

Healthcare M&A Quarterly Update

Q1 2026

Q1 2026 Healthcare Mergers and Acquisitions (M&A) Highlights

M&A Quarter Trends and Highlights

- There were 424 announced US transactions in Q1 2026, compared to 416 in the prior quarter. Industry trends of ambulatory investment, specifically within urgent care, continued in the quarter, with HCA Healthcare–affiliated organizations acquiring 13 urgent care centers from CommunityMed and six freestanding emergency departments from ZT Corporate.
- Medical group transactions led all health sectors, with 131 announced in the US in Q1, including the acquisition of MaxHealth by CenterWell Senior Primary Care, a subsidiary of Humana. MaxHealth operates 58 clinics and 24 affiliate clinics. Bloomberg estimated the organization’s value at \$1 billion.
- While total announced transactions increased in the quarter, specific sectors saw sharp declines. Announced hospital transactions, for example, decreased substantially after rebounding in the prior two quarters.

Relevant ECG Thought Leadership



- [“Healthcare Upside/Down: Advancing Physician Alignment and Leadership” \(ecgmc.com\)](#)
- [“Facing a Surge in Private Equity, Will ASCs Retain Their Identity?” \(ecgmc.com\)](#)
- [“Healthcare M&A Quarterly Update: Q4 2025” \(ecgmc.com\)](#)

Notable Q1 2026 Transactions

Universal Health Services
Announces Planned Acquisition of
Talkspace for \$835 Million



RWJBarnabas Signs Definitive
Agreement to Acquire Englewood
Health and Invest \$500 Million in
Outpatient Services



HCA Affiliates to Acquire 13 Urgent
Care Centers and Six Freestanding
Emergency Departments



Freeman Health System Signs
Definitive Agreement to Acquire Four
Arkansas Hospitals from CHS

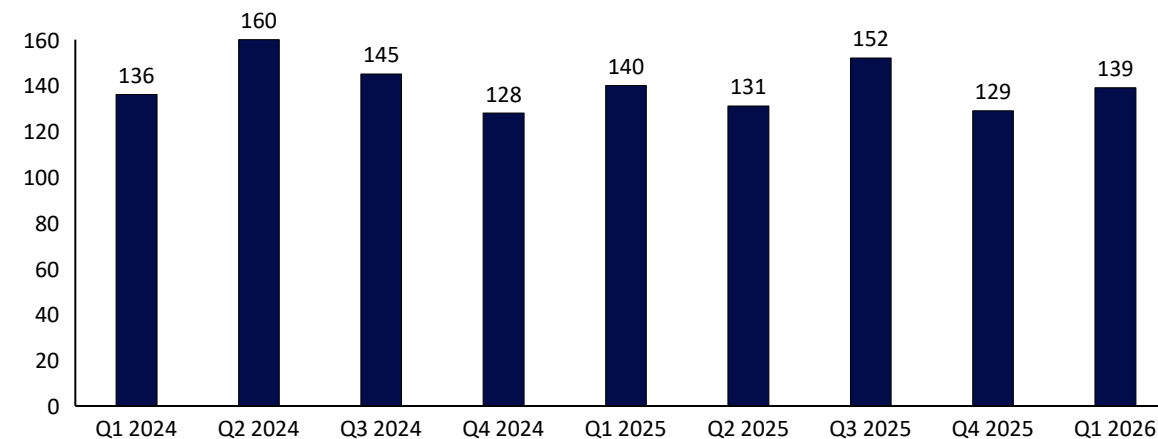


Private Equity in Healthcare

Private Equity Quarterly Synopsis

- In Q1 2026, there were 139 announced US healthcare private equity deals, compared to 129 in the prior quarter. The quarter was marked by two notable home health transactions: Kinderhook's acquisition of Enhabit for \$1.1 billion and Aveanna Healthcare's acquisition of Family First Homecare for \$175.5 million.
- Volatility in healthcare private equity deal volumes continued in the quarter. Q1 transaction counts were in line with the quarterly average over the last two years. This average is approximately 40 transactions lower than the average from Q1 2023 to Q4 2024.

Announced US Healthcare Private Equity Deals by Quarter



Significant Healthcare Private Equity Transactions: Q1 2026

Kinderhook has entered a definitive agreement to acquire Enhabit.



The transaction is valued at \$1.1 billion and is an all-cash deal. Enhabit is a national home health and hospice provider.

Aveanna Healthcare has entered an agreement to acquire Family First Homecare.



The transaction is valued at \$175.5 million. Family First Homecare provides pediatric home care and has 27 locations.

ACES, a part of General Atlantic, announced the acquisition of Ally Pediatric Therapy from SBJ Capital.



Ally Pediatric Therapy provides behavioral analysis and therapy services.

Quarterly Spotlight: Cross-State Health System Mergers

Cross-State Transaction Trends

- ➔ Health systems are prioritizing cross-state M&A activity that supports ambulatory growth and outpatient access. This is evidenced by Sutter Health's proposed transaction with Allina Health, in which Sutter's CEO emphasized the planned expansion of ambulatory and specialty care locations to help meet patient demand outside traditional hospital settings.
- ➔ Deal structures are evolving to limit integration risk while preserving local identity. Rather than fully blending organizations, recent cross-state transactions are structured to maintain regional brands and governance while centralizing capital, technology, and strategy.

Recent Notable Cross-Border Transactions

Sutter Health and Allina Health
Propose Transaction to Form
39-Hospital System



Prime Healthcare Expands
Multistate Footprint Through
Acquisition of Central
Maine Healthcare



Centurion Foundation Acquired
Two RI Hospitals from Prospect
Medical Holdings to Launch
CharterCARE Health of RI



WVU Health System to Acquire
Independence Health System,
a Five-Hospital System
in Pennsylvania



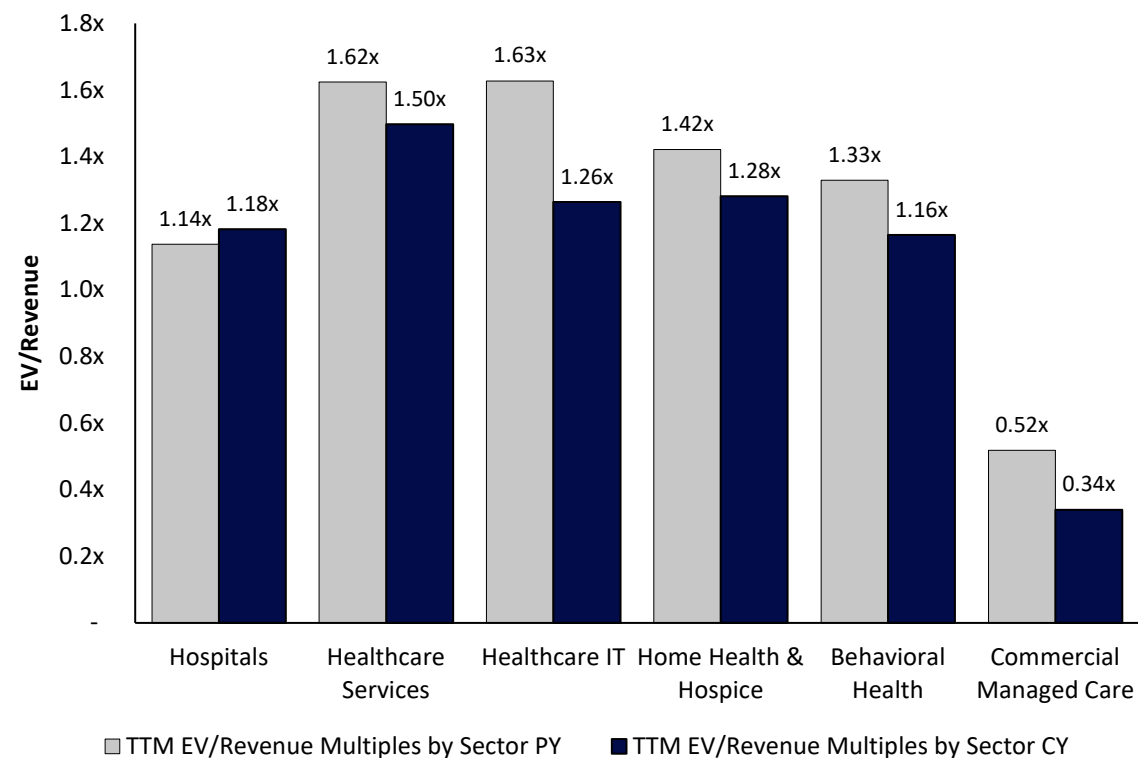
Why Cross-State Mergers?

- ➔ Geographic diversification helps systems manage market-specific and operating risk. Health systems are pursuing cross-state combinations to reduce dependence on single-state reimbursement environments and labor markets. Transactions such as Prime Healthcare's expansion into Maine reflect efforts to rebalance portfolios and stabilize cash flow across markets.
- ➔ Financial distress and market exits are creating cross-state acquisition opportunities. This dynamic has accelerated cross-state deals involving distressed or noncore assets, allowing acquirers to selectively enter new markets while enabling sellers to change their geographical footprint.

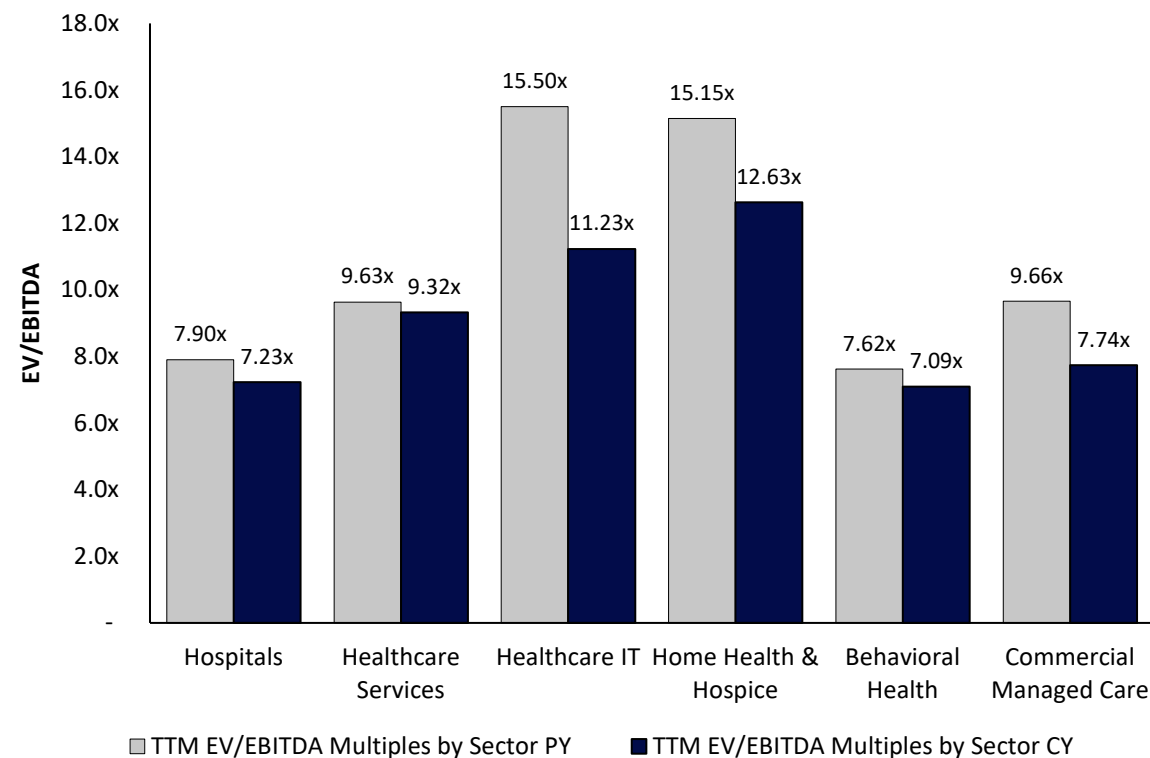
YOY TTM Revenue and EBITDA Medians by Sector

Public companies' ratios of EV to revenue and EBITDA decreased across nearly all analyzed sectors from TTM Q1 2025 to TTM Q1 2026.

Q1 2026 TTM Versus Q1 2025 TTM EV/Revenue



Q1 2026 TTM Versus Q1 2025 TTM EV/EBITDA



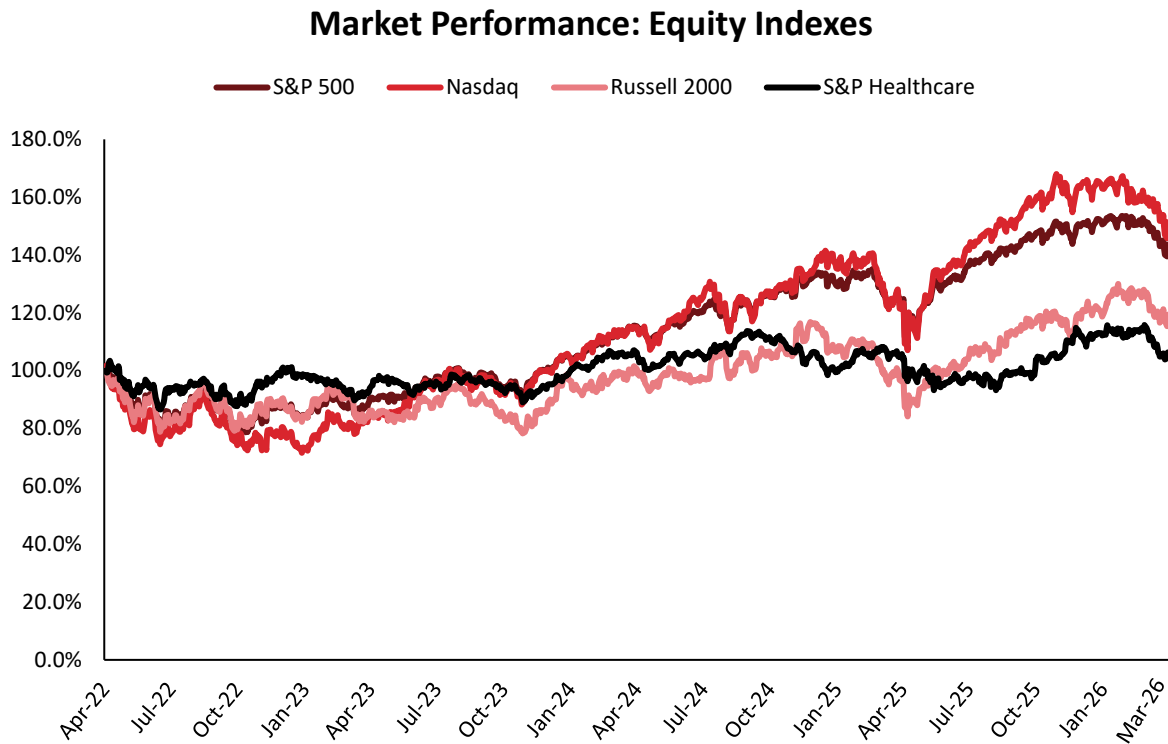
Source: S&P Capital IQ.

Notes: CY = current year; EV = enterprise value; PY = prior year; TTM = trailing 12 months; YOY = year over year. A list of companies included in each sector is shown at the end of this presentation. Comparisons reflect publicly available information as of April 2, 2026.

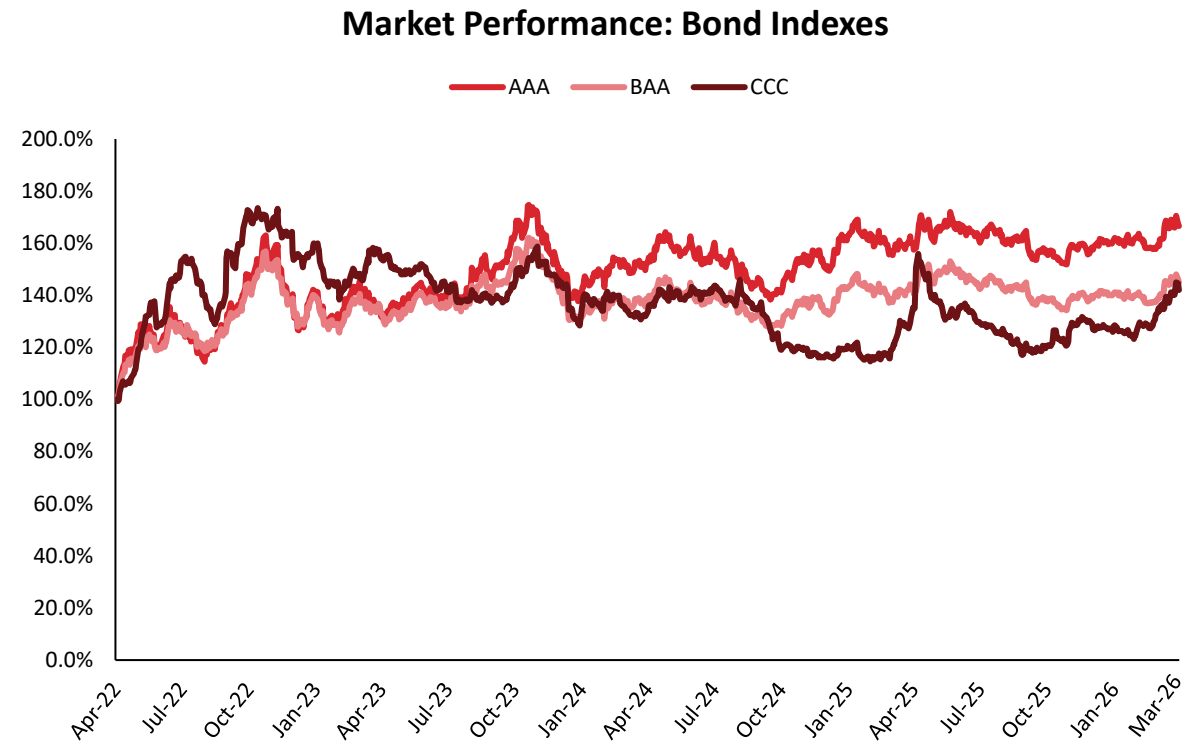
Equity and Bond Index Comparison

In Q1 2026, all analyzed equity indexes declined. The Nasdaq reported the largest drop. Bond indexes increased in Q1 2026, trending toward Q1 2025 levels.

Equity Index Trend



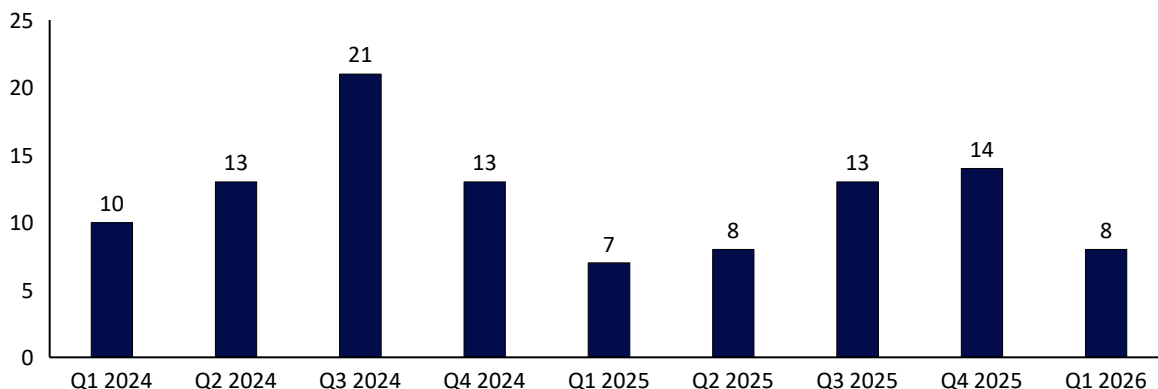
Bond Index Trend



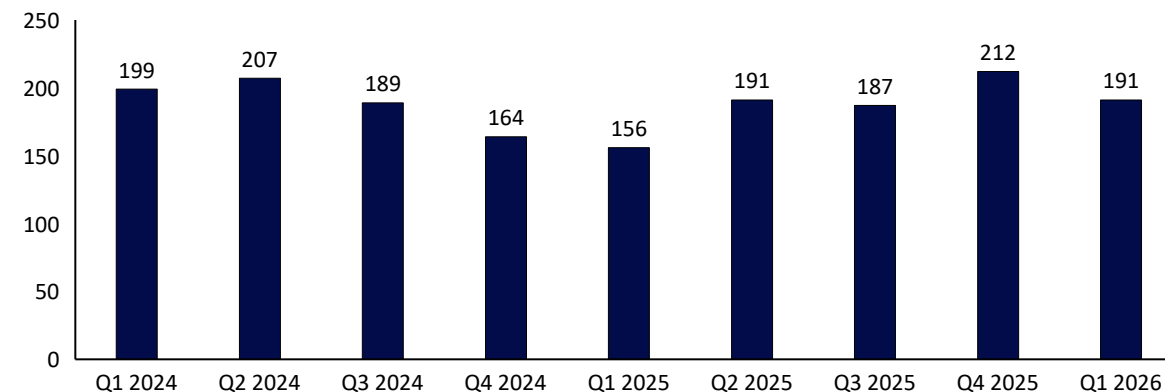
Sources: S&P Capital IQ and Federal Reserve Bank of St. Louis.

Quarterly Transaction Trends by Sector¹

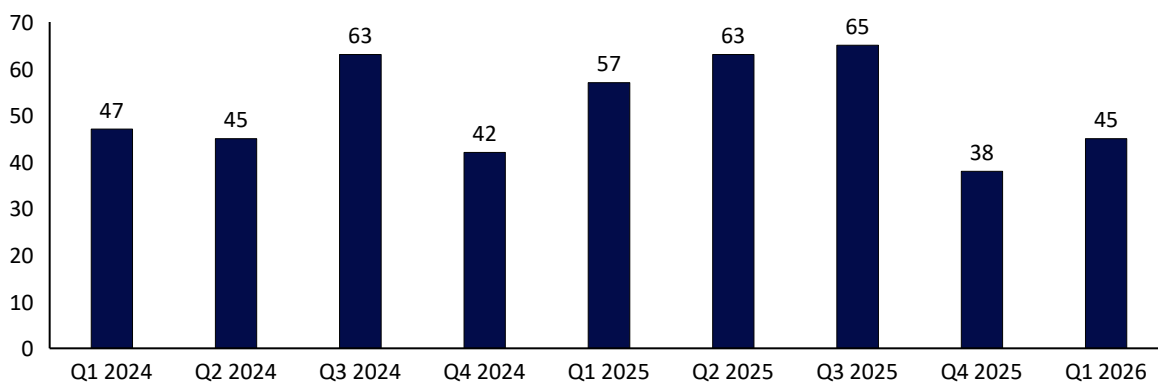
Hospitals



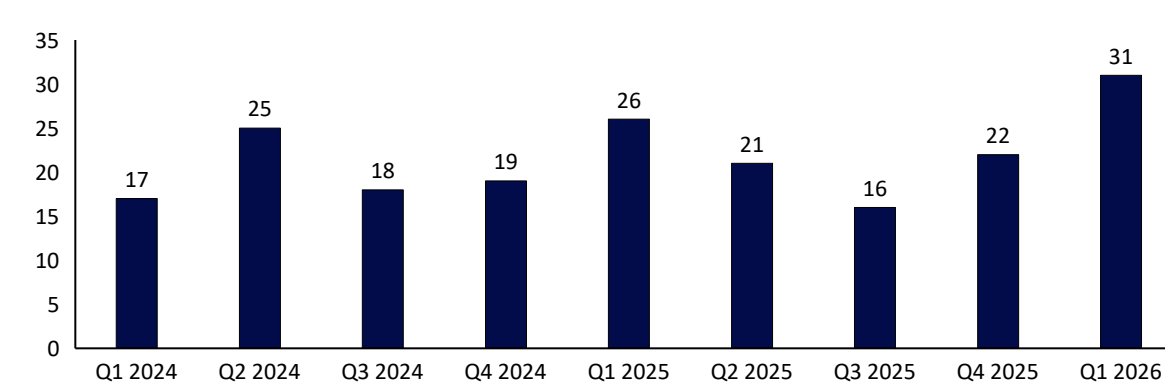
Healthcare Services



Health Tech



Home Health and Hospice

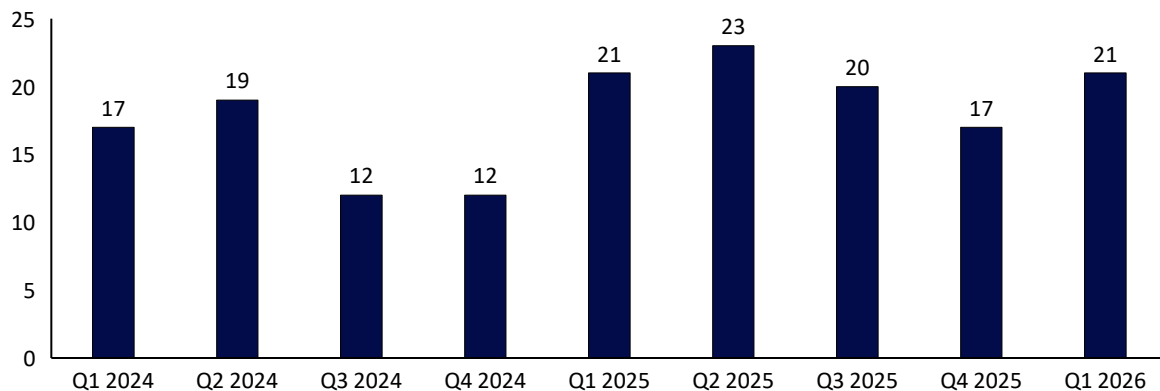


Source: LevinPro Healthcare M&A. Note: Transaction volumes for prior quarters were not adjusted retroactively.

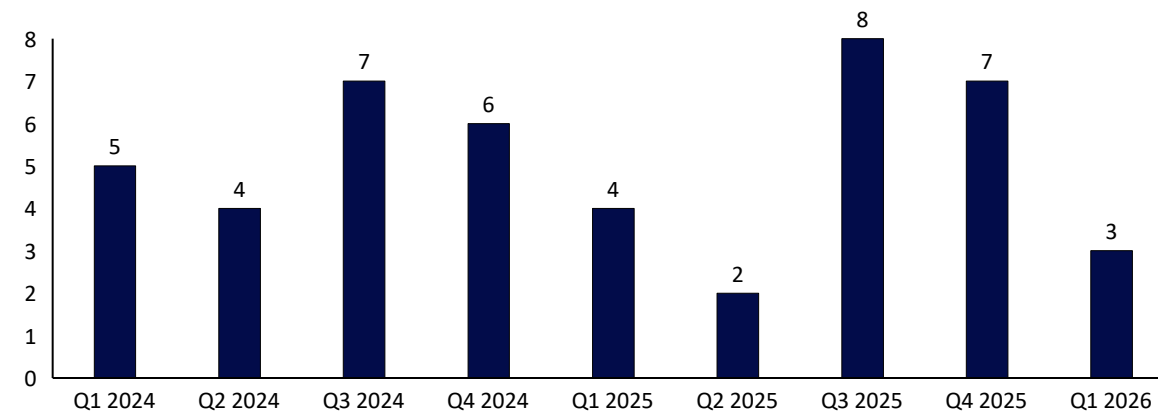
¹ Health services include deals in biotechnology, laboratories, MRA and dialysis, ACOs, ASCs, chiropractic, CROs, GPOs, health clinics, payments and billing, home equipment, infusion, occupational health, organ transplant, outpatient clinics, population health, primary and value-based care, specialty pharmacy, urgent care, pharmaceuticals, physician medical groups, and rehabilitation. All transaction counts sourced from LevinPro Healthcare M&A.

Quarterly Transaction Trends by Sector *(continued)*

Behavioral Health



Managed Care



Following an increase in announced US hospital transaction volumes over the last two quarters, Q1 2026 saw a decrease to eight announced transactions, compared to 14 in the prior quarter.



Health tech, home health and hospice, and behavioral health all experienced increases in deal volumes in Q1 2026, with a combined quarter-over-quarter increase of 20 transactions.

ECG Mergers, Acquisitions, and Partnerships (MAP) Team Leadership

From our more than five decades of experience, we have learned that successful problem-solving requires deep industry knowledge and expertise, rigorous data and analytics, strategic foresight, political and organizational savvy, and, most importantly, practical solutions that get implemented.



Mark Johnston

Partner

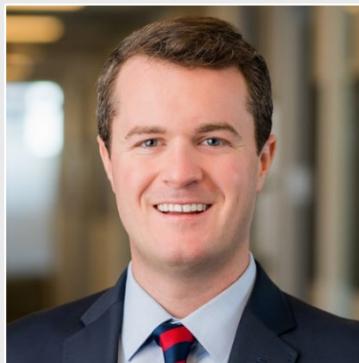
mjohnston@ecgmc.com



Brian Barnthouse

Principal

bpbarntouse@ecgmc.com



Sean O'Donovan

Associate Principal

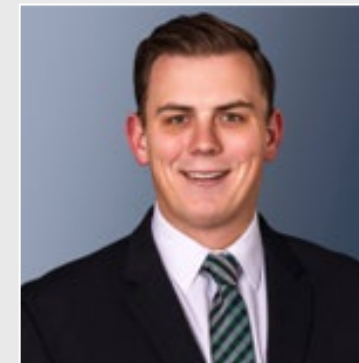
smodonovan@ecgmc.com



Ed Moran

Associate Principal

edmoran@ecgmc.com



Kyle Gallagher

Associate Principal

kgallagher@ecgmc.com

Additional MAP Team Members

Drew Schroeder, Manager: apschroeder@ecgmc.com

Pete Zindler, Manager: pjzindler@ecgmc.com

Vasco Zamudio Estatué, Senior Consultant: vzamudioestatué@ecgmc.com

Aakarsh Goyal, Senior Consultant: agoyal@ecgmc.com

Lucas Hein, Senior Consultant: lwhein@ecgmc.com

Michael Welcer, Senior Consultant: mcwelcer@ecgmc.com

Matt Chung, Consultant: michung@ecgmc.com

Ryan Buto, Consultant: rcbuto@ecgmc.com

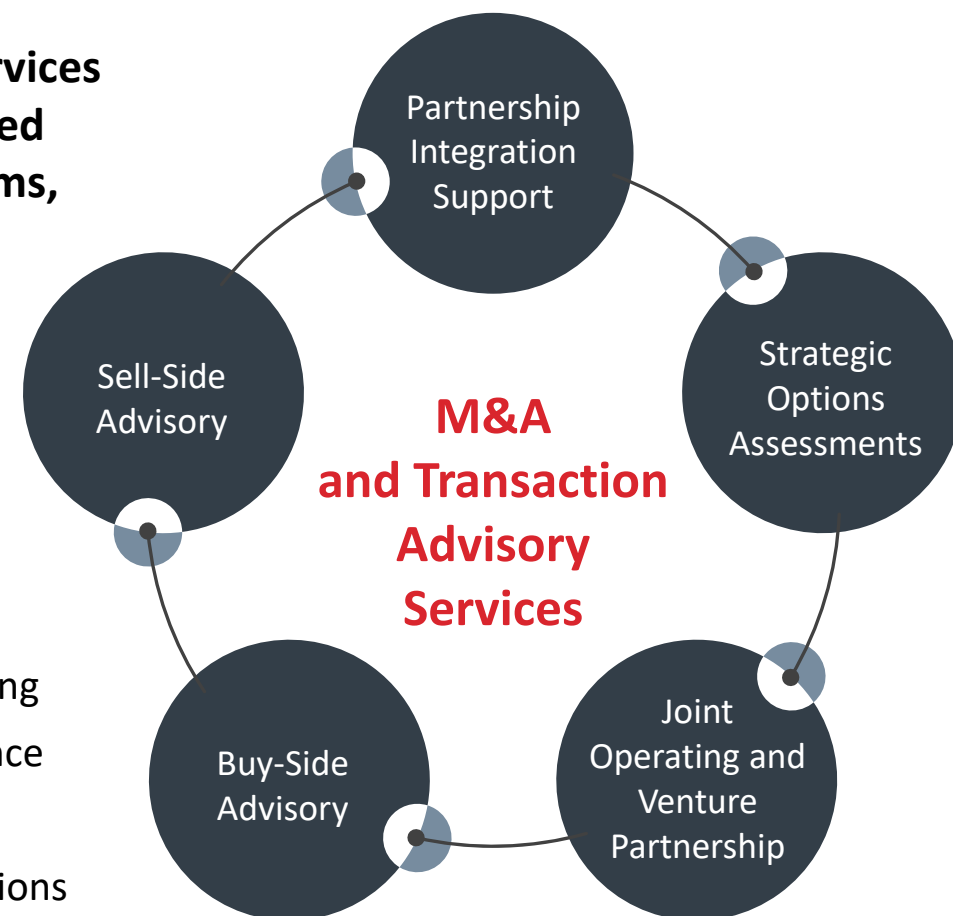
Holden Welter, Analyst: hcwelter@ecgmc.com

ECG's M&A and Transaction Advisory Practice

ECG offers a broad range of M&A and partnership transaction advisory services to healthcare providers. As a leader in the industry, ECG provides specialized expertise to community hospitals, academic medical centers, health systems, medical groups, and physician enterprises as they seek strategic partners. Professionals at ECG can provide guidance from the commencement of a transaction through integration.

Specific Areas of Expertise

- ➔ Transaction planning and coordination
- ➔ Transaction structuring and governance
- ➔ LOI development and negotiation
- ➔ Definitive agreement negotiation
- ➔ Business, asset, and contract valuation
- ➔ RFP development and response
- ➔ Partner solicitation and market making
- ➔ Financial and operational due diligence
- ➔ Posttransaction integration
- ➔ Fair market value and fair value opinions



Selected Companies by Sector

Hospitals

Ardent Health (ARDT), HCA Healthcare (HCA), Tenet Healthcare Corporation (THC), and Community Health Systems (CYH).

Healthcare Services

Abbott Laboratories (ABT), Ardent Health (ARDT), Laboratory Corporation of America Holdings (LH), Myriad Genetics (MYGN), NeoGenomics (NEO), Quest Diagnostics (DGX), CareCloud (CCLD), Teladoc Health (TDOC), Acadia Healthcare Company (ACHC), Community Health Systems (CYH), DaVita (DVA), Encompass Health Corporation (EHC), HCA Healthcare (HCA), Pediatrix Medical Group (MD), National HealthCare Corporation (NHC), Select Medical Holdings Corporation (SEM), Surgery Partners (SGRY), Tenet Healthcare Corporation (THC), the Ensign Group (ENSG), GoodRx Holdings (GDRX), and Universal Health Services (UHS).

Healthcare IT

CareCloud (CCLD), Certara (CERT), TruBridge Inc. (TBRG), the Craneware Group (CRW), Definitive Healthcare (DH), Doximity (DOCS), Evolent Health (EVH), Health Catalyst (HCAT), Healthcare Triangle Inc. (HCTI), HealthStream (HSTM), National Research Corporation (NRC), Omnicell (OMCL), OptimizeRx Corporation (OPRX), Phreesia (PHR), and RCM Technologies (RCM).

Home Health and Hospice

Addus HomeCare Corporation (ADUS), Aveanna Healthcare Holdings (AVAH), Brookdale Senior Living (BKD), Chemed Corporation (CHE), InnovAge Holding (INNV), Option Care Health (OPCH), the Pennant Group (PNTG), and Sonida Senior Living (SNDA).

Behavioral Health

Acadia Healthcare Company (ACHC), LifeStance Health Group (LFST), and Universal Health Services (UHS).

Commercial Managed Care

Humana (HUM), Cigna (CI), UnitedHealth Group (UNH), Progyny (PGNY), Alignment Healthcare (ALHC), and Elevance Health (ELV).