 in Q1. While activity has recovered from its early-year low, transaction volume remains below prior-year levels, reflecting a selective but active acquisition environment
- ✓ Public multiples continue to anchor private valuations, but dispersion is widening as quality and financial clarity drive premiums
- ✓ Private equity is favoring subsectors with recurring revenue and operating leverage (Contract Manufacturing, Pharmacy, Specialty PPMs, Behavioral, and Home-Based Care)
- ✓ Diligence expectations have risen — clean financials and clarity around earnings quality are now determining both pricing and pace

➤ Subsector Activity:

- ✓ Dental, home health/hospice, and behavioral health continue to represent some of the largest concentrations of existing PE-backed healthcare services companies
- ✓ Recent platform investment activity has been particularly notable in contract manufacturing, pharmacy, and selected physician practice management specialties
- ✓ 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 (CRO, CMO-Devices, CMO-Packaging) highlight investor preference for specialized, high-margin niches
- ✓ Distribution, managed care, and hospital companies generally trade at lower multiples than specialized healthcare services subsectors, reflecting differences in growth prospects, operating margins, and business models

Healthcare Services Overview

Q3 2026 Market Commentary (cont.)

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
 - ✓ Private equity interest remains strong for attractive businesses, although earnings quality, physician dependence, and margin sustainability increasingly influence transaction valuations and structures
 - ✓ Rollover equity, earnouts, and other contingent consideration can play an important role in bridging valuation expectations between buyers and sellers
 - ✓ 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

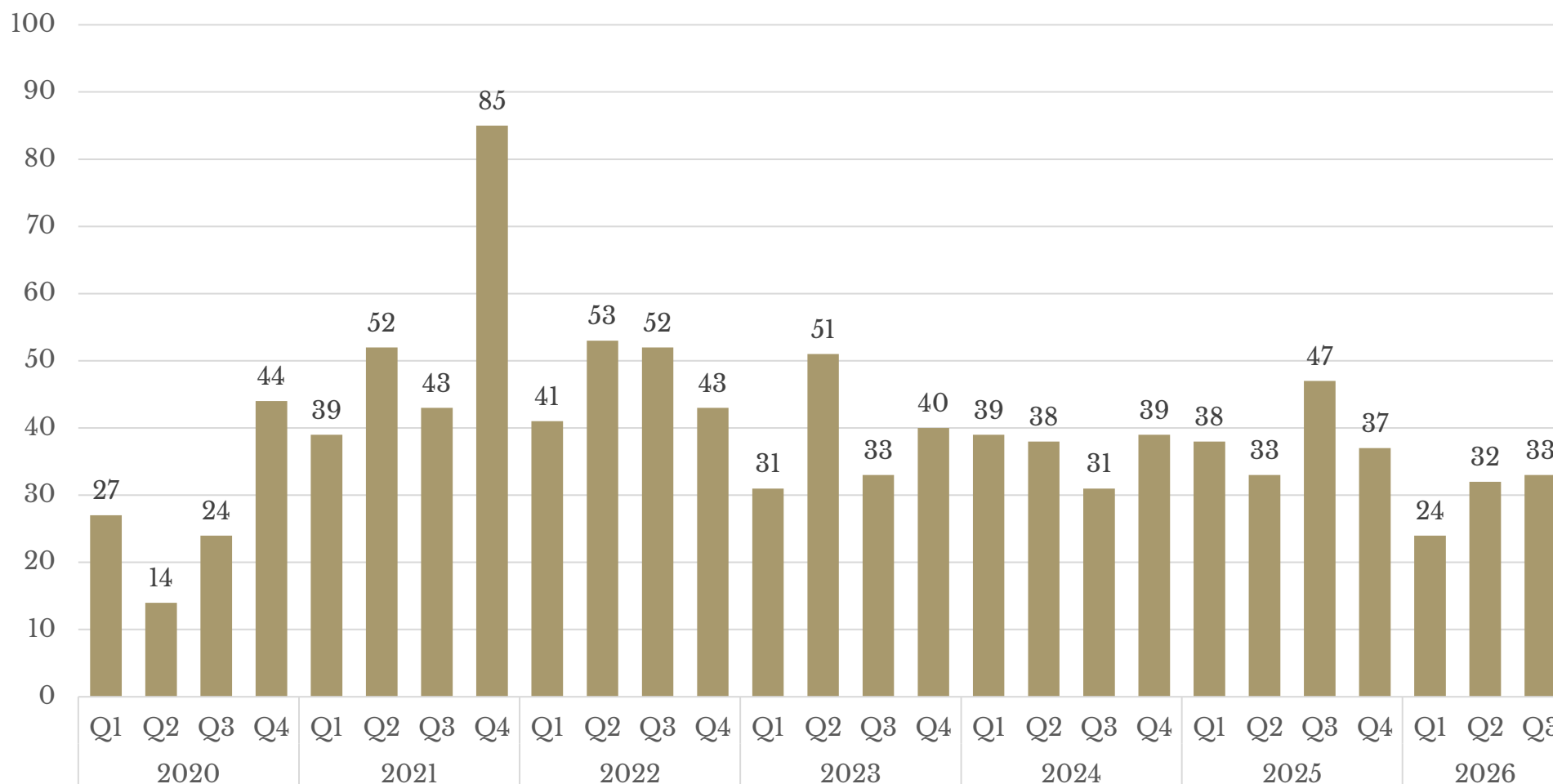
Competition is strongest for businesses with clarity, not just growth. The more diligence-ready the story, the stronger the pricing and structure

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

Healthcare Services Transaction Volume

PE-Backed Platform Activity Rebounds from Q1 but Remains Below Prior-Year Levels

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

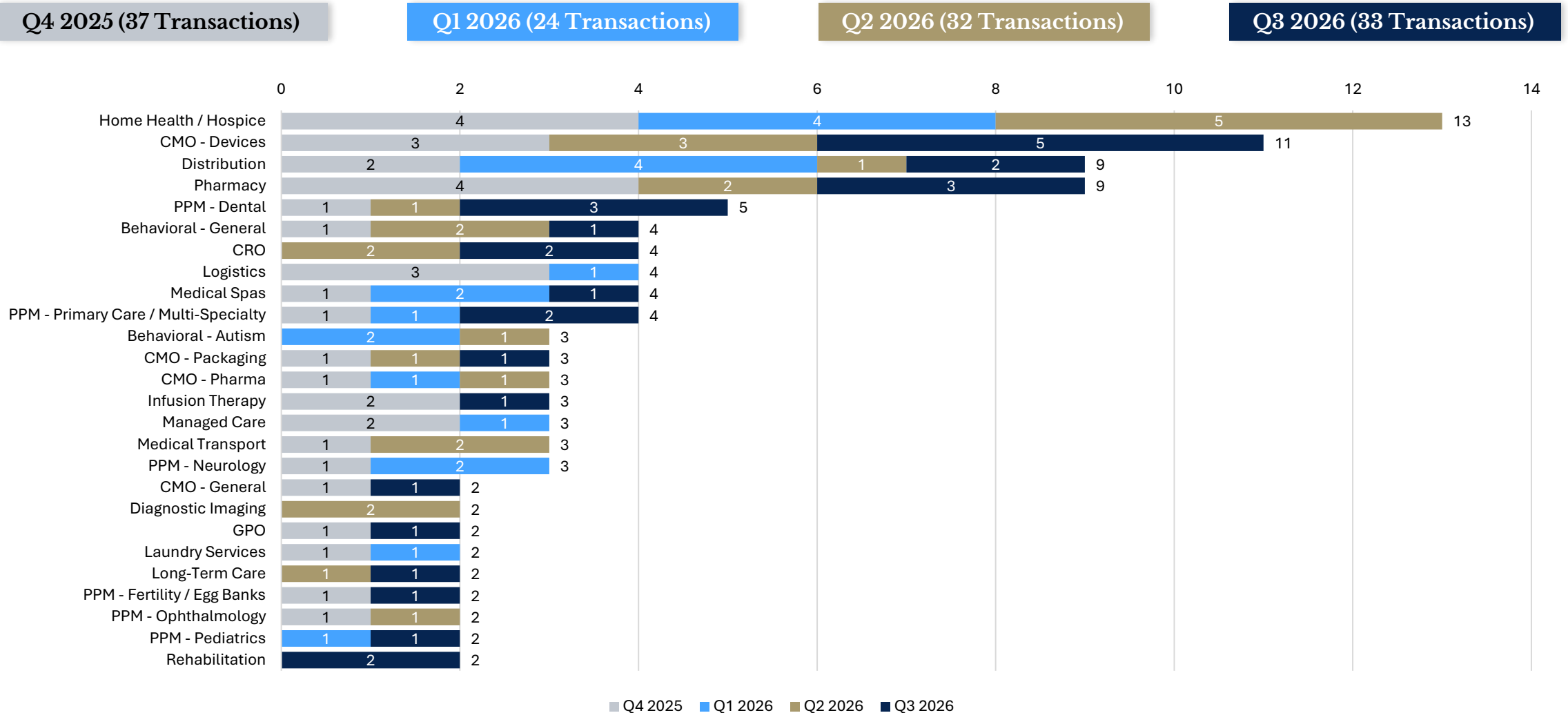


Source: S&P Capital IQ, Proprietary Research

Subsectors With Most Active M&A Deal Flow

Number of Platform Transactions by Subsector

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



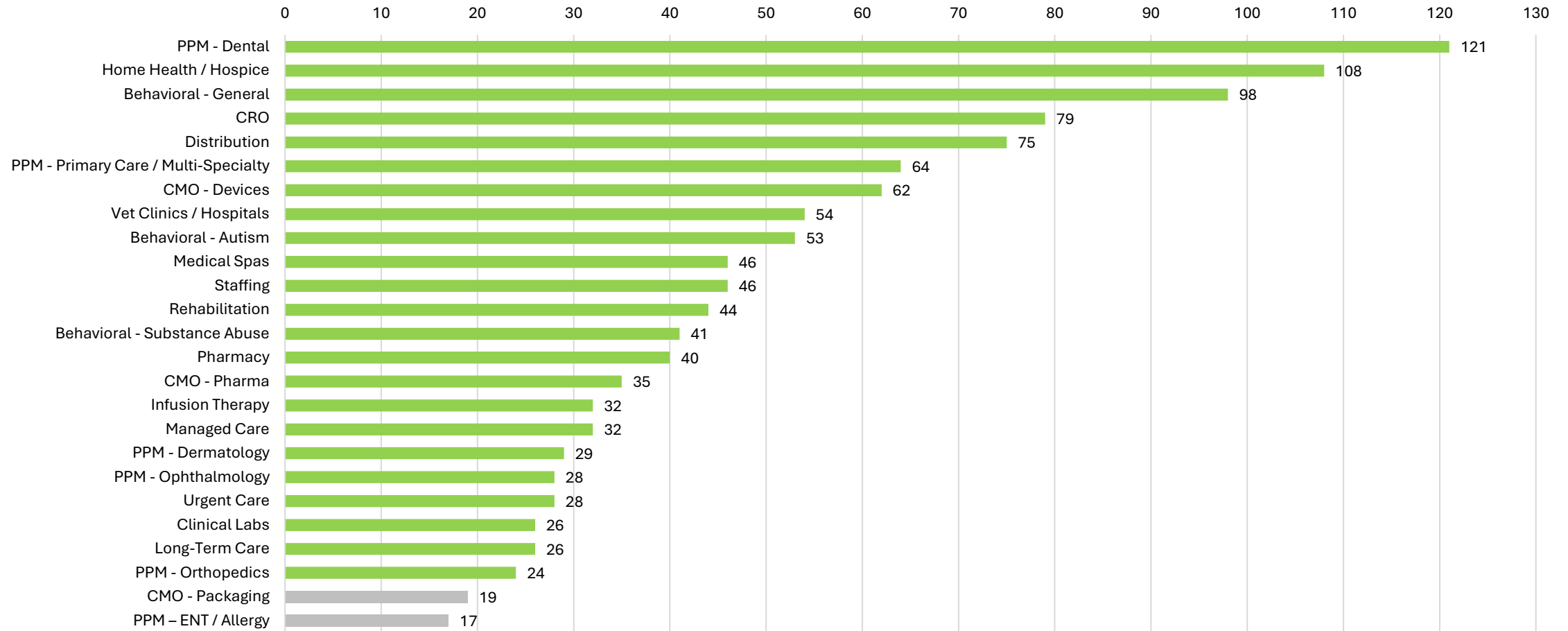
Selected U.S. PE-Backed Healthcare Services Platform Investments by Subsector

Source: S&P Capital IQ, Proprietary Research

Healthcare Services U.S. PE-Backed Companies

U.S. Private Equity-Backed Companies Operating as of the end of Q3 2026

Subsector Overview

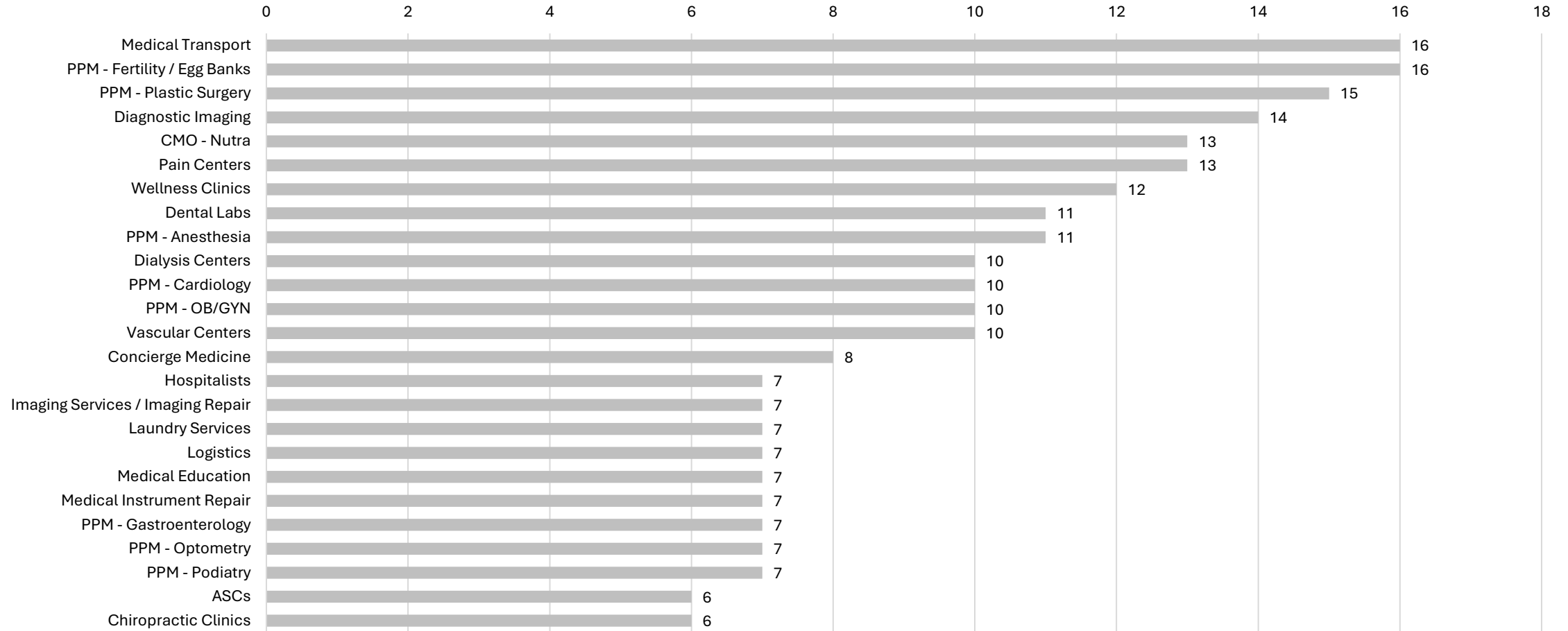


Dental PPMs represent the largest concentration of existing PE-backed healthcare services companies

Healthcare Services U.S. PE-Backed Companies

U.S. Private Equity-Backed Companies Operating as of the end of Q3 2026 (cont.)

Subsector Overview (cont.)



Dental PPMs represent the largest concentration of existing PE-backed healthcare services companies

Healthcare Services U.S. PE-Backed Companies

U.S. Private Equity-Backed Companies Operating as of the end of Q3 2026 (cont.)

Subsector Overview (cont.)

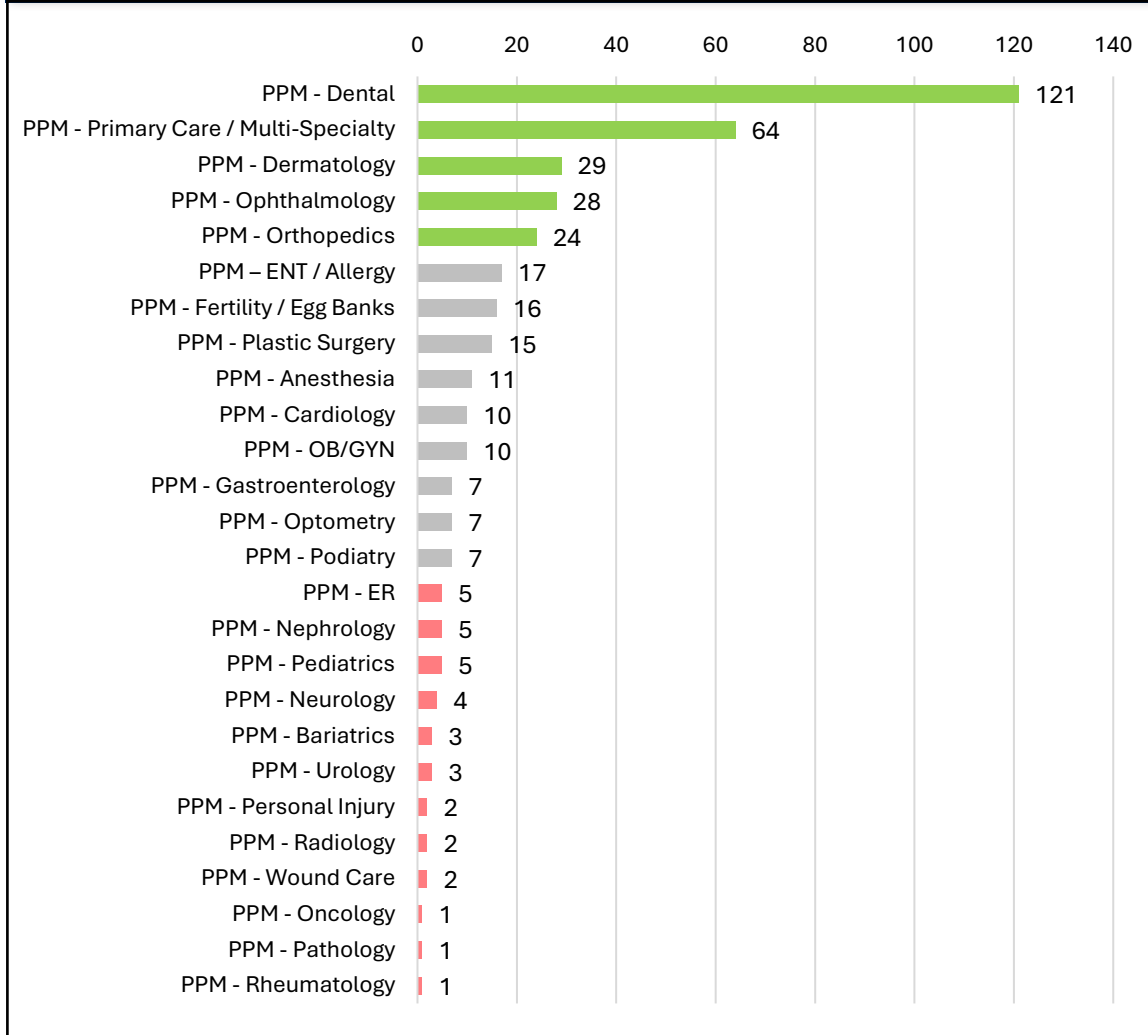


Dental PPMs represent the largest concentration of existing PE-backed healthcare services companies

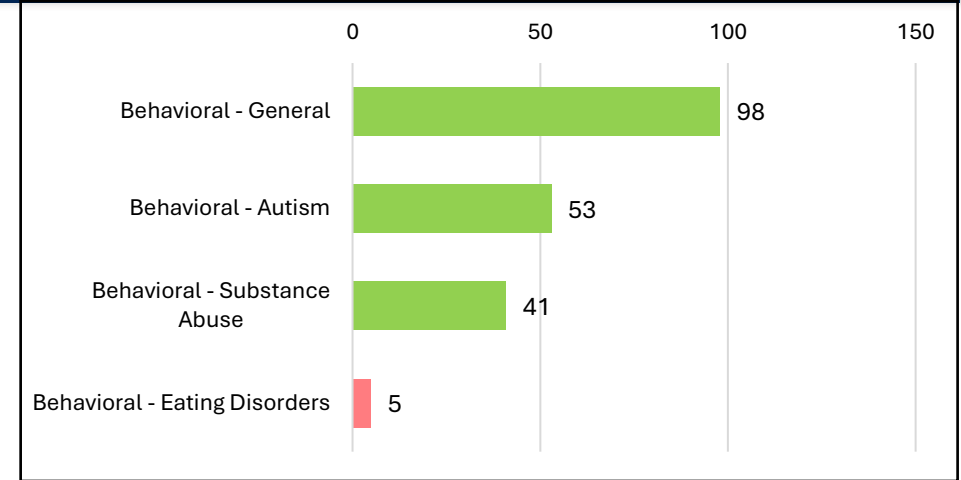
Healthcare Services U.S. PE-Backed Companies

U.S. Private Equity-Backed Companies Operating as of the end of Q3 2026 (cont.)

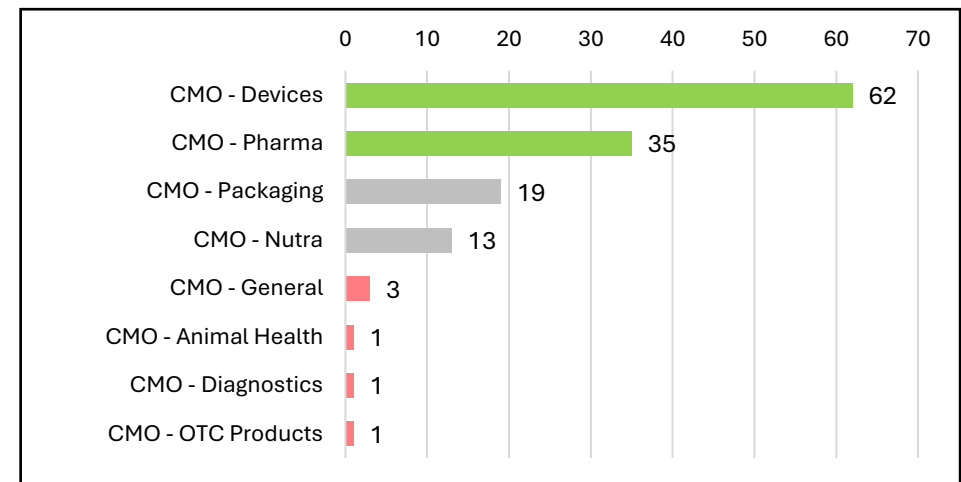
Selected Subsector Overview



PPM Total 400



Behavioral Total 197

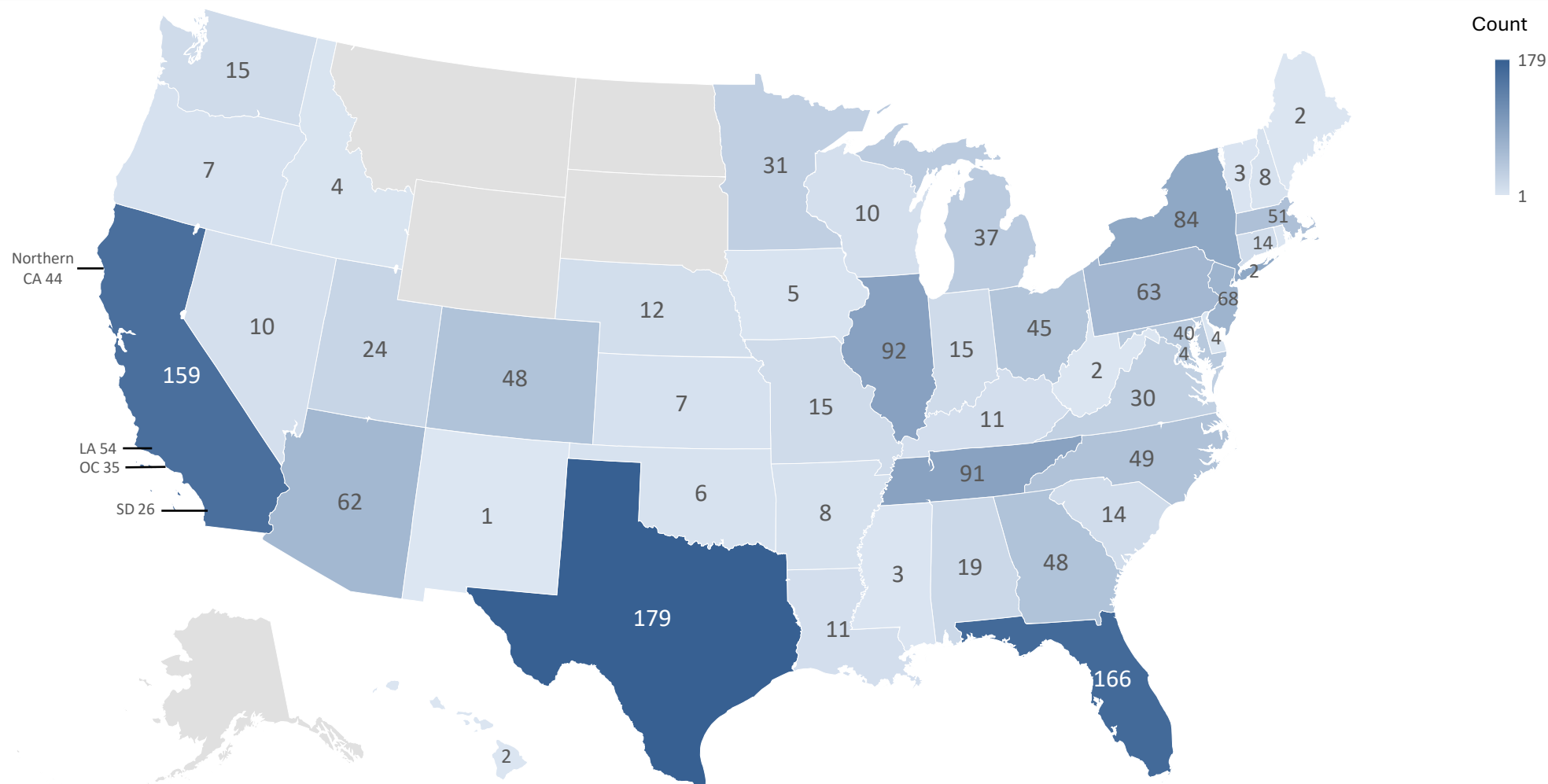


CMO Total 135

Healthcare Services Geographic Distribution

U.S. Private Equity-Backed Companies Operating as of the end of Q3 2026

Corporate Headquarters Map



Texas, Florida, and California represent the largest concentrations of PE-backed healthcare services companies, reflecting significant opportunities for consolidation and strategic acquisitions

Source: S&P Capital IQ, Proprietary Research

Healthcare Services Publicly-Traded Comps

Public Multiples: CRO, CMO-Devices, and CMO-Packaging Lead the Way

Publicly-Traded Healthcare Services Companies by Subsector

\$ in millions

Subsector	Count	Market Cap.	Ent. Value	Revenues	EBITDA	EV/Revenue	EV/EBITDA
CRO	5	\$15,537	\$19,062	\$5,296	\$1,152	3.2x	24.0x
CMO - Devices	7	6,786	7,841	1,930	428	3.6x	20.1x
CMO - Packaging	3	16,898	17,446	2,426	855	5.0x	19.8x
Long-Term Care	6	4,865	7,188	3,319	359	3.1x	18.6x
Behavioral - General	4	6,330	7,830	4,849	326	1.8x	15.6x
Home Health / Hospice	7	3,112	3,495	1,983	236	1.6x	14.9x
Clinical Labs	7	8,150	9,957	4,009	1,537	2.5x	13.8x
PPM - Primary Care / Multi-Specialty	5	1,425	1,458	2,728	116	0.5x	13.7x
Pharmacy	4	28,058	43,629	103,578	5,598	0.7x	12.7x
Distribution	9	27,390	31,257	113,119	2,099	0.8x	10.2x
Managed Care	18	40,348	43,169	76,459	4,170	1.3x	10.1x
Hospitals / LTACs	6	21,089	34,150	22,863	4,258	1.2x	6.6x
Other Subsectors	40	2,511	3,902	2,135	400	1.6x	12.7x
Mean		\$14,038	\$17,722	\$26,515	\$1,657	2.1x	14.8x
Median		\$8,150	\$9,957	\$4,009	\$855	1.6x	13.8x

Data as of September 30, 2026. Financial metrics and trading multiples represent averages of companies within each subsector. Average trading multiples may differ from multiples calculated using the displayed average enterprise values and financial metrics. Overall mean and median figures are calculated across the subsectors presented

Public market trading multiples provide useful valuation benchmarks, although private-company valuations depend heavily on scale, earnings quality, growth prospects, management depth, and transaction-specific considerations

Sale Preparation and Market Outlook

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
- Private equity capital remains available for attractive healthcare services businesses, although buyers are increasingly selective regarding earnings quality, provider dependence, margin sustainability, and opportunities for organic growth
- 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 is expected to remain high, with the strongest competition for businesses demonstrating consistent performance, reliable financial reporting, and sustainable growth
- 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

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Brian Schofield
Managing Director

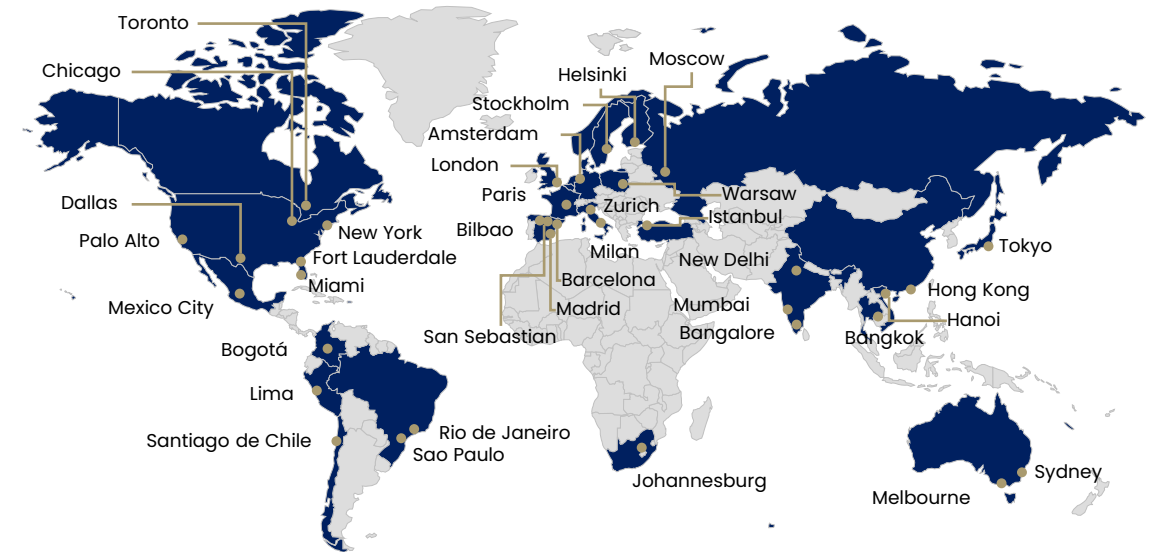
Peter Bremhorst
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Lawrence Pier
Managing Director

James Jin
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Mergers Alliance / Dresner Partners

- Coordinated global partnership of industry-focused bankers in all major geographies
- 300 M&A professionals across 38 offices and 25 countries
- Closed over 1,850 transactions valued at more than \$98 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



 has been acquired by Sell Side Advisor 	 has been acquired by in partnership with Sell Side Advisor 	 Contract Research Organization received an equity investment /strategic partnership from Strategic Advisor 	 Home Health (Nursing, Physical Therapy, Behavioral Health) financing provided by Financial Advisor 	 Contract Manufacturer (CMO) of Life Sciences Instruments and Tools provided valuation support of tax and financial reporting purposes Financial Advisor 	 Healthcare and Nurse Staffing/HCIIT has been acquired by Sell Side Advisor 	 NovaMed Eyecare, Inc. Ophthalmology Physician Practices and Laser Vision Correction Centers / ASCs Advised in the consolidation and financing of ophthalmology practices Financial Advisor 	 Has sold a portfolio of eight skilled nursing facilities to Sell Side Advisor 	 Radiology Workflow Solutions has been acquired by Sell Side Advisor
 has been acquired by Sell Side Advisor 	 has been acquired by Sell Side Advisor 	 Temporary Healthcare Staffing has been acquired by Sell Side Advisor 	 has been acquired by Sell Side Advisor 	 Long-Term Care (Skilled Nursing Facilities) Divestiture of its Kansas SNFs to Sell Side Advisor 	 has been acquired by Sell Side Advisor 	 Distributor of OTC, Health and Beauty Care Products has acquired select assets of Zila Pharmaceuticals, Inc. Buy Side Advisor 	 has been acquired by Sell Side Advisor 	 Hospital System divested its Specialty and Home Infusion Pharmacy to Sell Side Advisor
 has been acquired by Sell Side Advisor 	 Nephrology Physician Groups and Dialysis Clinics have entered into a joint venture with Sell Side Advisor 	 On-Site Wellness Clinics has been acquired by Sell Side Advisor 	 Diagnostic Imaging Centers has been acquired in separate transactions by multiple buyers Sell Side Advisor 	 has been acquired by Sell Side Advisor 	 Hospital System divested The Pediatric Place (outpatient rehabilitation) Sell Side Advisor 	 has been acquired by Sell Side Advisor 	 has been acquired by Sell Side Advisor 	 Hospital System divested its pharmacy business, CarleRX Express, to Sell Side Advisor
 has been acquired by Sell Side Advisor 	 has been acquired by Sell Side Advisor 	 13 Dialysis Centers has been acquired by Sell Side Advisor 	 has merged with Sell Side Advisor 	 has been acquired by Sell Side Advisor 	 has been acquired by Sell Side Advisor 	 Fertility Testing Laboratories and Services has been acquired by Sell Side Advisor 	 Hemodialysis and Peritoneal Dialysis Centers has been acquired by Sell Side Advisory and Fairness Opinion 	 has been acquired by Sell Side Advisor

Next Steps

Considering a Sale, Recapitalization, or Strategic Partnership in the Next 12–24 Months?

Dresner Partners provides middle-market healthcare business owners with experienced, senior-level M&A advisory services, deep sector knowledge, and access to an extensive network of strategic and financial buyers

Whether you're exploring an exit, evaluating a recapitalization, or considering a strategic partnership, we welcome the opportunity to provide a confidential perspective on your options

Contact Mitchell Stern, Managing Director and Head of Healthcare, at mstern@dresnerco.com



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