ECG MANAGEMENT CONSULTANTS

A Siemens Healthineers Company

Healthcare M&A Quarterly Update

Q2 2026

Q2 2026 Healthcare Mergers and Acquisitions (M&A) Highlights

M&A Quarter Trends and Highlights

- There were 375 announced US transactions in Q2 2026, compared to 424 in the prior quarter. In June, Ascension closed its $3.9 billion acquisition of AMSURG, adding more than 250 ASCs across the country. As part of the approval requirements, the FTC directed Ascension to divest seven ASCs in select markets for competitive purposes.
- Medical group transactions led all health sectors, with 94 announced in the US in Q2, including Henry Ford Health's acquisition of Cornerstone Medical Group. Cornerstone's more than 80 providers will join the Henry Ford Medical Group and will participate in the Mosaic Clinically Integrated Network alongside more than 5,000 providers across Michigan.
- Q2 saw a decrease in total announced US healthcare transactions, following five quarters of consecutive increases.

Notable Q2 2026 Transactions

Lifepoint Health Completes Acquisition of 8 Scion Health Hospitals Across 6 States

Lifepoint Health / ScionHealth

HCA Healthcare Acquires 17 Urgent Care Clinics in the Carolinas from Urgent Care Group

HCA Healthcare / Urgent Care Group

Ascension Closes $3.9 Billion Acquisition of AMSURG

Ascension / AMSURG

Sanford Health and North Memorial Health Announce Merger Plans

Sanford Health / North Memorial Health

Relevant ECG Thought Leadership

- "Publicly Traded Hospital Quarterly Earnings Release: Q1 2026" (ecgmc.com)
- "ECG's Health Plan Quarterly Report: Q4 2025" (ecgmc.com)
- "Healthcare Upside/Down: Leading Academic Health Systems Through Growth, Integration, and Complexity" (ecgmc.com)

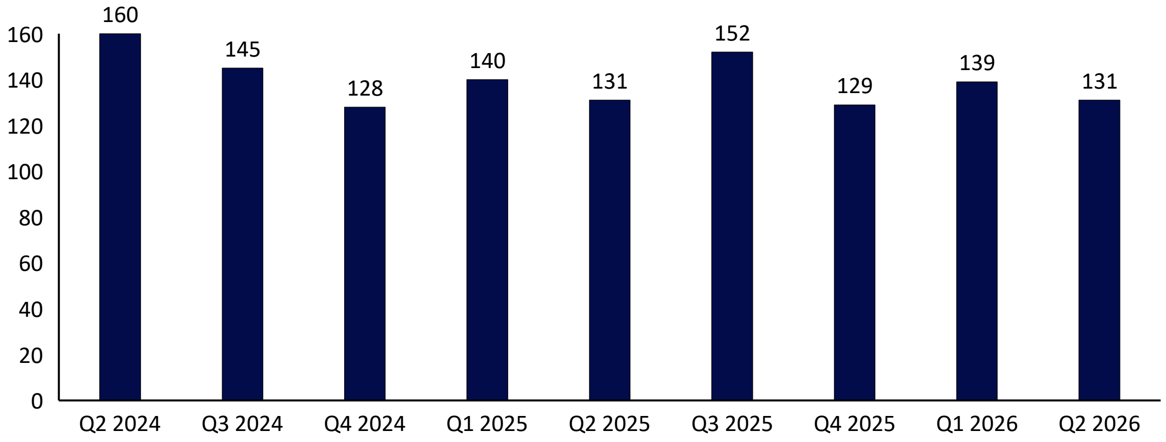
Sources: *Becker's Hospital Review*, Fierce Healthcare, company press releases, and LevinPro Healthcare M&A.
Note: Transaction volumes for prior quarters were not adjusted retroactively.

Private Equity in Healthcare

Private Equity Quarterly Synopsis

- In Q2 2026, there were 131 announced US healthcare private equity deals, compared to 139 in the prior quarter. The quarter was marked by General Atlantic's acquisition of TEAM Services Group, a home health transaction valued at $3 billion, continuing the trend of home health private equity acquisitions highlighted in previous quarterly updates.
- Healthcare private equity deal activity remained volatile this quarter, with transaction counts declining in Q2 2026. This continues a pattern observed since late 2024, where periods of quarter-over-quarter growth are consistently followed by subsequent declines.

Announced US Healthcare Private Equity Deals by Quarter



Significant Healthcare Private Equity Transactions: Q2 2026

General Atlantic completed the purchase of TEAM Services Group, a San Diego home-based care services company, from Alpine Investors.

GENERAL ATLANTIC ALPINE
TEAM SERVICES GROUP

The transaction was valued at $3.0 billion.

Avanos Medical Inc. entered into a definitive agreement to be acquired by American Industrial Partners affiliates.

AVANOS AMERICAN INDUSTRIAL PARTNERS

Avanos is a leading medical technology company valued at $1.3 billion in the all-cash deal.

Esperion has entered a definitive agreement under which funds managed by ARCHIMED will acquire the company.

ESPERION
ARCHIMED

Esperion is a commercial stage biopharmaceutical company valued at up to $1.1 billion.

Sources: LevinPro Healthcare M&A and company press releases.
Note: Transaction volumes for prior quarters were not adjusted retroactively.

Quarterly Spotlight: Academic Health Systems

Financial Pressures

- Academic health systems are also facing financial pressures like community health systems nationwide, including rising labor and supply costs and an increasingly difficult reimbursement landscape.
- These academic health systems face structurally higher expense profiles due to their tripartite mission, with added costs related to research and education. They also frequently maintain specialized services, trauma capacity, and other essential community resources that can be difficult to sustain financially. External funding pressures (e.g., constraints on NIH and other governmental support) create additional financial challenges for academic medical centers already operating at thinner margins.

Continued Inorganic Growth

- Financial distress is driving increased M&A activity across the health system landscape. Despite facing similar, and often greater, financial pressures than community hospitals, academic health systems remain active acquirers and frequently emerge as partners of choice.
- Academic health systems seek these partnerships to optimize care delivery across the continuum, directing lower-acuity care to community settings. These transactions often combine complementary strengths, diversify patient populations and payer mixes, and support public policy goals aimed at preserving local healthcare access. The resulting alignment can create mutual value through broader referral networks, enhanced patient access, and stronger clinical talent pipelines.

Recent Notable Academic Health System Transactions

June 2026: WVU Health System Signs Definitive Agreement to Acquire Independence Health System

May 2026: University of Pittsburgh Medical Center (UPMC) Agrees to Acquire Ohio-Based Trinity Health System

March 2026: UConn Health Completes Acquisition of Waterbury Hospital from Prospect Medical Holdings

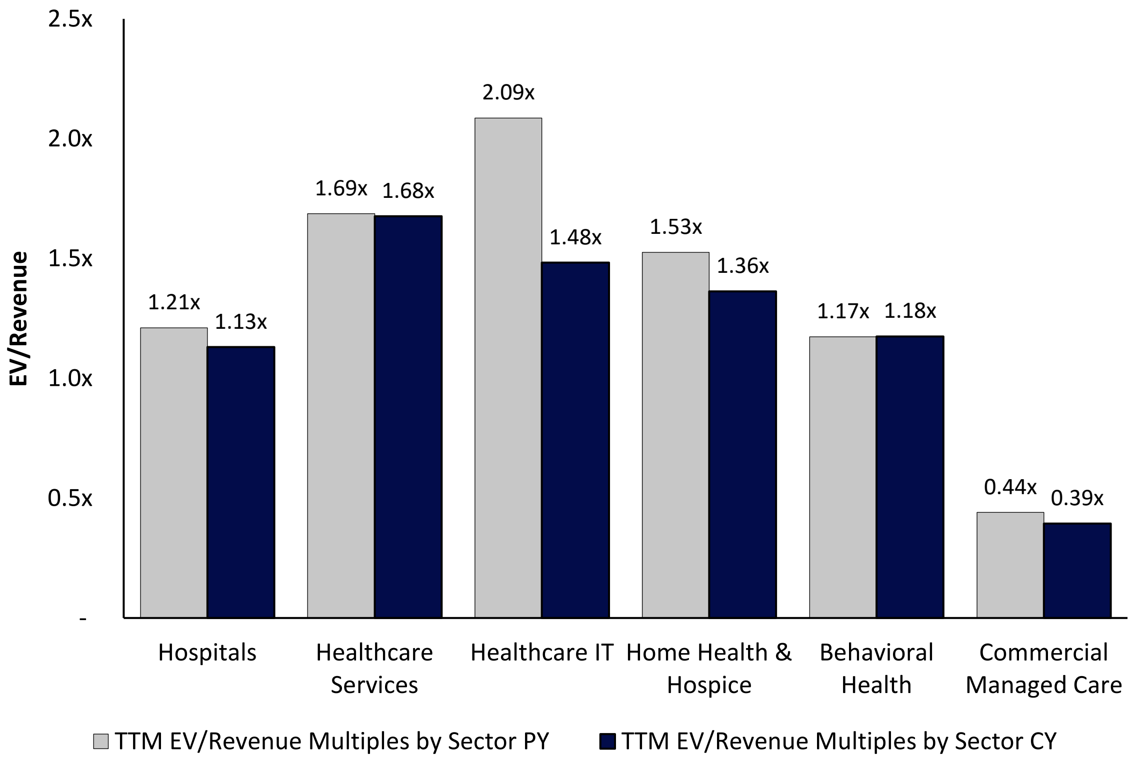
February 2026: Vanderbilt Health Acquires Tennova Healthcare's Clarksville Hospital and Related Clinics from CHS

Sources: *Becker's Hospital Review* and company press releases.

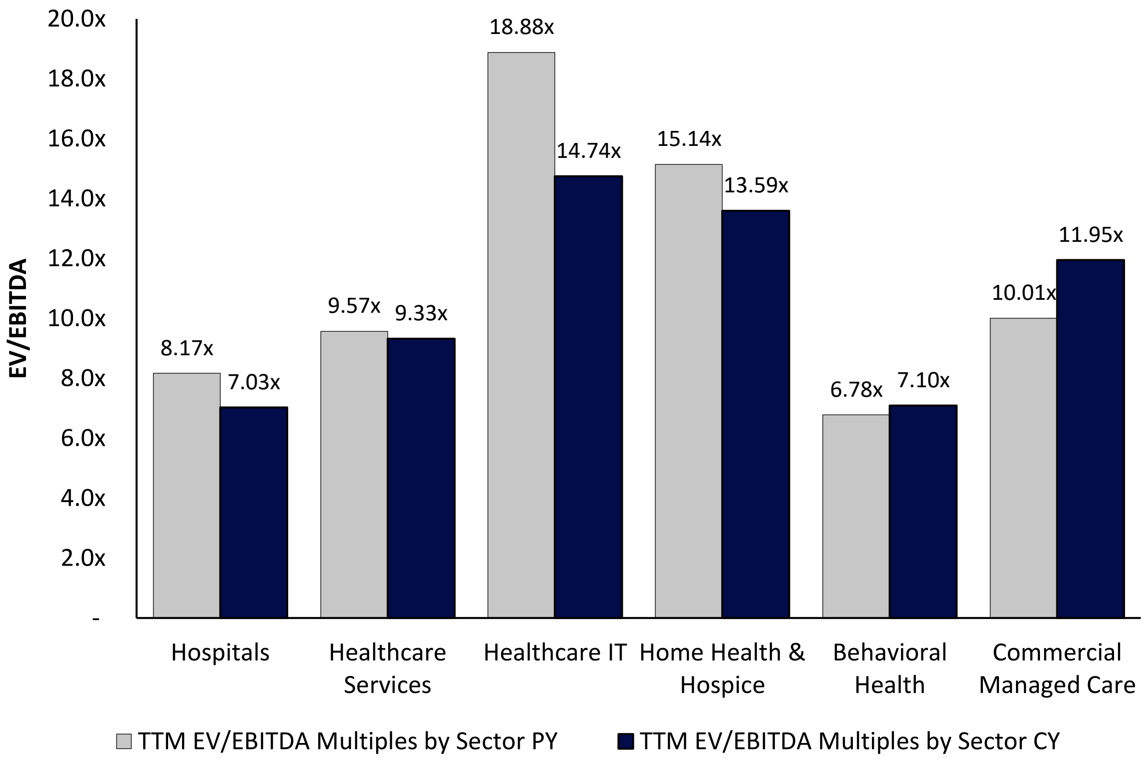
YOY TTM Revenue and EBITDA Medians by Sector

Public companies' ratios of EV to revenue and EBITDA decreased across most analyzed sectors from TTM Q2 2025 to TTM Q2 2026.

Q2 2026 TTM Versus Q2 2025 TTM EV/Revenue



Q2 2026 TTM Versus Q2 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 July 1, 2026.

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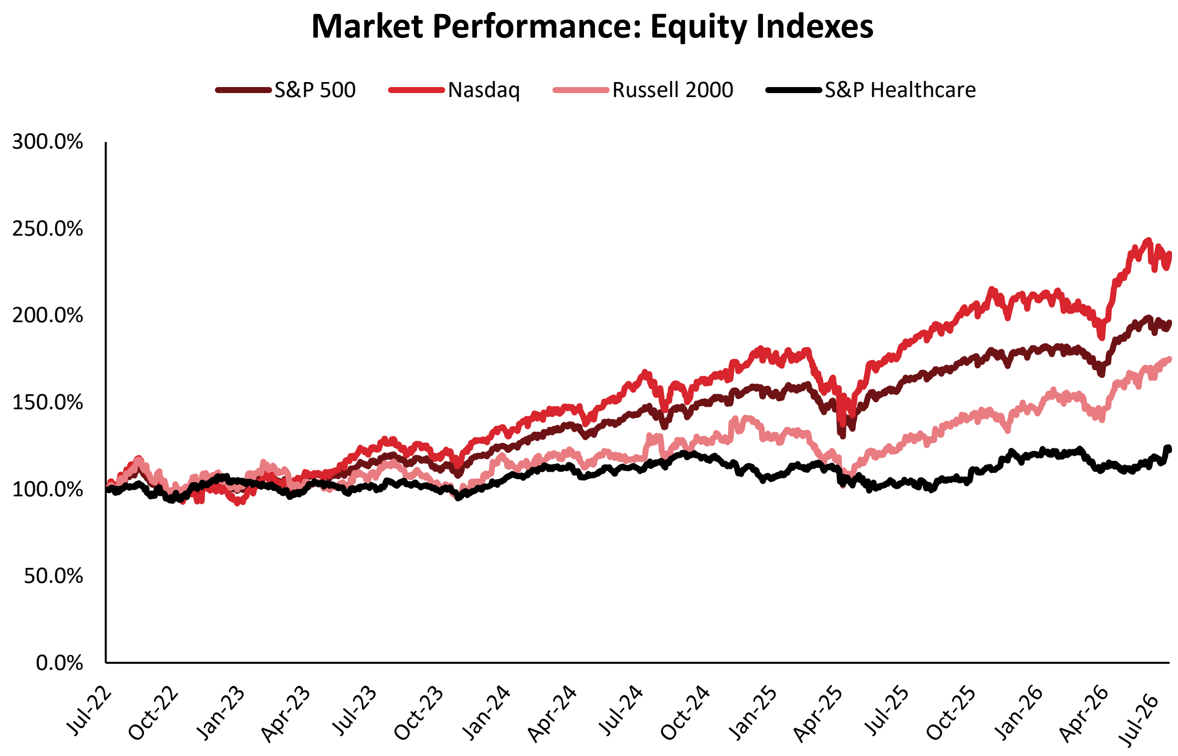
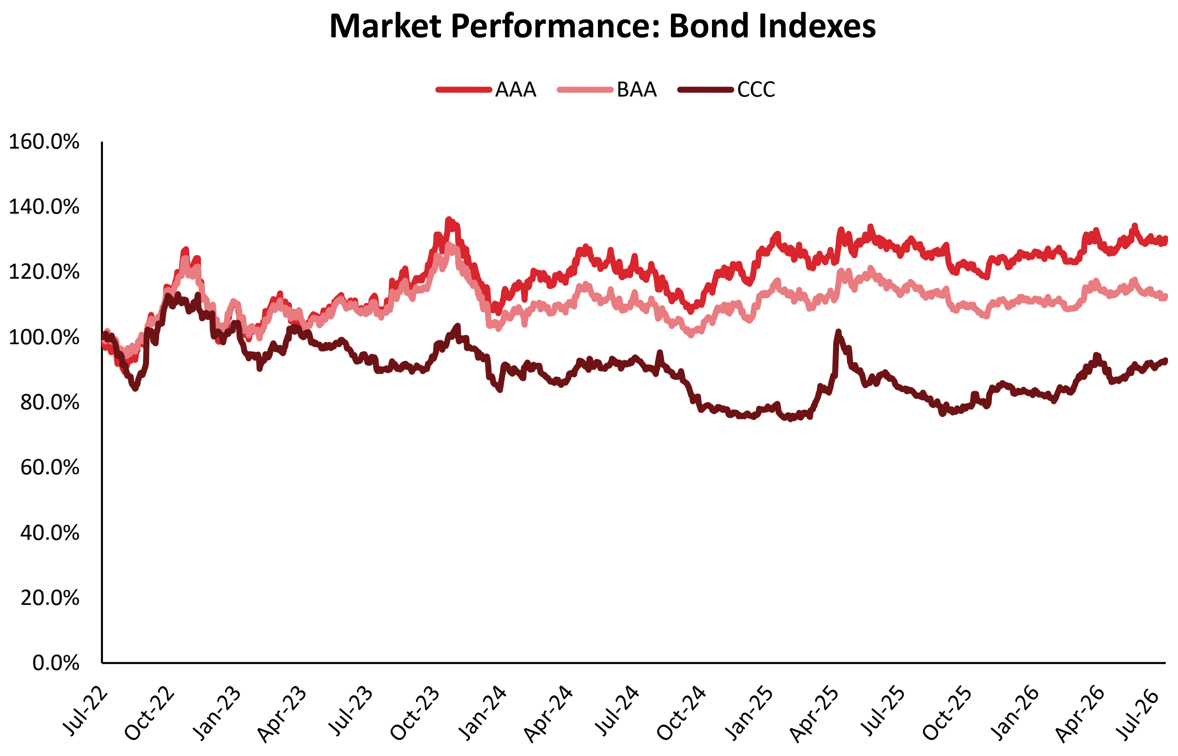
Equity and Bond Index Comparison

In Q2 2026, all analyzed equity indexes rebounded from Q1 declines, led by the Nasdaq, while bond indexes remained relatively stable and continued trending toward historical levels.

Equity Index Trend



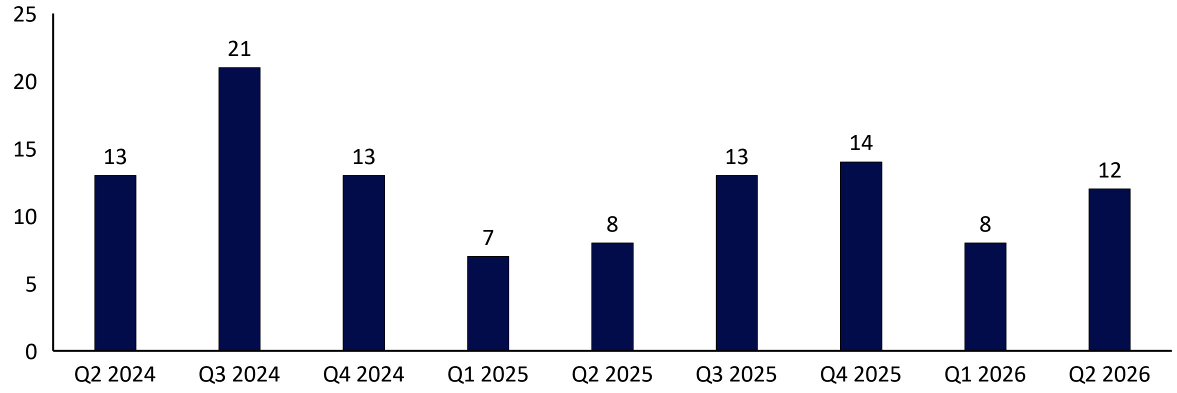
Bond Index Trend



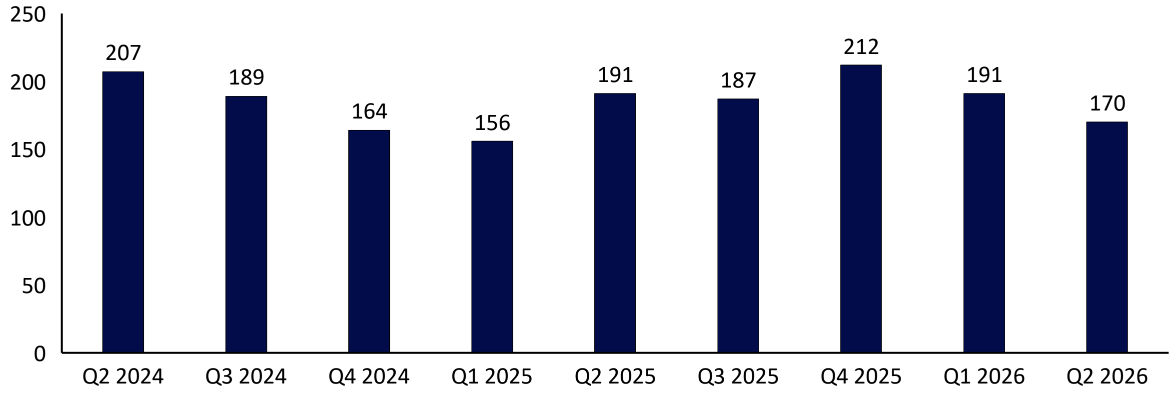
Sources: S&P Capital IQ and Federal Reserve Bank of St. Louis.

Quarterly Transaction Trends by Sector[1]

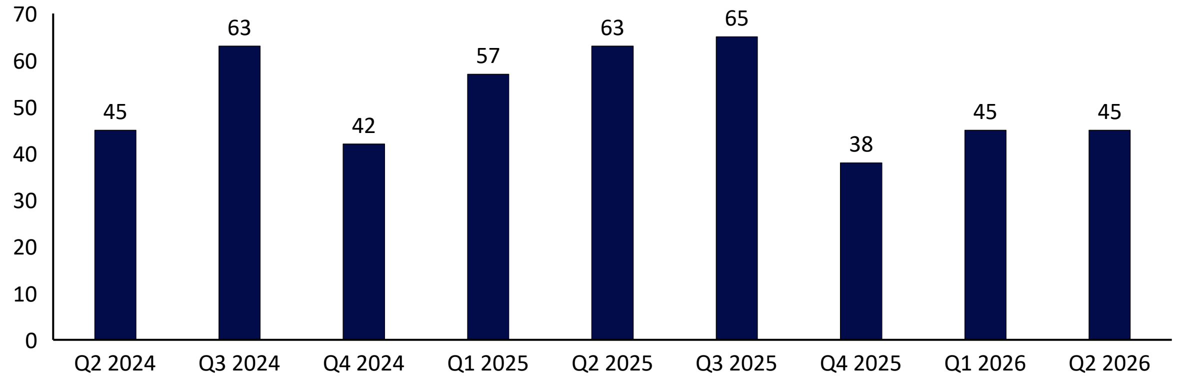
Hospitals



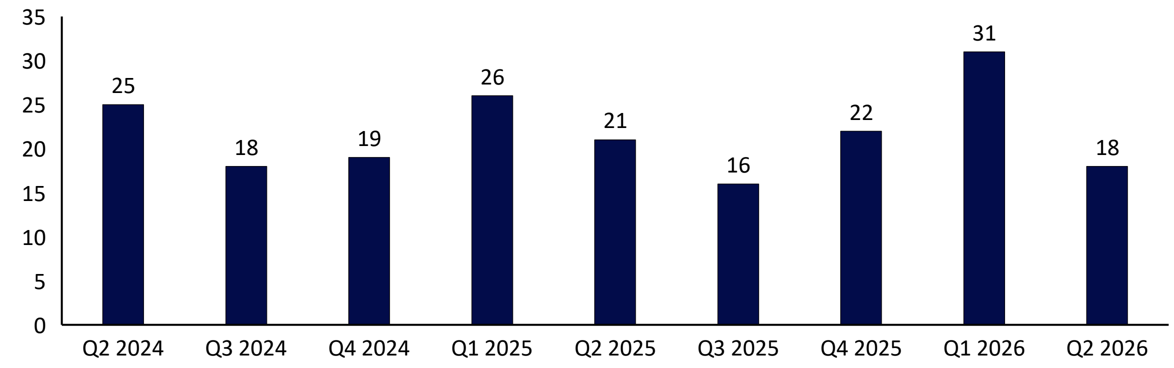
Healthcare Services



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.

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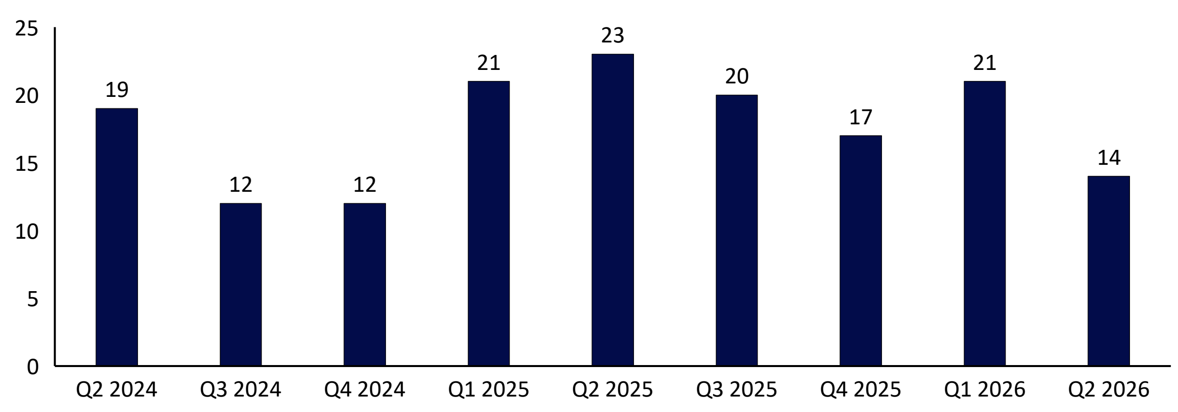
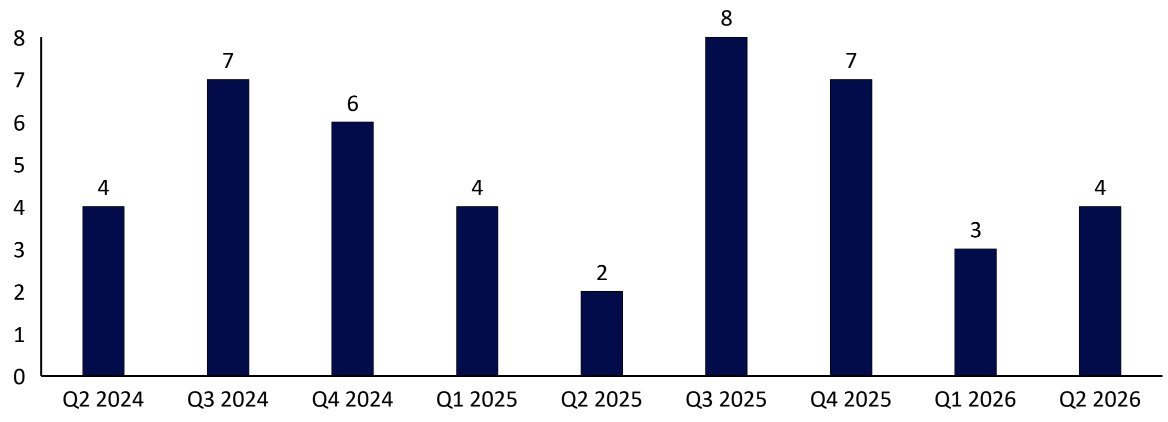
Quarterly Transaction Trends by Sector *(continued)*

Behavioral Health



Managed Care



- US hospital transaction volumes rebounded from Q1 2026 levels, with 12 deals announced in Q2 2026.
- Total healthcare transaction counts decreased from the prior quarter, with analyzed sectors driving the decrease, including home health and hospice, behavioral health, and healthcare services.

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

ECG Mergers, Acquisitions, and Partnerships 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.

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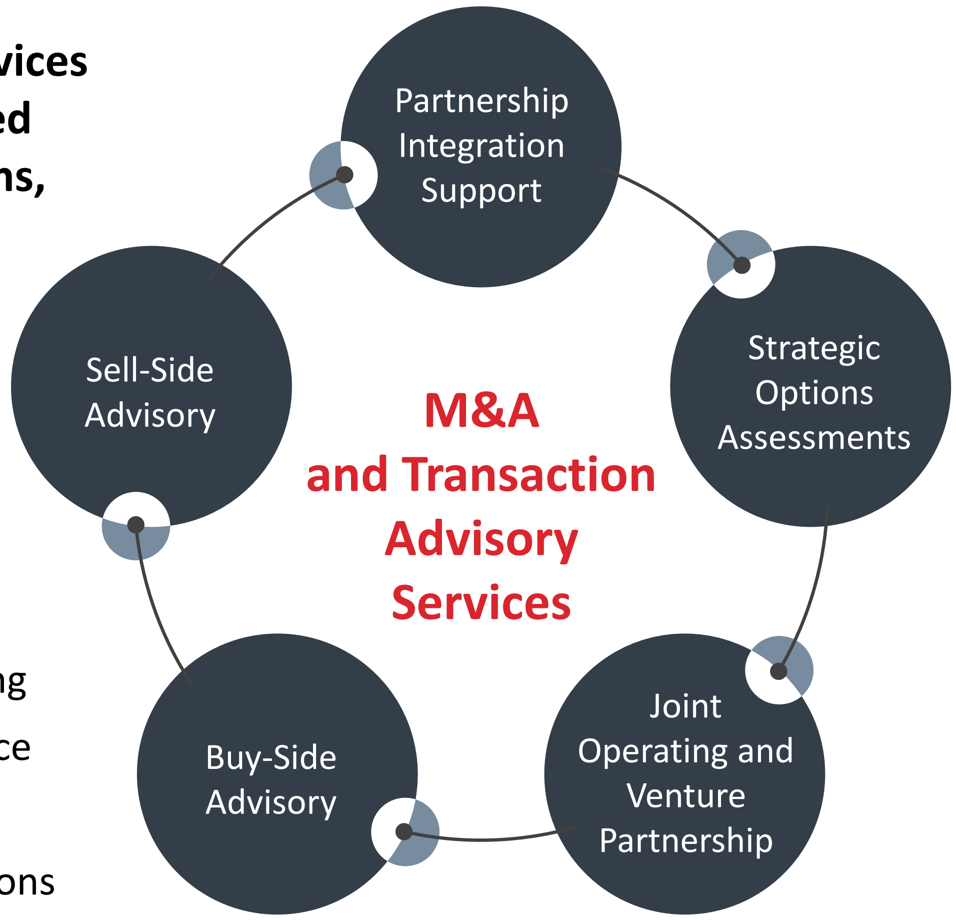
ECG's M&A and Transaction Advisory Practice

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 Gynetics (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).