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Broader Middle-Market M&A and Financing Update



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Direct Contracting: Why Employers Are Rethinking How They Buy Healthcare

For decades, large employers have relied on national and regional health plans to design networks, negotiate rates, manage utilization, administer claims, and pay providers on their behalf. Even many self-insured employers—who ultimately bear the financial risk for their employees' healthcare — have historically delegated most purchasing and delivery decisions to carriers.

That model is now being challenged.

Direct contracting between employers and healthcare providers has evolved from a niche experiment into a practical purchasing strategy for a growing subset of large, self-insured employers. While it is unlikely to replace traditional health plans wholesale, direct contracting is reshaping how employers think about control, accountability, and value in healthcare delivery.

WHAT IS DIRECT CONTRACTING?

At its core, direct contracting refers to arrangements in which an employer contracts directly with a healthcare provider or provider organization, rather than accessing that provider exclusively through a carrier-managed network.

These arrangements vary widely but typically include:

- ✓ Pre-negotiated pricing, often on a bundled or episode-based basis;
- ✓ A defined scope of services rather than broad network coverage;
- ✓ Quality, access, or outcome commitments tied to performance

In most arrangements, employers remove traditional health plans from the pricing, utilization management, and provider selection process, using carriers or TPAs only for limited administrative functions.

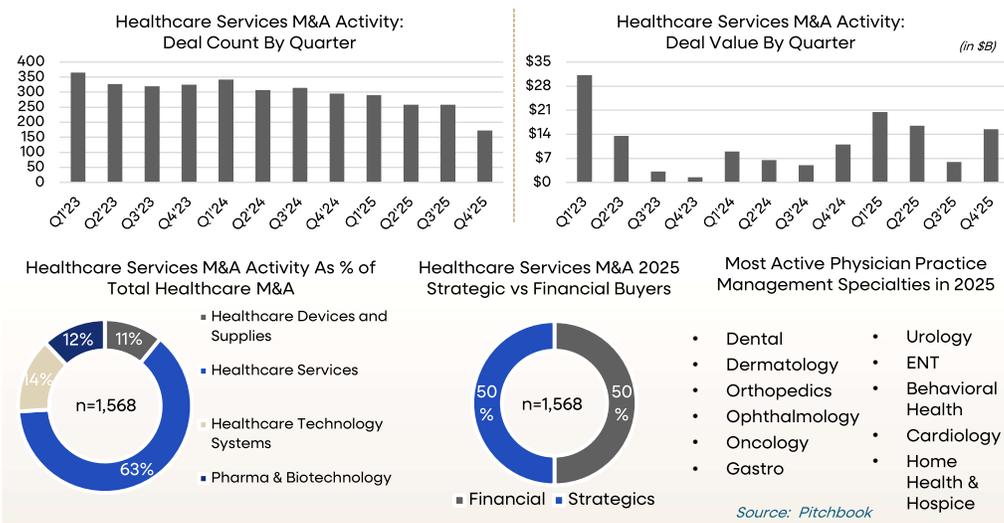
Direct contracting is frequently implemented within a self-insured plan structure, deliberately bypassing traditional carriers for provider pricing, care delivery, and utilization management. Employers may still rely on carriers or third-party administrators for claims processing, stop-loss coverage, and wraparound network access for non-contracted services, but the carrier's role is intentionally limited.

Healthcare services M&A activity in Q4 2025 remained **selective and fundamentally driven**, with buyers continuing to concentrate capital in subsectors offering scale, earnings visibility, and strategic relevance rather than broad exposure to reimbursement or labor volatility. While overall transaction volume was muted compared to historical norms, the quarter featured several **high-profile transactions** that reinforced where strategic and financial buyers are still willing to lean in.

Notably, Cencora's acquisition of OneOncology validates and accelerates its pharmaceutical-centric strategy, by securing control of a major platform for independent oncology practices.

On the private equity front, NEA's take private of NeueHealth also highlights the key investor thesis that value-based healthcare is here to stay and cannot succeed without robust, data-rich tech-enabled services for providers and payers.

Healthcare Services M&A Activity: Value and Volume



Q4 2025 Selected Healthcare Services M&A Transactions

Target	Target Bus. Description	Deal Date	TEV	Acquiror(s)
MissionCare Collective	Provider of workforce services intended to support caregivers so older adults and people with disabilities can access quality care to achieve their best health.	15-Dec-2025	40.00	HealthStream (NAS: HSTM)
OneOncology	Operator of a hospital and clinical network intended to manage independent oncology practices. The company invests in practices to help them grow within their local markets, diversify across multiple specialties, apply data insights and leverage technology to strengthen performance through a patient-centric, physician-driven and technology-powered model, delivering comprehensive cancer care in communities.	15-Dec-2025	7,400.00	Cencora (NYS: COR)
The Atrium Boca	Provider of senior living services intended to support personalized care and lifestyle needs. The company's platform offers assisted living services, memory care programs, on-site wellness support, and daily living assistance, enabling seniors to enjoy enriched and maintenance-free living.	09-Dec-2025	12.25	BH Group Miami
The Phio Group	Provider of outsourced cost containment and payment integrity services intended to serve healthcare payers. The company offers plan document drafting, subrogation and overpayment recovery, claims negotiation, plan defense and consulting services that are designed to protect plan assets, enabling clients to reduce the cost of health care through technologies and legal expertise.	02-Dec-2025	425.00	HarbourVest Partners, InTandem Capital Partners, Partners Capital
Premier	Premier Inc is a Charlotte, North Carolina-based technology-driven healthcare improvement company, uniting an alliance of United States (U.S.) hospitals, health systems, and other providers and organizations to transform healthcare.	25-Nov-2025	2,616.00	Patient Square Capital
Tarrytown Expocare	Operator of pharmacies intended for individuals with intellectual and developmental disabilities (IDD).	14-Nov-2025	270.00	The Carlyle Group (NAS: CG)
Owens & Minor (Products and Healthcare Services)	Distributor of medical and surgical supplies intended for hospitals, health systems, and other healthcare providers.	13-Nov-2025	1,075.00	Platinum Equity
AccessOne	Developer of a financial engagement platform intended for hospitals and health systems. The company offers patient payment options focusing on automation, digitization, and intuitive patient communication channels and integration with all major health information systems with real-time functionality and reporting, thereby helping clients by eliminating manual entry and creating streamlined processes with better outcomes and greater visibility into performance metrics.	12-Nov-2025	160.00	Phreesia (NYS: PHR)
Solaris Health	Operator of a healthcare platform committed to enhancing access to specialty healthcare and continually improving patient outcomes.	03-Nov-2025	1,900.00	Cardinal Health (NYS: CAH)
Seniorly	Operator of an online senior housing listing platform intended to deliver services that will keep the elder community engaged.	31-Oct-2025	15.00	CareScout
Brown Parker & DeMarinis Advertising	Operator of a hospital marketing agency intended for the healthcare sector. The company specializes in primary research, competitive analysis, targeting/segmentation, brand positioning, marketing strategy, and more, thereby helping clients connect with healthcare consumers.	22-Oct-2025	450.00	GenHenn Capital, MJH Life Sciences
Gilgamesh Pharmaceuticals	Developer of a mental health science-focused biotechnology platform designed to develop novel compounds and treat neurological disorders.	17-Oct-2025	1,200.00	AbbVie (NYS: ABBV)
Wareham Development (Bon Air Medical Center)	Two single-story buildings are located in Larkspur, California. The property features 27,297 square feet of multi-specialty medical outpatient space.	16-Oct-2025	24.00	Anchor Health Properties, StepStone Group (NAS: STEP)
Laurel Circle	Provider of senior lifestyle and healthcare services intended to support vibrant retirement living.	10-Oct-2025	54.50	Maxwell Group, OHI Asset Bridgewater LLC
DigitalOwl	Developer of a natural language processing platform designed to provide an efficient process of reviewing medical records for all parties.	08-Oct-2025	200.00	Ardan Equity, Datavant, New Mountain Capital, Oxson Partners
Monogram Technologies (Therapeutic Devices)	Monogram Technologies Inc develops a product solution architecture to enable patient-optimized orthopedic implants at scale by linking 3D printing and robotics with pre-operative imaging.	07-Oct-2025	143.13	Zimmer Biomet (NYS: ZBH)
NeueHealth	NeueHealth Inc is a value-driven healthcare company grounded in the belief that all health consumers are entitled to high-quality, coordinated healthcare. It consists of two reportable segments: NeueCare - a value-driven care delivery business that manages risk in partnership with external payors and serves all populations across The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act; and NeueSolutions - a provider enablement business that includes a suite of technology, services, and clinical care solutions that empower providers to thrive in performance-based arrangements.	02-Oct-2025	1,465.00	New Enterprise Associates
BioPharm Communications	Provider of promotional medical education programs intended to empower brands to positively impact patient lives. The company specializes in proprietary, multichannel marketing programs that use a variety of channels, including video, direct mail, and social media, to deliver clinical information to physicians and healthcare practitioners for pharmaceutical and biotechnology clients.	01-Oct-2025	106.00	Indegene (NSE: INDGN)
Del Cielo Homecare	Provider of nursing care facilities catering to the disabled and elderly population located in Alice, Texas.	01-Oct-2025	7.40	Adius HomeCare (NAS: ADUS)
Iodine Software	Developer of a clinical documentation integrity (CDI) software intended for clinicians and hospital administrators.	01-Oct-2025	1,250.00	Waystar Health (NAS: WAY)
Jennie Stuart Health	Provider of outpatient services intended for Christian, Trigg and Todd counties. The company offers behavioral health, cancer care, cardiac rehabilitation, dermatology, diabetes education, dialysis access, ear, nose and throat emergency, family health, gastroenterology, general surgery, laboratory and maternity services.	01-Oct-2025	95.00	Deaconess Health System
Och Regional Medical Center	Operator of healthcare facilities and clinics in Starkville, Mississippi.	01-Oct-2025	55.00	Baptist Memorial Health Care
Summa Health	Provider of healthcare delivery systems intended to provide integrated and coordinated care. The company's services encompass a network of hospitals, community health centers, a health plan, a physician-hospital organization, a multi-specialty physician organization, research, and multiple foundations, providing healthcare industry to provide patient care and healthcare delivery.	01-Oct-2025	515.00	Health Assurance Transformation (General Catalyst)
UnitedHealth (Home Health, Hospice and Personal Care Services in TN, GA & AL)	Provider of home care and personal care services based in Tennessee, Georgia, and Alabama.	01-Oct-2025	146.50	Pennant Group (NAS: PNTG)

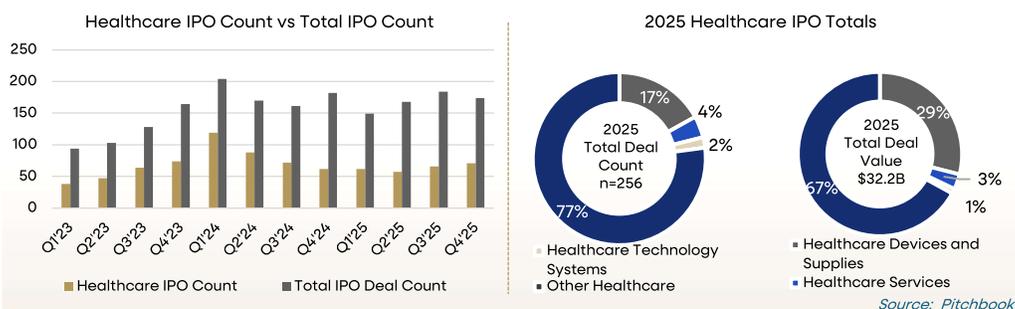
While healthcare IPO volumes modestly recovered in 2025, the window effectively remained closed for healthcare services

The IPO market “re-opening” has been quite narrow. Investors were willing to underwrite IP-driven or product-based healthcare. They remained cautious on labor-intensive models, reimbursement-exposed revenue and working-capital-heavy services businesses

BillionToOne's oversubscribed and upsized IPO, one of the largest MedTech IPOs of 2025, demonstrates that investors see the diagnostics sector, specifically in cell-free DNA (cfDNA) testing, as a lucrative area for potential returns. Guardant's successful secondary offering (including common stock and convertible senior notes) also points to a healthy appetite for funding established diagnostics companies with promising pipelines and existing commercial success. Taken together, they highlight the growing momentum and adoption of non-invasive diagnostics, particularly liquid biopsies for cancer screening and monitoring, as well as NIPT.

Medline's blockbuster Q4 IPO also signals strong investor confidence in the healthcare supply chain, proving that profitable, cash-generating companies with strong logistics can thrive even outside of tech. It also boosts investor confidence that more large PE-backed companies can access the public markets in 2026

Financing Activity: Initial Public Offerings



Healthcare IPOs By Subsector By Quarter (2023-2025)

Sector	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25
Healthcare Devices & Supplies	5	8	11	9	9	15	13	7	14	10	11	9
Healthcare Services	0	2	3	2	4	3	7	4	0	7	2	0
Healthcare Technology Systems	2	0	0	1	4	4	0	0	3	0	2	0
Pharmaceuticals & Biotechnology	31	37	50	62	102	66	52	51	45	40	51	62
Total # of IPOs	38	47	64	74	119	88	72	62	62	57	66	71
Healthcare Devices & Supplies	\$2.03B	\$136.84M	\$339.14M	\$254.36M	\$89.38M	\$601.86M	\$206.54M	\$425.51M	\$679.46M	\$107.42M	\$495.73M	\$8.09B
Healthcare Services	\$0.00M	\$8.82M	\$285.65M	\$112.75M	\$923.80M	\$1.12B	\$1.94B	\$404.44M	\$0.00M	\$779.18M	\$8.80M	\$0.00M
Healthcare Technology Systems	\$43.43M	\$0.00M	\$0.00M	\$25.00M	\$29.99M	\$1.39B	\$0.00M	\$0.00M	\$25.80M	\$0.00M	\$326.52M	\$0.00M
Pharmaceuticals & Biotechnology	\$2.22B	\$2.57B	\$3.28B	\$4.32B	\$11.29B	\$6.28B	\$5.41B	\$5.61B	\$2.64B	\$3.63B	\$4.50B	\$10.90B
Total \$ of IPOs	\$4.29B	\$2.72B	\$3.90B	\$5.22B	\$12.33B	\$9.37B	\$7.55B	\$6.44B	\$3.35B	\$4.52B	\$5.32B	\$18.99B

Source: Pitchbook

Q4 2025 Healthcare IPOs

Companies	HQ Location	Description	Verticals	Deal Date	Deal Size	Deal Synopsis
BILLION TO ONE BillionToOne (NAS: BLLN)	Menlo Park, CA	BillionToOne Inc is a precision diagnostics company revolutionizing molecular testing with its patented Quantitative Counting Templates (QCT) platform. This technology enables ultrasensitive, single-molecule DNA quantification, making genetic testing more accurate, affordable, and accessible. The company serves prenatal screening and oncology markets with non-invasive tests that detect fetal genetic risks and monitor cancer therapy response.	Life Sciences & Diagnostics	06-Nov-2025	273.07	The company raised \$273.06 million in its initial public offering on the Nasdaq stock exchange under the ticker symbol of BLLN on November 6, 2025. A total of 4,551,100 class A shares were sold at a price of \$60 per share. After the offering, there was a total of 44,720,379 outstanding shares at \$60 per share, valuing the company at \$2.68 billion. The underwriters were granted an option to purchase up to an additional 682,665 class A shares from the company to cover over-allotments, if any.
GUARDANT Guardant Health (NAS: GH)	Palo Alto, CA	Guardant Health, based in Redwood City, California, is a leader in liquid-based cancer tests for clinical and research use. The company offers Guardant360 LDT, a liquid biopsy test for treatment selection in advanced-stage cancer, Guardant360 CDx, an FDA-approved companion diagnostic for several targeted therapies, and Guardant Omni, a broader gene panel for immunology research. In 2021, Guardant launched Reveal, a tumor-agnostic molecular residual disease test. In 2024, the company received US FDA approval for Shield, a liquid biopsy for colorectal cancer screening. Additionally, Guardant offers research development services such as regulatory approval consultancy and clinical trial referrals.	Life Sciences & Diagnostics	07-Nov-2025	300.00	The company raised \$300 million in its second public offering on the Nasdaq stock exchange under the ticker symbol of GH on November 7, 2025. A total of 333,333 shares were sold at \$90 per share.
KESTRA Kestra Medical Technologies (NAS: KMTS)	Kirkland, WA	Kestra Medical Technologies Ltd is a commercial-stage, wearable medical device and digital healthcare company focused on transforming patient outcomes in cardiovascular disease using monitoring and therapeutic intervention technologies that are intuitive, intelligent, and connected. It has developed and is commercializing its Cardiac Recovery System platform, a comprehensive and developed system that integrates monitoring, therapeutic treatment, digital health, and patient support services into a single, unified solution. The cornerstone of its Cardiac Recovery System platform is the ASSURE WCD, a next-generation wearable cardioverter defibrillator (WCD) used to protect patients at an elevated risk of sudden cardiac arrest (SCA), a prominent public health problem.	Medtech, Remote Monitoring	04-Dec-2025	19.95	The company raised \$19.95 million in its second public offering on the Nasdaq stock exchange under the ticker symbol of KMTS on December 4, 2025. A total of 6,000,000 shares were sold at \$23 per share. The underwriters were granted an option to purchase up to an additional 900,000 shares from the company to cover over-allotments, if any.
LUMEXA Lumexa Imaging Holdings (NAS: LMRI)	Raleigh, NC	Lumexa Imaging Holdings Inc is a provider of diagnostic imaging services. The company offers a broad range of imaging modalities including MRIs, CT scans, PET scans, X-rays, ultrasounds, and mammography. Its products and operations are managed and reported in two operating segments: Outpatient Imaging Centers (Outpatient) and Professional Services (Professional). The professional services segment generates revenue from interpreting imaging studies conducted by other parties, mainly hospital imaging departments. The majority of revenue is generated from the Outpatient segment, which generates revenue by performing imaging studies and providing radiologists' interpretations of those studies.	Healthcare Services	11-Dec-2025	462.50	The company raised \$462.5 million in its initial public offering on the Nasdaq stock exchange under the ticker symbol of LMRI on December 11, 2025. A total of 25,000,000 shares were sold at \$18.5 per share. After the offering, there was a total of 94,565,652 outstanding shares (excluding the over-allotment option) priced at \$18.5 per share, valuing the company at \$1.75 billion. The underwriters were granted an option to purchase up to an additional 3,750,000 shares from the company to cover over-allotments, if any.
MAPLIGHT MapLight (NAS: MPLT)	Redwood City, CA	MapLight Therapeutics Inc is a biopharmaceutical company. The company is focused on improving the lives of patients suffering from debilitating central nervous system, or CNS, disorders. The company is engaged in psychiatry and neuroscience research to address the lack of circuit-specific pharmacotherapies available for patients. The product candidates of the company include ML-007C-MA, ML-004, ML-021, ML-009, and other pipeline products.	Biotech & Drug Discovery	27-Oct-2025	250.75	The company raised \$250.75 million in its initial public offering on the Nasdaq stock exchange under the ticker symbol of MPLT on October 27, 2025. A total of 14,750,000 shares were sold at a price of \$17 per share. After the offering, there was a total of 41,428,922 outstanding shares (excluding the over-allotment option) priced at \$17 per share, valuing the company at \$704.29 million. The underwriters were granted an option to purchase up to an additional 2,212,500 shares from the company to cover over-allotments, if any.
MEDLINE Medline (NAS: MDLN)	Northfield, IL	Medline Inc provides medical-surgical products and supply chain solutions for various healthcare settings. Its offerings include med-surg products, including surgical and procedural kits, gloves and protective apparel, urological and incontinence care, wound care, and consumable lab and diagnostics products. It serves hospitals, surgery centers, physician offices, and post-acute care facilities, supporting patient care needs. The company operates in two segments: Medline Brand and Supply Chain Solutions. The company's revenues are generated principally from the sale of its surgical products.	Medical Supplies	17-Dec-2025	7,204.75	The company raised \$6.27 billion in its initial public offering on the Nasdaq stock exchange under the ticker symbol of MDLN on December 17, 2025. A total of 248,439,654 class A shares (including over-allotment option) were sold at \$29 per share. After the offering, there was a total of 1,313,717,222 outstanding shares at \$29 per share, valuing the company at \$38.1 billion. The underwriters were granted an option to purchase up to an additional 32,405,172 class A shares from the company to cover over-allotments, if any. The over-allotment option was exercised in full by the underwriter.

Source: Pitchbook

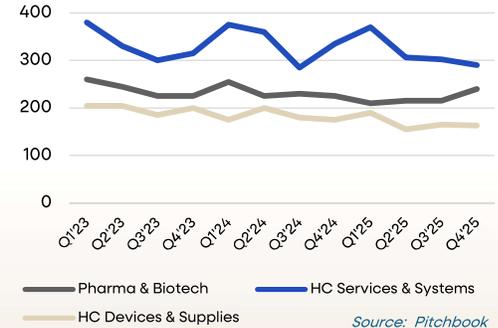
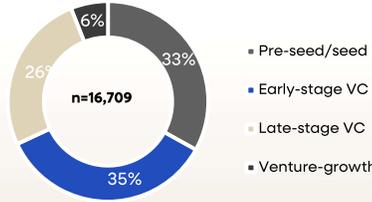
VC investing in 2025 saw a significant rebound from 2024, up nearly 60%. AI was the primary investment driver, attracting massive deals (e.g., OpenAI, Anthropic) and influencing most sectors. VCs grew more selective, leading to fewer, but much larger, investments, often called "mega-deals," particularly in the US.

VC and growth equity investment activity across healthcare remained largely unchanged in 2025, although services businesses saw more of a slowdown than devices and pharma/biotech.

Venture & Growth Equity Investing Activity

	2023	2024	2025	% Change
Deal Value (\$B)	\$168.80	\$213.16	\$339.39	59.2%
Deal Count	15,739	15,250	16,709	9.6%

2025 Deal Count By Stage



Q4 2025 Venture & Growth Financings: Healthcare Services

Company	Brief Description	Sector	Financing Date	Deal Value	Stage	Investor(s)
83Bar	Developer of a patient journey management platform designed to locate, educate, and navigate patients along their healthcare journey.	Other Healthcare Technology Systems	31-Dec-2025	14.62	Later Stage VC	Undisclosed
Amae Health	Developer of a specialized integrated care platform designed for people with serious mental illness.	Clinics/Outpatient Services	06-Nov-2025	25.00	Early Stage VC	Altos Ventures, Cedars Sinai Health Ventures, and 4 other investors
Angle Health	Operator of a health insurance platform intended for personalized healthcare management.	Other Healthcare Services	03-Dec-2025	134.00	Later Stage VC	Portage, Mighty Capital, Pruven Capital, Wing Venture Capital, Six Three Ventures, TSV Capital, Launchbox Capital, Blumberg Capital, Y Combinator, 2468 Ventures.
Brook	Developer of a digital health management platform designed to empower patients and individuals with their health.	Other Healthcare Technology Systems	16-Oct-2025	28.00	Later Stage VC	Morningside Group and UMass Memorial Health Care
Clarity Paediatrics	Developer of a pediatric telehealth platform intended to provide access to high-quality ADHD (Attention-deficit/hyperactivity disorder) care for children and families.	Other Healthcare Services	17-Dec-2025	14.45	Early Stage VC	Jackson Square Ventures, Massachusetts Mutual Life Insurance, Scrub Capital, Maverick Ventures, Homebrew Management, Rethink Impact, City Light Capital, Operator Collective and Gingerbread Capital.
ClevelandDx	Developer of a blood-based cancer diagnostics platform designed to improve clarity in disease detection.	Diagnostic Equipment	20-Oct-2025	14.42	Later Stage VC	Serial Stage Venture Partners
Conversio Health	Provider of pharmacotherapy management services intended to identify and overcome the challenges to optimal outcomes.	Practice Management	14-Oct-2025	20.27	Later Stage VC	Undisclosed
Cosdn	Developer of a preventative care management platform intended to enhance health outcomes for patients with chronic conditions.	Elder and Disabled Care	18-Dec-2025	15.00	Later Stage VC	GI Alliance and Ziegler
Counsel Health (Outpatient Svcs)	Operator of a virtual medical consultation platform intended to specialize in messaging-based care.	Clinics/Outpatient Services	16-Oct-2025	25.00	Early Stage VC	GV and Andreesen Horowitz
Curative	Provider of health insurance services intended to make essential healthcare easier to access for everyone.	Other Healthcare Services	28-Nov-2025	152.55	Later Stage VC	Upside Vision Fund, Michael Novogratz, Justin Moteen, Duquesne Family Office, DCVC, Martin Yarovskiy, and other undisclosed investors.
Digital	Operator of a cloud-based digital veterinary platform intended to offer patient and client management services.	Other Healthcare Technology Systems	10-Nov-2025	23.00	Later Stage VC	Five Elms Capital, byFounders, Gradient Ventures, Partech, and Atomico
Duos	Developer of a personal assistance platform designed to help older adults age independently.	Elder and Disabled Care	09-Oct-2025	130.00	Later Stage VC	FTV Capital, Forerunner Ventures and other undisclosed investors.
ElectraDx	Developer of rapid molecular diagnostics kits for researchers.	Other Pharmaceuticals and Biotechnology	03-Nov-2025	32.00	Early Stage VC	Towns
Elucid Biomaging	Developer of an imaging system designed to improve patient outcomes at a reduced cost by applying artificial intelligence to vascular diagnostic imaging.	Decision/Risk Analysis	22-Oct-2025	36.50	Later Stage VC	Undisclosed
Foundation Health	Operator of a healthcare technology company intended to power the next generation of consumer healthcare experiences.	Other Healthcare Services	09-Oct-2025	20.00	Early Stage VC	Define Ventures, Intermountain Ventures, Vanderbilt University, and other undisclosed investors also participated in the round.
Goodpath	Developer of a personalized self-care program designed to improve the lives of people managing chronic conditions.	Other Healthcare Technology Systems	06-Oct-2025	18.00	Later Stage VC	MassMutual Ventures
Greater Good Health	Operator of a nurse practitioner-powered primary care platform intended to expand access to holistic and value-based care.	Other Healthcare Technology Systems	29-Dec-2025	17.64	Early Stage VC	Undisclosed
knowmwell	Operator of weight-inclusive healthcare clinics intended to provide comprehensive, patient-centered, and expert-led care for people of all sizes.	Other Healthcare Services	20-Oct-2025	26.07	Early Stage VC	CVS Health Ventures, Intermountain Ventures, Flare Capital Partners, Andreesen Horowitz, Geoff Price, MassMutual Impact Investing, and other undisclosed investors.
Marble Health	Operator of virtual mental health platform intended for youth therapy and school-based counseling.	Clinics/Outpatient Services	14-Oct-2025	15.50	Early Stage VC	Costanoa Ventures, Town Hall Ventures and Khosla Ventures.
Medmo	Developer of a digital healthcare platform intended for medical imaging and scanning services.	Enterprise Systems (Healthcare)	14-Oct-2025	15.00	Later Stage VC	Covera Health, Cooper Square Ventures, TGVP, Origin Ventures Group, Digital Health Venture Partners and Lerer Hippeau.
Meroka	Developer of a decentralized healthcare platform designed to assist independent physicians in transferring ownership of their practices to their employees.	Practice Management	05-Dec-2025	15.09	Early Stage VC	FJ Labs and other undisclosed investors
Midi Health	Developer of a virtual care clinical platform designed to treat women with menopause and other health issues.	Clinics/Outpatient Services	02-Oct-2025	50.00	Later Stage VC	Advance Venture Partners, Skypointer and other undisclosed investors.
MyLaurel	Provider of on-demand medical care services intended to cater to the needs of frail and complex patients.	Other Healthcare Services	06-Nov-2025	12.00	Later Stage VC	GV, SteelSky Ventures, Deerfield Management, Ochsmar Health, Pinto Capital Partners and Emerson Collective.
MyOme	Developer of a genetic testing technology designed to provide comprehensive health insights through whole genome sequencing.	Other Healthcare Services	11-Dec-2025	63.50	Later Stage VC	Illumina and other undisclosed investors
Nest Health	Operator of a family healthcare platform intended to bring healthcare services to the home by offering convenient and accessible in-home and virtual visits.	Clinics/Outpatient Services	04-Nov-2025	22.50	Early Stage VC	Blue Venture Fund and 8VC with participation from Socium Ventures, Impact America Fund, Alumni Ventures, Amboy Street Ventures, BakerBridge Capital, Health2047, Nicholas Jarboe, Hopelab, and other investors.
Oath Surgical	Operator of a surgical care reinvention platform designed for a full-stack operating system for outpatient surgery.	Clinics/Outpatient Services	06-Oct-2025	23.90	Early Stage VC	FPV Ventures, McKesson Ventures, Oxford Science Enterprises, Black Opal Ventures, Tou Ventures, Rogue Capital Partners, and other undisclosed investors.
OneImaging	Operator of a radiology care management platform intended to reduce medical imaging costs.	Other Healthcare Technology Systems	14-Oct-2025	38.00	Early Stage VC	Vy Capital, Aquiline, Jonathan Oringer and 6 other investors.
Paradigm Health (Healthcare Technology Systems)	Operator of a health technology platform intended to serve the clinical research ecosystem.	Other Healthcare Technology Systems	04-Dec-2025	78.00	Early Stage VC	ARCH Venture Partners, GV, American Cancer Society, BrightEdge, General Catalyst, F-Prime Capital, Lux Capital, DFJ Growth, Mubadala Investment Company, Alternative Investment Management, JobsOhio Ventures and other undisclosed investors.
Parallel	Developer of digital mental health assessment platform designed for educational and therapeutic purposes.	Clinics/Outpatient Services	19-Nov-2025	20.00	Later Stage VC	Valspring Capital
Papal Health	Developer of AI-powered care management technology designed to enhance patient care coordination and operational insight.	Hospitals/Inpatient Services	03-Nov-2025	11.00	Early Stage VC	Team8 and New Enterprise Associates
Radiat Health (Outpatient Svcs)	Operator of a mental health center intended to be oriented around delivering psychedelic treatments within a comprehensive mental healthcare model.	Clinics/Outpatient Services	09-Dec-2025	50.00	Early Stage VC	General Catalyst, JSL Health Capital, BoxGroup, Scrub Capital, Founder Collective, Solar Capital, Diederik van Lamsaen.
Reema Health	Operator of a healthcare platform designed to connect members to care and resources through tech-enabled community guides.	Clinics/Outpatient Services	02-Dec-2025	18.89	Later Stage VC	Optum Ventures, LRVHealth, Empactful Capital & Hopelab.
Ride Health	Developer of a healthcare transportation management platform intended to improve access to care for patients who face transportation barriers.	Other Healthcare Technology Systems	17-Dec-2025	15.48	Later Stage VC	BioAdvance Capital (Conshohocken), Activate Venture Partners and Anthro Ventures, Remiges Ventures, Watershed Collective and other undisclosed investors.
SafeinHome	Developer of a software platform designed to integrate multiple Internet of Things technologies to support independent living with remote support services, serving individuals with intellectual and developmental disabilities and aging adults.	Elder and Disabled Care	11-Dec-2025	25.00	Later Stage VC	SEMOCAP
Salvo Health	Operator of a virtual health clinic platform intended to treat chronic gut-related illnesses.	Clinics/Outpatient Services	30-Dec-2025	13.40	Early Stage VC	The Artemis Fund, Torch Capital, Threshold Management, Felicity, City Light Capital, Human Ventures, and Alumni Ventures.
Soar Autism Center	Operator of a chain of autism care clinics intended to provide integrated therapy plus diagnostic services for young kids.	Clinics/Outpatient Services	01-Dec-2025	17.03	Later Stage VC	Undisclosed
Souffle Therapeutics	Developer of a targeted gene therapy intended to treat autoimmune diseases and cardiac diseases.	Therapeutic Devices	07-Oct-2025	200.00	Early Stage VC	Bessemer Venture Partners, Leaps by Bayer, Amgen, Novo Nordisk, Abvie Ventures, The Invis Group, Breyer Capital, Vida Ventures, Temasek Holdings and Janus Henderson.
WellTheory	Operator of a virtual care platform intended to support clients in their immunological journey.	Clinics/Outpatient Services	03-Oct-2025	14.00	Later Stage VC	General Catalyst, Leaps by Bayer, Accel, BoxGroup, Up2 Opportunity Fund, Zwie Ventures, Ingeborg Investments, and other undisclosed investors. Source: Pitchbook



News & Developments

Continued Site-of-Care Shift Toward Outpatient & Ambulatory Settings

The migration of care from hospital outpatient departments (HOPDs) to ambulatory surgery centers (ASCs) and physician offices continued steadily through Q4 2025, driven by payer economics, patient preference, and hospital capacity constraints. CMS, Medicare Advantage plans, and commercial payors increasingly steered care toward lower-cost settings, reinforcing a multi-year trend rather than introducing a new inflection point. In many cases, the economic differential between HOPDs and ASCs remained significant, sustaining payer pressure even as overall utilization normalized. The shift was most pronounced in procedures with standardized workflows, predictable acuity, and favorable post-procedure recovery profiles. Orthopedic procedures such as knee arthroscopy, shoulder arthroscopy, and certain joint replacements, along with pain management injections, cardiac catheterization diagnostics, ophthalmology procedures (e.g., cataract surgery), and gastrointestinal endoscopy, continued to migrate toward ASCs and office-based settings. Imaging services—including MRI and CT—also saw ongoing volume movement to freestanding centers where available, particularly in commercial and Medicare Advantage populations. Hospitals increasingly responded not by competing directly, but by forming joint ventures, management arrangements, or minority investments with outpatient operators that controlled referral flows and demonstrated consistent utilization.

Hospital Financial Pressures

Hospital operating performance showed incremental stabilization in 2025, but financial stress remained evident by Q4. According to AHA and Kaufman Hall data, median hospital operating margins hovered around 0–2% for much of the year—well below pre-pandemic norms—and a meaningful portion of hospitals continued to report negative margins. While inpatient and outpatient volumes largely normalized, expense growth outpaced revenue growth, driven by permanently higher labor costs, elevated supply expenses, and increased interest expense as refinancing occurred at higher rates. CMS cost report data also continued to show pressure on cash reserves and days cash on hand for smaller and mid-sized systems. Q4 disclosures and transaction activity reflected greater use of asset divestitures, joint ventures, and outsourcing arrangements, particularly for non-core or capital-intensive service lines such as imaging, laboratories, revenue cycle, and select specialty services. Capital spending remained constrained, with many systems prioritizing maintenance and IT over expansion. For independent providers and healthcare services platforms, this environment created a nuanced opportunity set: hospitals sought capital-light partnerships and operational support, while counterparties faced heightened diligence around contract durability, credit quality, and system-level financial resilience.

Prior Authorization: Growing Operational and Economic Friction for Providers

Prior authorization remained a significant operational burden for providers in Q4 2025, with mounting evidence that utilization controls increasingly influence care delivery, staffing demands, and patient access. According to AMA and CMS-referenced industry data, physicians continue to report spending dozens of staff hours per week on prior authorization activities, with a majority indicating that authorization delays lead to postponed care and, in some cases, adverse clinical outcomes. Medicare Advantage plans, in particular, remained more restrictive than traditional Medicare, reinforcing provider concerns that utilization management now meaningfully affects day-to-day practice economics. Regulatory attention increased, but relief remained incremental rather than immediate. CMS finalized rules requiring greater transparency, electronic prior authorization processes, and faster decision timelines for Medicare Advantage and Medicaid managed care plans, with phased implementation beginning in 2026 and beyond. While these changes are directionally positive, providers entered 2026 still absorbing the administrative cost of compliance without near-term financial offset. From an operator and investor perspective, prior authorization increasingly functions as a hidden tax on growth—disproportionately affecting imaging, procedural specialties, post-acute care, and MA-heavy practices—while favoring organizations with scale, automation, and payer-specific workflow expertise.

Labor Shortages

By Q4 2025, reliance on premium contract labor declined across most healthcare settings, but permanent wage inflation remained embedded—particularly in clinical roles that face persistent supply constraints. Importantly, productivity recovery varied meaningfully by sector. Hospital-based services, emergency medicine, anesthesiology, and inpatient nursing-intensive specialties continued to experience the widest gap between staffing levels and throughput, reflecting both acuity mix and operational rigidity. In contrast, many outpatient and office-based specialties demonstrated more measurable productivity improvement as scheduling, staffing models, and visit formats normalized.

CMS Physician Fee Schedule

The final 2026 CMS Physician Fee Schedule did not meaningfully expand overall physician reimbursement. Instead, it redistributed limited dollars, modestly favoring cognitive, longitudinal, and care-management-oriented services while creating continued pressure for procedure- and imaging-intensive models. The result was not a clear set of winners and losers in absolute terms, but rather relative beneficiaries and areas facing ongoing reimbursement headwinds.

Category	CMS Directional Impact	Illustrative Reimbursement Examples	Practical Implication for Providers
Primary Care & Longitudinal Care	Modestly favorable	Higher-level E/M visits (e.g., 99214/99215) experienced low-single-digit increases relative to prior years	Better alignment with visit complexity; supports value-based and risk-bearing models
Behavioral Health & Mental Health	Relatively stable to favorable	Common psychotherapy services (e.g., 45-minute psychotherapy) saw modest increases or avoided cuts	Reinforces revenue durability amid strong demand
Care Management & Remote Monitoring	Favored	Chronic Care Management (CCM) monthly payments maintained; RPM codes largely stable with tighter documentation	Incremental revenue stream remains viable with strong execution
Procedure-Oriented Specialties	Modestly negative	Select surgical procedures experienced low-single-digit reimbursement decreases due to budget neutrality	Heightens focus on ASC strategy, case mix, and commercial payors
Imaging-Heavy Practices	Continued compression	Several imaging services saw mid- to low-teens percentage decreases, particularly on technical components	Scale, subspecialization, and diversification increasingly matter
Anesthesiology	Flat to slightly down	Anesthesia base and time units were flat or modestly lower across many geographies	Contract structure and hospital alignment more sensitive to schedule changes
Small Independent Practices	Structurally challenged	No specific code change; overall reimbursement flat to down against rising costs	Scale, partnerships, or affiliation become more attractive

Medicare Advantage in 2026

Changes to the Medicare Advantage landscape in 2026 are just as consequential for providers. For 2026, CMS finalized a series of Medicare Advantage payment and oversight policies that further influence utilization patterns, documentation requirements, and the balance of negotiating leverage between providers and plans. Taken together, the 2026 Medicare Advantage updates reinforce that MA is no longer a passive growth tailwind for providers. As rate growth moderates and oversight increases, MA economics increasingly reward operational discipline, documentation rigor, and strong payer relationships.

MA Policy Area	What Changed for 2026	Provider Implications
Risk Adjustment & Coding Intensity	Continued refinement of MA risk-adjustment methodology, including limits on coding intensity	Creates headwinds for aggressive risk-score capture; providers with strong clinical documentation and audit readiness fare better
Rates & Benchmark Growth	MA rate growth is moderated compared to recent years	Plans face less flexibility to absorb cost increases, increasing pressure on unit pricing and utilization
Utilization Management	Continued emphasis on prior authorization oversight and utilization controls	Providers experience slower MA revenue growth even when FFS Medicare rates are stable
Network Design & Selectivity	Plans continued narrowing networks and favoring higher-performing providers	Strong performers can gain leverage, while marginal providers face volume leakage or exclusion risk
Value-Based & Delegated Models	Ongoing shift toward performance-based and delegated risk arrangements	Opportunities increase for providers, but upside depends on execution, infrastructure, and risk-management capabilities
Compliance & Administrative Oversight	Heightened focus on encounter data accuracy and delegated entity compliance	Administrative capabilities increasingly treated as financial diligence risks
Provider Quality Measures	Greater emphasis on quality, outcomes, and price stability	MA exposure becomes increasingly sensitive to quality outcomes, favoring scaled and operationally strong providers

Direct Contracting: Why Employers Are Rethinking How They Buy Healthcare (Cont'd)

(Continued from Page 1)

WHY EMPLOYERS ARE PURSUING DIRECT CONTRACTING

The renewed interest in direct contracting is driven less by ideology and more by pragmatism—particularly around cost.

Most employers have a visceral understanding that the current system is deeply flawed and rife with misaligned incentives. Health benefit costs continue to rise faster than wages and inflation, while national health insurers report record revenues and profitability. For employers funding these plans—and for employees absorbing higher premiums, deductibles, and cost-sharing—the disconnect is increasingly difficult to ignore. Direct contracting offers employers a way to reduce layers of intermediation and ensure that a greater share of healthcare spending is directed toward care delivery rather than administrative overhead and margin.

Beyond cost pressure, employers are increasingly frustrated by opaque pricing and limited visibility into what they are actually paying for specific services—and whether outcomes justify those costs. Even very large employers often lack meaningful procedure-level insight within traditional carrier networks, making it difficult to assess value or hold anyone accountable.

Second, self-insured employers recognize a growing mismatch between economic risk and decision-making authority. While they bear the financial consequences of care, they have historically had limited ability to influence how that care is delivered. Direct contracting provides a mechanism to realign responsibility with control.

Finally, regulatory developments and heightened fiduciary scrutiny—particularly around transparency and plan governance—are pushing employers to become more intentional purchasers of healthcare services. Direct contracting allows employers to demonstrate active, defensible decision-making rather than passive reliance on carrier networks.

These structural frustrations are not theoretical—they show up most clearly in how benefits are experienced by employees.

ELIMINATING FRICTION FOR EMPLOYEES

A defining feature of many direct contracting arrangements is the intentional removal of friction for employees. Employers frequently design these programs so that covered services carry no co-pays, no deductibles, and no balance billing when delivered by a contracted provider.

This structure does more than reduce out-of-pocket cost. It simplifies decision-making, increases trust in the benefit design, and steers employees toward high-quality providers without relying on blunt cost-sharing mechanisms. When employees know that a service is fully covered, transparently priced, and free from surprise bills, they are more likely to obtain timely care and comply with recommended preventive and diagnostic procedures.

From the employer’s perspective, waiving employee cost-sharing is often economically rational when paired with predictable pricing, defined scopes of service, and measurable outcomes. Rather than shifting costs to employees, direct contracting allows employers to manage total cost of care more intentionally—by controlling where and how care is delivered.

WHY PROVIDERS ARE WILLING PARTICIPANTS

Direct contracting is not solely employer-driven. Many providers view these arrangements as economically and operationally attractive.

REAL-WORLD EXAMPLES

Data from one large direct contracting platform and benefits administrator⁽¹⁾ indicates that cost savings available to self-insured employers for certain common procedures such as a chest x-ray, brain MRI or pelvic ultrasound range between 43-79%, driven by both site of care and administrative efficiencies.

Metric	Value
Procedures	8,074
High Cost	\$40,500
Avg. Cost	\$1,766
Fair Price	\$475
Cheaper By	73%

MRI of brain — we looked at 8,074 and found costs as high as \$40,500 and as low as \$475. We actually found 4 employees who paid that much with an average cost of \$1,766. The fair price for that MRI is about \$475 and 73% cheaper than that \$1,766 average.

Metric	Value
Procedures	32,076
High Cost	\$13,498
Avg. Cost	\$217
Fair Price	\$125
Cheaper By	43%

Ultrasound of the pelvis — we looked at 32,076 and found costs as high as \$13,498 with an average cost of \$217. The fair price for that ultrasound is about \$125 and 43% cheaper than that \$217 average.

Metric	Value
Procedures	13,323
High Cost	\$5,413
Avg. Cost	\$176
Fair Price	\$35
Cheaper By	79%

Chest X-Ray — we looked at 13,323 and found costs as high as \$5,413 with an average cost of \$176. The fair price for that X-Ray is about \$35 and 79% cheaper than that \$176 average.

A STRUCTURAL SHIFT, NOT A PASSING TREND

Direct contracting is best understood not as a rejection of health plans, but as a rebalancing of control. Employers are asserting greater influence over specific parts of the healthcare value chain where cost, quality, and accountability matter most. As cost pressure, fiduciary scrutiny, and employee expectations continue to converge, direct contracting is likely to expand wherever employers, providers, and employees all benefit from clarity, alignment, and accountability.

WHY THIS MATTERS FOR INVESTORS

For investors, the growth of direct contracting has important implications.

Providers that are operationally sophisticated, outcomes-focused, and capable of delivering care within defined bundles are increasingly attractive partners to large, self-insured employers. These arrangements can produce revenue streams that are more predictable, faster-paying, and less exposed to administrative friction than traditional fee-for-service reimbursement.

In diligence, direct contracting revenue often stands out for its clarity: known pricing, defined scopes of service, limited denial risk, and reduced working capital strain. For platform businesses and specialty provider groups, these characteristics can enhance both quality of earnings and long-term strategic value.

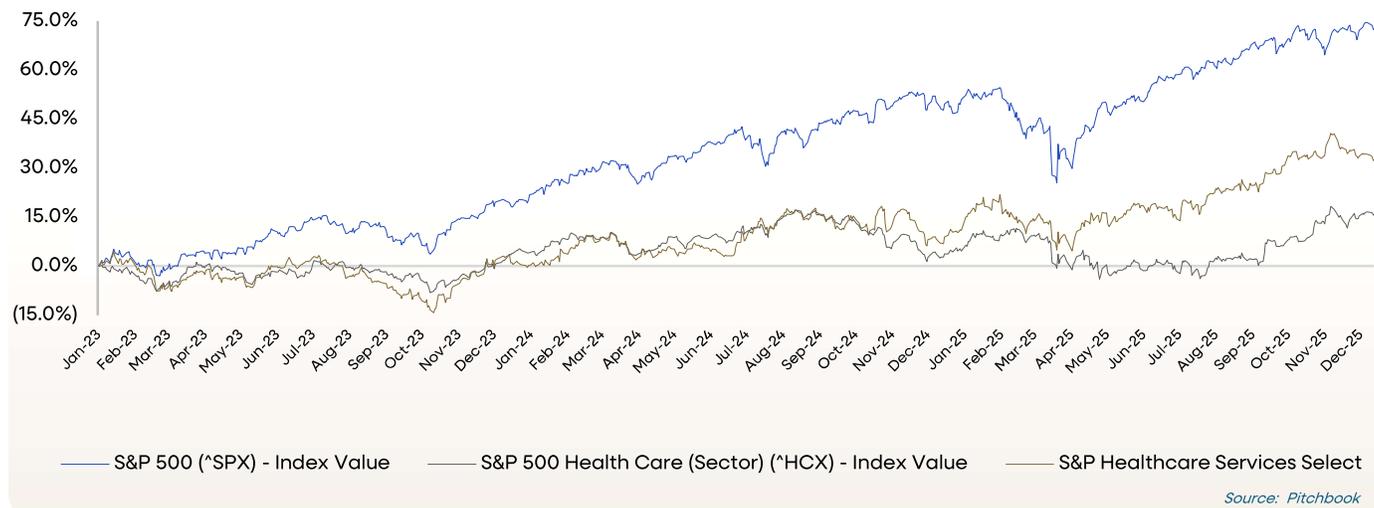
As employers become more intentional purchasers of healthcare, providers that align with this shift are likely to benefit—while those dependent on opaque pricing and administrative arbitrage may face growing pressure.

“As cost pressure, fiduciary scrutiny, and employee expectations continue to converge, direct contracting is likely to expand wherever employers, providers, and employees all benefit from clarity, alignment, and accountability.”

Notes: (1) Zero Health CASE STUDY: “Diagnostic Dollars: The Overpricing Epidemic in Medical Imaging”

The S&P Health Care Services Select Industry Index comprises stocks in the S&P Total Market Index that are classified in the GICS Health Care Distributors, Health Care Facilities, Health Care Services and Managed Health Care sub-industries.

The S&P 500® Health Care comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.



Provider Services & Physician Practice Management

Company	Share price	% of 52-week high	Market cap	Net debt	Enterprise value	LTM Revenue	LTM GP (%)	LTM EBITDA	3-yr growth CAGR	EV/LTM Revenue	EV/LTM EBITDA
Agilon	\$0.69	11.3%	\$285.5	(\$273.7)	\$11.8	\$5,885.6	(1.8%)	(\$341.2)	33.4%	NM	NM
Concentra	\$19.68	81.4%	\$2,522.4	\$2,090.9	\$4,638.0	\$2,089.4	28.4%	\$405.4	-	2.2x	11.4x
USPh	\$78.09	83.5%	\$1,187.3	\$276.3	\$1,742.5	\$750.9	22.0%	\$99.3	11.9%	2.3x	17.5x
PRIVIA	\$23.71	89.4%	\$2,916.4	(\$435.1)	\$2,534.9	\$2,042.6	10.2%	\$37.3	17.2%	1.2x	68.0x
SURGERY PARTNERS	\$15.45	59.1%	\$1,984.6	\$3,682.2	\$7,490.3	\$3,288.1	23.9%	\$669.0	10.4%	2.3x	11.2x

Home Health, Hospice & Post-Acute Services

Company	Share price	% of 52-week high	Market cap	Net debt	Enterprise value	LTM Revenue	LTM GP (%)	LTM EBITDA	3-yr growth CAGR	EV/LTM Revenue	EV/LTM EBITDA
Encompass Health	\$106.14	82.9%	\$10,679.4	\$2,612.9	\$14,104.8	\$5,795.6	42.6%	\$1,321.5	10.9%	2.4x	10.7x
VENTAS	\$77.38	94.5%	\$36,347.9	\$12,599.1	\$49,358.8	\$5,544.0	41.9%	\$2,111.1	10.8%	8.9x	23.4x
adapthealth	\$9.96	85.6%	\$1,319.6	\$1,822.8	\$3,150.5	\$3,255.2	21.5%	\$632.5	3.9%	1.0x	5.0x
ENSIGN GROUP	\$174.20	89.8%	\$10,019.4	\$1,650.2	\$11,673.1	\$4,829.5	16.2%	\$502.3	18.4%	2.4x	23.2x
ADDUS	\$107.39	78.5%	\$1,958.7	\$100.6	\$2,059.3	\$1,346.6	32.7%	\$157.0	13.2%	1.5x	13.1x

Source: Pitchbook



Value-Based Care & Risk-Bearing Services

Company	Share price	% of 52-week high	Market cap	Net debt	Enterprise value	LTM Revenue	LTM GP (%)	LTM EBITDA	3-yr growth CAGR	EV/LTM Revenue	EV/LTM EBITDA
Agilon	\$0.69	11.3%	\$285.5	(\$273.7)	\$11.8	\$5,885.6	(1.8%)	(\$341.2)	33.4%	NM	NM
Evolent	\$4.00	30.8%	\$446.4	\$965.7	\$1,412.1	\$2,054.1	18.4%	\$79.8	19.0%	0.7x	17.7x
Alignment Health	\$19.75	93.8%	\$3,951.8	(\$314.4)	\$3,637.4	\$3,637.2	12.4%	\$35.5	38.4%	1.0x	NM
GoodRx	\$2.71	46.6%	\$919.9	\$271.6	\$1,191.5	\$800.7	93.5%	\$132.7	0.2%	1.5x	9.0x
PRIVIA HEALTH	\$23.71	89.4%	\$2,916.4	(\$435.1)	\$2,534.9	\$2,042.6	10.2%	\$37.3	17.2%	1.2x	68.0x

Outsourced Clinical & Specialty Services

Company	Share price	% of 52-week high	Market cap	Net debt	Enterprise value	LTM Revenue	LTM GP (%)	LTM EBITDA	3-yr growth CAGR	EV/LTM Revenue	EV/LTM EBITDA
cencora	\$337.75	89.5%	\$65,521.3	\$4,975.0	\$70,735.4	\$3,21,332.8	3.5%	\$4,805.1	10.4%	0.2x	14.7x
RadNet	\$71.35	83.1%	\$5,514.1	\$1,042.9	\$6,812.4	\$1,969.6	18.2%	\$231.2	12.5%	3.5x	29.5x
Davita Kidney Care	\$113.61	63.3%	\$8,020.9	\$12,041.8	\$21,975.3	\$13,318.0	32.0%	\$2,668.1	4.6%	1.7x	8.2x
IQVIA	\$225.41	96.2%	\$38,387.3	\$13,268.0	\$51,783.3	\$15,904.0	33.8%	\$2,926.0	3.6%	3.3x	17.7x
option care	\$31.86	89.7%	\$5,057.2	\$959.9	\$6,017.1	\$5,530.5	19.4%	\$401.3	12.9%	1.1x	15.0x

Diagnostics & Laboratory Services

Company	Share price	% of 52-week high	Market cap	Net debt	Enterprise value	LTM Revenue	LTM GP (%)	LTM EBITDA	3-yr growth CAGR	EV/LTM Revenue	EV/LTM EBITDA
labcorp	\$250.88	85.4%	\$20,798.0	\$5,985.2	\$26,799.3	\$13,765.3	28.4%	\$1,963.5	2.0%	1.9x	13.6x
GUARDANT	\$102.14	90.9%	\$13,159.6	\$746.4	\$13,906.0	\$902.6	63.8%	(\$402.2)	28.0%	15.4x	NM
QuidelOrtho	\$28.56	57.8%	\$1,940.1	\$2,766.1	\$4,706.2	\$2,714.4	47.2%	\$577.7	(3.7%)	1.7x	8.1x
HOLOGIC	\$74.49	98.9%	\$16,604.2	\$420.9	\$17,025.1	\$4,100.5	60.8%	\$1,351.1	(5.5%)	4.2x	12.6x
natera	\$229.09	92.8%	\$31,688.0	(\$843.7)	\$30,844.3	\$2,116.7	63.7%	(\$318.2)	39.7%	14.6x	NM

Revenue Cycle Management & Tech-Enabled Services

Company	Share price	% of 52-week high	Market cap	Net debt	Enterprise value	LTM Revenue	LTM GP (%)	LTM EBITDA	3-yr growth CAGR	EV/LTM Revenue	EV/LTM EBITDA
hims & hers	\$32.47	44.5%	\$7,391.7	\$488.3	\$7,880.0	\$2,211.0	75.0%	\$168.1	70.7%	3.6x	46.9x
omada	\$15.78	55.6%	\$913.5	(\$198.6)	\$714.8	\$232.3	64.3%	(\$17.0)	-	3.1x	NM
TEMPUS	\$59.05	56.6%	\$10,505.4	\$576.2	\$11,081.6	\$1,105.3	61.7%	(\$170.6)	55.6%	10.0x	NM
WAYSTAR	\$32.75	68.1%	\$6,265.6	\$834.4	\$7,100.0	\$1,039.8	67.8%	\$368.4	-	6.8x	19.3x

Company	Description
Agilon Health	Agilon health, inc. provides healthcare services for seniors through primary care physicians in the communities of the United States. It offers a platform that manages the total healthcare needs of the patients by subscription-like per-member per-month. The company was founded in 2016 and is based in Westerville, Ohio
Concentra Group	Concentra Group Holdings provides occupational health services in the United States. The company offers occupational health services, including workers compensation, employer, and consumer health services; and employer-sponsored primary care services at workplace, including mobile health and episodic specialty testing services. It also operates Concentra Telmed, a telemedicine platform for the treatment of work-related injuries and illnesses; Concentra Pharmacy for distributing repackaged medications; and Concentra Medical Compliance Administration, a third-party administrator that helps to manage abuse testing programs for employers with regulated or non-regulated workforces. In addition, the company provides injury care, primary care, urgent care, preventive care, clinical testing, physical examinations and evaluations, drug and alcohol screenings, clinical testing, vaccinations and other preventive care, and a range of consultative services designed to protect employees from workplace hazards. The company was founded in 1990 and is based in Houston, Texas.
U.S. Physical Therapy	U.S. Physical Therapy, Inc. operates and manages outpatient physical therapy clinics. The company operates through two segments, Physical Therapy Operations and Industrial Injury Prevention Services. The company provides pre-and post-operative care and treatment for orthopedic-related disorders, sports-related injuries, preventative care, rehabilitation of injured workers, and neurological-related injuries. It offers industrial injury prevention services, including onsite injury prevention and rehabilitation, performance optimization, post-offer employment testing, functional capacity evaluations, and ergonomic assessments through physical therapists and specialized certified athletic trainers for Fortune 500 companies, and other clients comprising insurers and their contractors. U.S. Physical Therapy, Inc. was founded in 1990 and is based in Houston, Texas
Encompass Health	Encompass Health Corporation provides post-acute healthcare services in the United States and Puerto Rico. It owns and operates inpatient rehabilitation hospitals that provide medical, nursing, therapy, and ancillary services. The company provides specialized rehabilitative treatment on an inpatient basis to medical conditions, such as strokes, hip fractures, and various debilitating neurological conditions. It offers services through the Medicare program to federal government, managed care plans and private insurers, state governments, and other patients. The company was formerly known as HealthSouth Corporation and changed its name to Encompass Health Corporation in January 2018. Encompass Health Corporation was incorporated in 1984 and is based in Birmingham, Alabama
Ventas	Ventas, Inc. is a leading S&P 500 real estate investment trust enabling exceptional environments that benefit a large and growing aging population. With approximately 1,400 properties in North America and the United Kingdom, Ventas occupies an essential role in the longevity economy. The Company's growth is fueled by its more than 850 senior housing communities, which provide valuable services to residents and enable them to thrive in supported environments. Ventas aims to deliver outsized performance by leveraging its operational expertise, data-driven insights from its Ventas OI platform, extensive relationships and strong financial position. The Ventas portfolio also includes outpatient medical buildings, research centers and healthcare facilities.

Q4 2025 Healthcare Services Insights

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Company	Description
Alignment Healthcare	Alignment Healthcare, Inc. operates a consumer-centric healthcare platform for seniors in the United States. It delivers customized healthcare experience to meet the needs of seniors through its Medicare Advantage plans. The company was founded in 2013 and is based in Orange, California
Evolent Health	Evolent Health, Inc., through its subsidiary, provides specialty care management services in oncology, cardiology, and musculoskeletal markets in the United States. The company offers integrated platform for health plan administration and value-based business infrastructure. It also provides administrative services, such as health plan services, pharmacy benefits management, risk management, analytics and reporting, and leadership and management; and identify, a proprietary technology system that aggregates and analyzes data, manages care workflows, and engages patients. In addition, the company provides holistic total cost of care management; and Machinify Auth, a software platform that leverages advances in artificial intelligence. Evolent Health, Inc. was founded in 2011 and is headquartered in Arlington, Virginia
Cencora	Cencora, Inc. sources and distributes pharmaceutical products in the United States and internationally. The company's U.S. Healthcare Solutions segment distributes generic and injectable pharmaceuticals, over-the-counter healthcare products, home healthcare supplies and equipment, and related services to acute care hospitals and health systems, independent and chain retail pharmacies, mail order pharmacies, medical clinics, long-term care and alternate site pharmacies, and other customers; distributes plasma and other blood products, vaccines, and other specialty pharmaceutical products; provides pharmacy management, staffing, and other consulting services; supply management software to retail and institutional healthcare providers; packaging solutions to institutional and retail healthcare providers; clinical trial support, product post-approval, and commercialization support services; data analytics, outcomes research, and other services; data technology and pharmaceutical services, pharmaceuticals, vaccines, parasiticides, diagnostics, micro feed ingredients, and other products to the companion animal and production animal markets; sales force services to manufacturers; and offers other services to physicians who specialize in various disease states, such as oncology, as well as to other healthcare providers, including hospitals and dialysis clinics. Its International Healthcare Solutions segment provides international pharmaceutical wholesale and related services, and global commercialization services; distributes pharmaceuticals, other healthcare products, and related services to pharmacies, doctors, health centers, and hospitals; and offers specialty transportation and logistics services for the biopharmaceutical industry. The company was formerly known as AmerisourceBergen Corporation and changed its name to Cencora, Inc. in August 2023. Cencora, Inc. was founded in 1871 and is headquartered in Conshohocken, Pennsylvania
Guardant Health	Guardant Health, Inc., a precision oncology company, provides blood and tissue tests, and data sets in the United States and internationally. The company provides precision oncology testing services comprising Guardant360, a panel of genetic tests; Guardant360 LDT that measures 730+ genes and supports all guideline-recommended biomarkers; Guardant360 CDx, a liquid biopsy test; Guardant360 Response Test, a blood-only liquid biopsy; Guardant360 TissueNext Test, a tissue-based test with AI-powered PD-L1 detection; GuardantINFINITY Test that provides insights into the complexities of tumor molecular profiles and immune response to advance cancer research and therapy development; GuardantConnect, an integrated software-based solution designed for clinical and biopharmaceutical customers to connect patients tested with assays with actionable alterations with potentially relevant clinical studies; GuardantOMNI blood test for advanced stage cancer; and GuardantINFORM, an in-silico research platform for tumor evolution and treatment resistance across various biomarker-driven cancers. It also offers Shield Test; Guardant Reveal Test for adjuvant treatment and surveillance settings in early-stage cancer patients; and Smart Liquid Biopsy Platform. In addition, the company provides development services, including companion diagnostic development and regulatory approval, clinical study setup, monitoring and maintenance, testing development and support, technologies licensing, and kit fulfillment and delivery of shield screening tests. The company was incorporated in 2011 and is headquartered in Palo Alto, California
DaVita	DaVita Inc. provides kidney dialysis services for patients suffering from chronic kidney failure in the United States. The company operates kidney dialysis centers and provides related lab services in outpatient dialysis centers. It also offers outpatient hospital inpatient and home-based dialysis services; operates clinical laboratories that provide routine laboratory tests for dialysis and other prescribed laboratory tests for ESRD patients; and management and administrative services to outpatient dialysis centers. In addition, the company offers integrated care and disease management services to patients in risk-based and other integrated care arrangements; clinical research programs; physician services; and comprehensive kidney care services. Further, it engages in the provision of inpatient dialysis services and related laboratory services; and transplant software business. The company was formerly known as DaVita HealthCare Partners Inc. and changed its name to DaVita Inc. in September 2016. DaVita Inc. was incorporated in 1994 and is headquartered in Denver, Colorado
IQVIA	IQVIA Holdings Inc. provides clinical research services, commercial insights, and healthcare intelligence to the life sciences and healthcare industries in the Americas, Europe, Africa, and the Asia-Pacific. It operates through three segments: Technology & Analytics Solutions, Research & Development Solutions, and Contract Sales & Medical Solutions. The Technology & Analytics Solutions segment offers a range of cloud-based applications and related implementation services; real world solutions that enable life sciences and provider customers to generate and disseminate evidence, which informs health care decision making and improves patients' outcomes; and strategic and implementation consulting services, such as advanced analytics and commercial processes outsourcing services. This segment also provides country level performance metrics related to sales of pharmaceutical products, prescribing trends, medical treatment, and promotional activity across various channels, including retail, hospital, and mail order; and measurement of sales or prescribing activity at the regional, zip code, and individual prescriber level. The Research & Development Solutions segment offers project management and clinical trial support; strategic planning and design services; patient and site-centric solutions, as well as central laboratory, genomic bioanalytical, ADME, discovery, and vaccine; and companion diagnostic development and biomarker laboratory services. The Contract Sales & Medical Solutions segment provides health care provider and patient engagement services, and scientific strategy and medical affairs services. It serves pharmaceutical, biotechnology, and diagnostic, and consumer health companies. It has a strategic collaboration with Sarah Cannon Research Institute to enhance clinical trial processes. The company was formerly known as Quintiles IMS Holdings, Inc. and changed its name to IQVIA Holdings Inc. in November 2017. The company is based in Durham, North Carolina
Labcorp	Labcorp Holdings Inc. provides laboratory services. It operates through two segments, Diagnostics Laboratories and Biopharma Laboratory Services. The company offers various tests, such as blood chemistry analyses, urinalyses, blood cell counts, thyroid, PAP, hemoglobin A1C, prostate-specific antigens, sexually transmitted diseases, hepatitis C, vitamin D, microbiology cultures and procedures, and alcohol and other substance-abuse tests. It also provides specialty testing services comprising gene-based and esoteric testing; advanced tests target specific diseases; services related to anatomic pathology/oncology, cardiovascular disease, coagulation, diagnostic genetics, endocrinology, infectious disease, women's health, pharmacogenetics, parentage and donor testing, occupational testing services, medical drug monitoring services, chronic disease programs, and kidney stone prevention tests; and health and wellness services to employers and managed care organizations (MCOs). In addition, the company offers online and mobile applications that enable patients to check offerings, schedule PSC visits, check-in upon PSC arrival, complete documentation, access tests and test results, and manage their accounts; online applications for providers, MCOs, and accountable care organizations; special collection services; and drug development, medical device and companion diagnostic development solutions, as well as support for crop protection and chemical testing. It serves pharmaceutical, biotechnology, medical device, and diagnostics companies; and MCOs, employer plans, other health insurance providers, government agencies, physician, large provider organizations, other healthcare providers, hospitals and health systems, patients and consumers, crop protection and chemical companies, academic institutions, independent clinical laboratories, and retailers. The company was founded in 1995 and is headquartered in Burlington, North Carolina
Hologic	Hologic, Inc. engages in the development, manufacture, and supply of diagnostics products, medical imaging systems, and surgical products for women's health through early detection and treatment worldwide. It operates through four segments: Diagnostics, Breast Health, GYN Surgical, and Skeletal Health. The company provides Aptima molecular diagnostic assays to detect the infectious microorganisms: Aptima viral load assays for Hepatitis B virus, Hepatitis C virus, human immunodeficiency virus, and human cytomegalovirus; Aptima bacterial vaginosis and candida vaginitis assays for the diagnosis of vaginitis; Aptima SARS-CoV-2 and Panther Fusion SARS-CoV-2 assays to detect SARS-CoV-2; ThinPrep System for cytology applications; and Rapid Fetal Fibronectin Test that assists physicians in assessing the risk of pre-term birth. It also offers breast cancer care solutions in the areas of radiology, breast surgery, pathology, and treatment, such as 3D digital mammography systems, image analysis software, reading workstations, minimally invasive breast biopsy guidance systems, breast biopsy site markers, localization, and specimen radiology systems; and breast conserving surgery products. In addition, the company provides MyoSure Hysteroscopic Tissue Removal System for the removal of fibroids and polyps in the uterus; NovaSure Endometrial Ablation System to treat abnormal uterine bleeding; Fluent Fluid Management System that provides liquid distention during diagnostic and operative hysteroscopic procedures; Accessa ProVu system to treat various fibroids; and EcoSeal portfolio, such as bipolar vessel sealing devices. Further, it offers Horizon DX, a dual energy X-ray system. The company sells its products through direct sales, service forces, independent distributors, and sales representatives. The company was incorporated in 1985 and is headquartered in Marlborough, Massachusetts
QuidelOrtho	QuidelOrtho Corporation provides diagnostic testing solutions. The company operates through Labs, Transfusion Medicine, Point of Care, and Molecular Diagnostics business units. The Labs business unit provides clinical chemistry laboratory instruments and tests that measure target chemicals in bodily fluids for the evaluation of health and the clinical management of patients; immunoassay laboratory instruments and tests, which measure proteins as they act as antigens in the spread of disease, antibodies in the immune response spurred by disease, or markers of proper organ function and health; testing products to detect and monitor disease progression across a spectrum of therapeutic areas; and specialized diagnostic solutions. The Transfusion Medicine business unit offers immunohematology instruments and tests used for blood typing to ensure patient-donor compatibility in blood transfusions; and donor screening instruments and tests used for blood and plasma screening for infectious diseases. The Point of Care business unit provides instruments and tests to provide rapid results across a continuum of POC settings. The Molecular Diagnostics business unit offers polymerase chain reaction thermocyclers; amplification systems; and sample-to-result molecular instruments and tests for syndromic infectious disease diagnostics. The company sells its products directly to end users through a direct sales force; and through a network of distributors for professional use in physician offices, hospitals, clinical laboratories, reference laboratories, urgent care clinics, universities, retail clinics, pharmacies, wellness screening centers, blood banks, and donor centers, as well as for individual, non-professional, and over-the-counter use. It operates in North America, Europe, the Middle East, Africa, China, and internationally. The company was incorporated in 1979 and is headquartered in San Diego, California
Natera	Natera, Inc., a diagnostics company, provides molecular testing services worldwide. Its products include Panorama, a non-invasive prenatal test that screens for chromosomal abnormalities of a fetus, as well as in twin pregnancies; Horizon carrier screening test for individuals and couples determine if they are carriers of genetic variations that cause certain genetic conditions; Vistara single-gene NIPT screens for 25 single-gene disorders; Spectrum, preimplantation genetic tests for couples undergoing IVF; Anora that analyzes miscarriage tissue from women; Empower, a hereditary cancer screening test; and non-invasive prenatal paternity product, which allows a couple to establish paternity without waiting for the child to be born. The company also provides Signatera molecular residual disease test for assessment and surveillance of disease recurrence in patients previously diagnosed with cancer; Altera, a tissue based genomic profiling test, that provides insight into genetic alterations and biomarkers; Prospera to assess active rejection in patients who have undergone kidney, heart, and lung transplantation; and Renalign, a kidney gene panel test. In addition, it offers Constellation, a cloud-based software product. It serves independent laboratories, national and regional reference laboratories, medical centers and physician practices, research laboratories, and pharmaceutical companies through its direct sales force, and a network of laboratory and distribution partners. It has a partnership agreement with BGI Genomics Co., Ltd. to develop, manufacture, and commercialize NGS-based genetic testing assays; and Foundation Medicine, Inc. to develop and commercialize personalized circulating tumor DNA monitoring assays. The company was formerly known as Gene Security Network, LLC and changed its name to Natera, Inc. in January 2012. Natera, Inc. was founded in 2003 and is headquartered in Austin, Texas
Addus HomeCare	Addus HomeCare Corporation, together with its subsidiaries, provides personal care services to elderly, chronically ill, disabled persons, and individuals who are at risk of hospitalization or institutionalization in the United States. It operates through three segments: Personal Care, Hospice, and Home Health. The Personal Care segment provides non-medical assistance with activities of daily living. This segment offers services that include assistance with bathing, grooming, oral care, feeding and dressing, medication reminders, meal planning and preparation, housekeeping, and transportation services. The Hospice segment provides palliative nursing care, social work, spiritual counseling, homemaker, and bereavement counseling services for people who are terminally ill, as well as related services for their families. The Home Health segment offers skilled nursing and physical, occupational, and speech therapy for the individuals who requires assistance during an illness or after hospitalization. The company serves federal, state, and local governmental agencies; managed care organizations; commercial insurers; and private individuals. Addus HomeCare Corporation was founded in 1979 and is headquartered in Frisco, Texas
Hims & Hers Health	Hims & Hers Health, Inc. operates a telehealth platform that connects consumers to licensed healthcare professionals in the United States, the United Kingdom, Canada, and internationally. The company offers a range of curated prescription and non-prescription health and wellness products, and services available to purchase on its websites and mobile application directly by customers. It also provides prescription medication as well as curative and ongoing care from healthcare providers; and over-the-counter drug and device products, cosmetics, and supplement products primarily focusing on general wellness, sexual health and wellness, skincare, and hair care. In addition, the company's curated non-prescription products include melatonin and biotin in the wellness specialty category; moisturizers, creams, sunscreen, serum, face oil, and face wash in the skincare specialty; condoms, climax delay spray and wipes, vibrators, and lubricants in the sexual health and wellness specialty; and shampoos, conditioners, scalp scrubs, and topical treatments, such as minoxidil in the hair care specialty category. Further, it offers medical consultation and post-consultation support services, as well as health and wellness products through wholesale partners. The company also provides Labs which measures key markers over time and provides doctor-developed action plans. Hims & Hers Health, Inc. is based in San Francisco
Omada	Omada Health, Inc. provides a range of virtual care programs in the United States. The company offers cardiometabolic programs for prediabetes, diabetes, and hypertension; a physical therapy program to address musculoskeletal conditions; other support programs for members taking glucagon-like peptide-1 agonists in its cardiometabolic program; and weight management programs, as well as various behavioral health support programs. It also delivers virtual care. The company offers its programs for employers, health plans and systems, and pharmacy benefits managers through its direct sales force and channel partners. Omada Health, Inc. was incorporated in 2011 and is headquartered in San Francisco, California
Tempus AI	Tempus AI, Inc. operates as a healthcare technology company. It engages in providing next generation sequencing diagnostics, polymerase chain reaction profiling, molecular genotyping, and other anatomic and molecular pathology testing to healthcare providers, pharmaceutical companies, biotechnology companies, researchers, and other third parties. The company offers Insights, a license library of linked clinical, molecular, and imaging de-identified data, as well as a suite of analytical services to analyze and cloud-and-compute tools to pharmaceutical and biotechnology companies; and Tris that provides clinical trial matching services to pharmaceutical companies. In addition, it operates Next; Atlas, a suite of algorithmic tests in oncology; Hub, a desktop and mobile platform for ordering, managing, and receiving tests and patient results; and Lens, a platform for researchers and scientists to find, access, and analyze Tempus data. The company has a strategic collaboration agreement with AstraZeneca and Pathos AI, Inc. to develop therapeutic programs in oncology, as well as strategic collaboration with Personalis, Inc. and Whitehawk Therapeutics, Inc. The company was formerly known as Tempus Labs, Inc. and changed its name to Tempus AI, Inc. in January 2023. Tempus AI, Inc. was incorporated in 2015 and is headquartered in Chicago, Illinois
Waystar	Waystar Holding Corp. develops a cloud-based software solution for healthcare payments. Its platform offers financial clearance, patient financial care, claim and payment management, denial prevention and recovery, revenue capture, and analytics and reporting solutions. It primarily serves healthcare industry. The company was founded in 2017 and is headquartered in Lehi, Utah
Option Care Health	Option Care Health, Inc. offers home and alternate site infusion services in the United States. The company provides anti-infective therapy and services; home infusion services to treat heart failures; home parenteral nutrition and enteral nutrition support services for numerous acute and chronic conditions, such as stroke, cancer, and gastrointestinal diseases; immunoglobulin infusion therapies for the treatment of immune deficiencies; and treatments for chronic inflammatory disorders, including Crohn's disease, plaque psoriasis, psoriatic arthritis, rheumatoid arthritis, ulcerative colitis, and other chronic inflammatory disorders. It also offers treatments to manage the progression of neurological disorders, such as Duchenne muscular dystrophy, multiple sclerosis, Alzheimer's disease, and other neurological disorder; infusion therapies for bleeding disorders, such as hemophilia and von Willebrand diseases; therapies for women with high-risk pregnancies; and other infusion therapies to treat various conditions, including pain management, chemotherapy, and respiratory medications, as well as nursing services. The company markets its services through patient referrals, including physicians, hospital discharge planners, hospital personnel, health maintenance organizations, and preferred provider organizations. Option Care Health, Inc. is headquartered in Bannockburn, Illinois
GoodRx	GoodRx Holdings, Inc., together with its subsidiaries, offers information and tools that enable consumers to compare prices and save on their prescription drug purchases in the United States. The company operates a price comparison platform that provides consumers with curated, geographically relevant prescription pricing, and access to negotiated prices. It also offers other healthcare products and services, including subscriptions and pharma manufacturer solutions, as well as telehealth services through the GoodRx Care platform. In addition, the company provides healthcare products and solution for dogs, cats, and other pets. It serves pharmacy benefit managers who manage formularies and prescription transactions, including establishing pricing between consumers and pharmacies. The company was founded in 2011 and is headquartered in Santa Monica, California
Privia	Privia Health Group, Inc. operates as a national physician-enablement company in the United States. The company collaborates with physician practices, health plans, and health systems. It offers technology and population health tools to enhance providers' workflows; management services organization that enable providers to focus on their patients by reducing administrative work; and single-TIN medical group that facilitates negotiating power, clinical integration, and alignment of financial incentives. The company also operates accountable care organization, which engage patients, reduce inappropriate utilization, and enhance coordination and patient quality metrics to drive value-based care; and network for purchasers and payers that enable providers to connect with new patient populations and create custom contracts. The company was founded in 2007 and is headquartered in Arlington, Virginia
AdaptHealth	AdaptHealth Corp., together with its subsidiaries, distributes home medical equipment (HME), medical supplies, and home and related services in the United States. The company offers sleep therapy equipment, supplies, and related services, such as CPAP and bi-PAP services to individuals suffering from obstructive sleep apnea; medical devices and supplies, including continuous glucose monitors and insulin pumps for the treatment of diabetes; HME to patients discharged from acute care and other facilities; oxygen and related chronic therapy services in the home; and other HME devices and supplies on behalf of chronically ill patients with wound care, urological, incontinence, ostomy, and nutritional supply needs. It also provides wheelchair, oxygen beds, oxygen concentrators, insulin pumps, CPAP masks and related supplies, diabetes management and wound care supplies, wheelchair cushion accessories, orthopedic bracing, breast pumps and supplies, walkers, commodes and canes, and nutritional and incontinence supplies. The company services beneficiaries of Medicare, Medicaid, and commercial insurance payors. AdaptHealth Corp. was founded in 2012 and is headquartered in Plymouth Meeting, Pennsylvania
RadNet	RadNet, Inc., together with its subsidiaries, provides outpatient diagnostic imaging services in the United States and internationally. The company operates in two segments, Imaging Centers and Digital Health. Its services include magnetic resonance imaging, computed tomography, positron emission tomography, nuclear medicine, mammography, ultrasound, diagnostic radiology, fluoroscopy, and other related procedures, as well as multi-modality imaging services. The company also develops and sells computerized systems that distribute, display, store, and retrieve digital images; picture archiving communications systems and related services; and develops and deploys AI suites to enhance radiologist interpretation of breast, lung, and prostate images, as well as solutions for prostate cancer screening. In addition, it develops and delivers AI-powered health informatics solutions to drive quality, efficiency, and outcomes in imaging and radiology; informatics designed for outpatient radiology; and DeepHealth OS, a cloud-native operating system that helps in the operations of the radiology service. RadNet, Inc. was founded in 1981 and is headquartered in Los Angeles, CA
The Ensign Group	The Ensign Group, Inc. provides skilled nursing, senior living, and rehabilitative services. It operates through two segments: Skilled Services and Standard Bearer. The Skilled Services segment provides short and long-term nursing care services for patients with chronic conditions, prolonged illness, and the elderly; specialty care, such as on-site dialysis, ventilator care, cardiac, and pulmonary management; and standard services, such as room and board, special nutritional programs, social services, recreational activities, entertainment, and other services. The Standard Bearer segment leases post-acute care properties to healthcare operators. In addition, the company operates senior living units; and provides ancillary services consisting of digital x-ray, ultrasound, electrocardiograms, sub-acute services, dialysis, respiratory, and long-term care pharmacy and patient transportation to people in their homes or at long-term care facilities, as well as mobile diagnostics. The company operates healthcare facilities in Alabama, Alaska, Arizona, Colorado, Idaho, Iowa, Kansas, Oregon, Nebraska, Nevada, South Carolina, Tennessee, Texas, Utah, Washington and Wisconsin. The company was incorporated in 1999 and is based in San Juan Capistrano, California
Surgery Partners	Surgery Partners, Inc., together with its subsidiaries, owns and operates a network of surgical facilities and ancillary services in the United States. The company provides ambulatory surgery centers and surgical hospitals that offer non-emergency surgical procedures in various specialties, including orthopedics and pain management, ophthalmology, gastroenterology, and general surgery. It offers emergency departments; and ancillary services, such as multi-specialty physician practices, urgent care facilities, and anesthesia services. In addition, it offers single- and multi-specialty facilities. Surgery Partners, Inc. was founded in 2004 and is headquartered in Brentwood, Tennessee

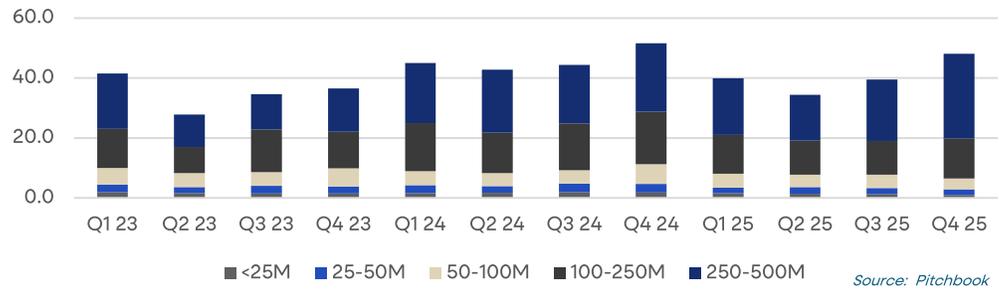


Total U.S. M&A deal value surged significantly in 2025, with estimates placing it well over \$2 trillion. This was fueled largely by 74 megadeals (\$5B-plus) in 2025—the most since 2021—of which more than 20% were AI-related.

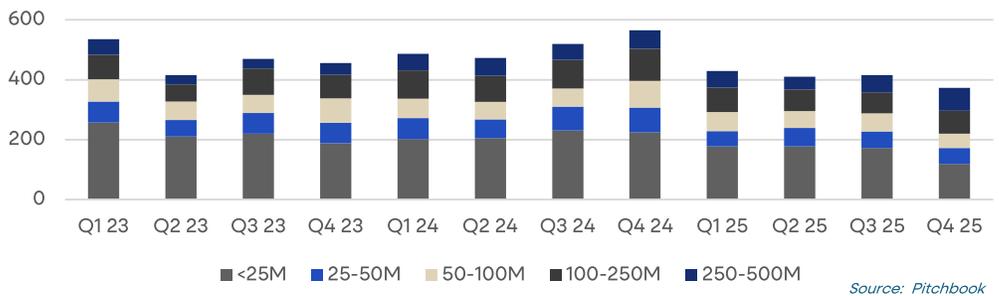
Activity in the Broader middle market (<\$500mm) remained soft due to ongoing economic uncertainty, recessionary fears, inflation concerns, international trade and tariff disputes and perceived political and geopolitical instability.

Aggregate venture and growth investing grew by ~60% over 2024, similarly driven by large, late-stage AI funding rounds. Private financing activity volumes, however, increased more modestly over that same period.

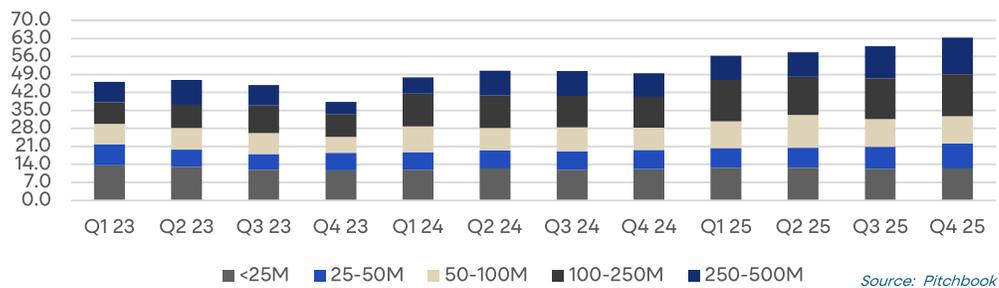
2025 Broader Middle-Market M&A Deal Value by Deal Size (in \$bn)



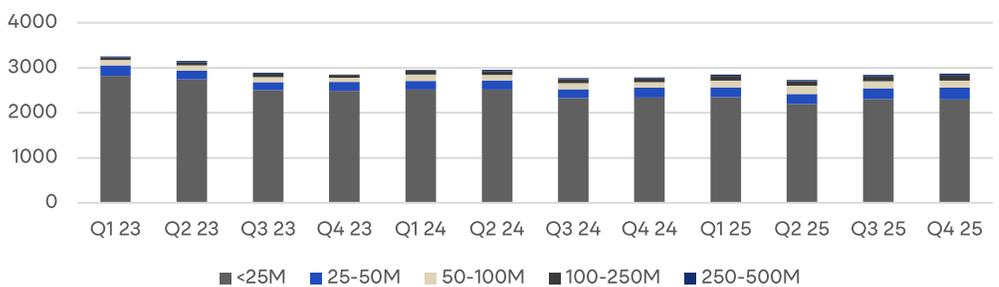
2025 Broader Middle-Market M&A Deal Count by Deal Size



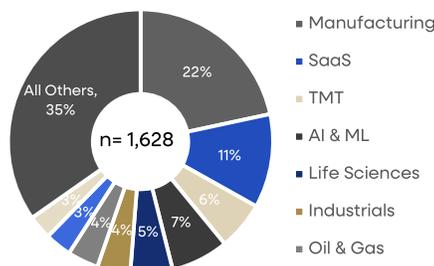
2025 Broader Middle-Market Private Financing Value by Deal Size (in \$bn)



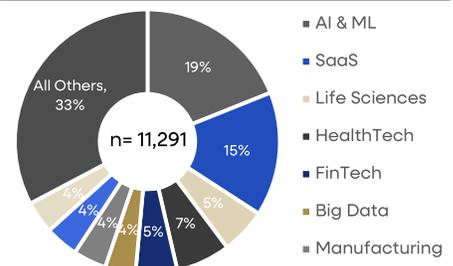
2025 Broader Middle-Market Private Financing Deal Count by Deal Size



2025 M&A by Sector



2025 Private Financings by Sector



Recent City Capital Healthcare Services Transactions

<p>A controlling interest of</p> <p>HAS BEEN ACQUIRED BY</p> <p>an affiliate of</p> <p>Medical University of South Carolina</p>	<p>CRA Compliance Risk Analyzer</p> <p>A BUSINESS UNIT OF DOCTORS' MANAGEMENT</p> <p>HAS BEEN ACQUIRED BY</p> <p>a portfolio company of</p>	<p>GREENSPRING MEDICAL AESTHETICS</p> <p>HAS BEEN ACQUIRED BY</p> <p>PRINCETON MEDSPA PARTNERS a portfolio company of</p>	<p>THE AFFILIATED DIALYSIS OPERATIONS OF</p> <p>HAS BEEN ACQUIRED BY</p>	<p>ARBOR CENTERS FOR EYECARE</p> <p>HAS BEEN ACQUIRED BY</p> <p>and</p>	<p>Sun Health, Inc.</p> <p>HAS BEEN ACQUIRED BY</p>
<p>Beaumont Health</p> <p>HAS ENTERED INTO A JOINT VENTURE WITH</p> <p>TO OWN AND OPERATE THE COMPANY'S OUTPATIENT DIALYSIS BUSINESS</p>	<p>KRU MEDICAL VENTURES NEW SMYRNA BEACH ARTIFICIAL KIDNEY CENTER</p> <p>HAS BEEN ACQUIRED BY</p>	<p>ASSOCIATES IN NEPHROLOGY</p> <p>HAS ACQUIRED A NON-CONTROLLING OWNERSHIP INTEREST IN 24 CHICAGO AREA DIALYSIS CENTERS FROM</p>	<p><i>Pacific Interventional</i> Vascular Access Center</p> <p>HAS ENTERED INTO A JOINT VENTURE TRANSACTION WITH</p>	<p>THE OPERATIONS AND ASSETS OF</p> <p>HAS BEEN ACQUIRED BY</p>	<p>CONFIDENTIAL</p> <p>HAS BEEN ACQUIRED BY</p>

Other Recent City Capital Transactions

<p>IRP RESEARCH PRODUCTS CORPORATION</p> <p>HAS ACQUIRED</p> <p>Excellence Without Compromise</p>	<p><i>St. Clair</i> FOODS</p> <p>HAS BEEN ACQUIRED BY</p>	<p>\$ 222,000,000</p> <p>J&S SNACK FOODS CORPORATION</p> <p>(NASDAQ:JJSF)</p> <p>HAS ACQUIRED</p>	<p>SUBSTANTIALLY ALL OF THE ASSETS OF</p> <p>HAVE BEEN ACQUIRED BY</p> <p>a portfolio company of</p>	<p>SWISS CROWN USA</p> <p>HAS BEEN ACQUIRED BY</p> <p>Your Complete Jewelry Source</p>	<p>NEXSPRING</p> <p>HAS BEEN ACQUIRED BY</p>
<p>\$ 130,000,000</p> <p>N Nearside</p> <p>HAS BEEN ACQUIRED BY</p>	<p>ROWPAR Rowpar Pharmaceuticals, Inc.</p> <p>HAS SOLD 100% OF ITS COMMON STOCK TO</p> <p>a portfolio company of</p>	<p>\$ 576,000,000</p> <p>Jayco</p> <p>HAS BEEN ACQUIRED BY</p>	<p>Rose PAVING CO.</p> <p>HAS BEEN ACQUIRED BY</p>	<p>brava</p> <p>HAS BEEN ACQUIRED BY</p>	<p>ATI Automotive Training Institute</p> <p>HAS BEEN ACQUIRED BY</p> <p>a portfolio company of</p>

Our sole mission is to provide senior level corporate finance advice and unparalleled execution services to leading middle market companies and their owners throughout North America.

Each City Capital Managing Director brings more than 20 years of M&A and capital markets experience to every engagement. Collectively, our senior bankers have completed more than 500 transactions valued in excess of \$60 billion.



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