

Healthcare M&A Quarterly Update

Q3 2026

Q3 2026 Healthcare Mergers and Acquisitions (M&A) Highlights

M&A Quarter Trends and Highlights

- ➔ There were 315 announced US transactions in Q3 2026, compared to 375 in the prior quarter. In the quarter, Prisma Health announced plans to acquire Erlanger Health System, a Chattanooga-based system of seven hospitals with over \$1.5 billion in annual revenue. As part of the transaction, Prisma Health plans to commit \$2 billion of strategic capital to the Chattanooga area.
- ➔ Medical group transactions led all health sectors in announced transactions, with 90 in the US in Q3, including Avera Health's acquisition of the Center for Neurosciences, Orthopaedics & Spine (CNOS). CNOS has over 100 physicians, advanced practice providers, and other clinical specialists across nine specialties.
- ➔ Total announced transactions continued to decline in Q3, marking the sixth consecutive quarter of decreasing deal volume.

Relevant ECG Thought Leadership

- ["ECG 2026 Survey Report: State of AI Adoption in Healthcare" \(ecgmc.com\)](#)
- ["Publicly Traded Hospital Quarterly Earnings Release: Q2 2026" \(ecgmc.com\)](#)
- ["Analysis of the Proposed 2027 Medicare Physician Fee Schedule: Another Year of Uncertainty" \(ecgmc.com\)](#)

Notable Q3 2026 Transactions

Prisma Health Signs LOI to Acquire
Erlanger Health System



HCA Healthcare Acquires Texas
MedClinic, a Network of 40 Urgent
Care Centers



HealthPartners and Essentia Health
Announce Plans to Combine



Ascension Saint Thomas Plans to
Acquire Williamson Health for Nearly
\$1 Billion

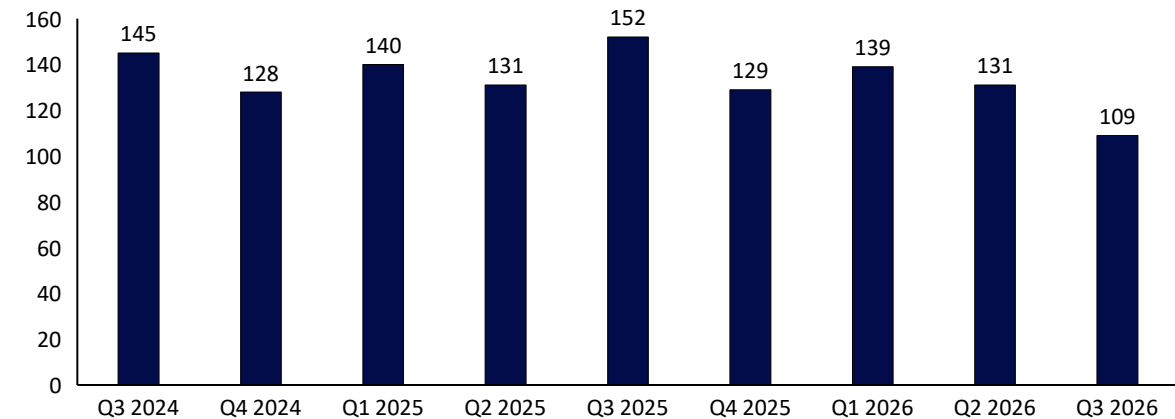


Private Equity in Healthcare

Private Equity Quarterly Synopsis

- In Q3 2026, there were 109 announced US healthcare private equity deals, compared to 131 in the prior quarter. The quarter was marked by a KKR affiliate's acquisition of Integer, a medical device contract development and manufacturing transaction valued at \$5.7 billion.
- Healthcare private equity deal volume declined for the second consecutive quarter, reaching a two-year low and signaling a departure from the recent pattern of activity rebounding after a quarterly slowdown.

Announced US Healthcare Private Equity Deals by Quarter



Significant Healthcare Private Equity Transactions: Q3 2026

Integer is being acquired by an affiliate of investment funds managed by KKR in an all-cash transaction valued at \$5.7 billion.



Integer is a global medical device contract development and manufacturing organization.

Healthpeak Properties and Brookfield Asset Management announced the formation of a joint venture (JV) for a portfolio of outpatient medical buildings.



The portfolio is valued at \$2.1 billion; Brookfield purchased 49% at \$1.0 billion.

Altaris announced an agreement to acquire Clarivate's Life Sciences & Healthcare business for \$600 million.



Clarivate's Life Sciences & Healthcare business is an AI-enabled business for data intelligence products and services.

Quarterly Spotlight: JVs

Notable Trends

- ➔ Health systems are increasingly using JVs to expand service lines, access specialized capabilities, and share investment risk. Partnerships can provide a faster, lower-capital path to growth while extending care delivery beyond the traditional hospital footprint.
- ➔ JVs involving health systems, capital providers, and physicians are becoming increasingly common. These arrangements align incentives through shared ownership while combining market presence, operational expertise, and capital resources. As these arrangements grow in scale and complexity, governance and oversight considerations are receiving increased attention from regulators and stakeholders.

Key Areas of JV Activity

- ➔ Ambulatory surgery remains one of the most active areas for JVs as procedural volumes continue shifting to lower-cost outpatient settings. Regulatory and reimbursement changes are accelerating this migration, prompting health systems to partner with experienced ASC operators to expand capacity, improve efficiency, and maintain market share.
- ➔ Behavioral health and post-acute care continue to see steady JV activity as demand grows and workforce challenges persist. Health systems are increasingly partnering with specialized operators that provide operational expertise and scale, while systems contribute their brand, referral networks, and local market presence.

Recent Notable JV Transactions

July 2026: Ochsner Health and Oceans Healthcare Launch 100-Bed Behavioral Health JV Network



August 2026: AdventHealth and Intermountain Health Sign Definitive Agreement for Denver-Area JV



September 2026: Select Medical and Corewell Health Form JV to Build Inpatient Rehabilitation Hospital in Southeast Michigan



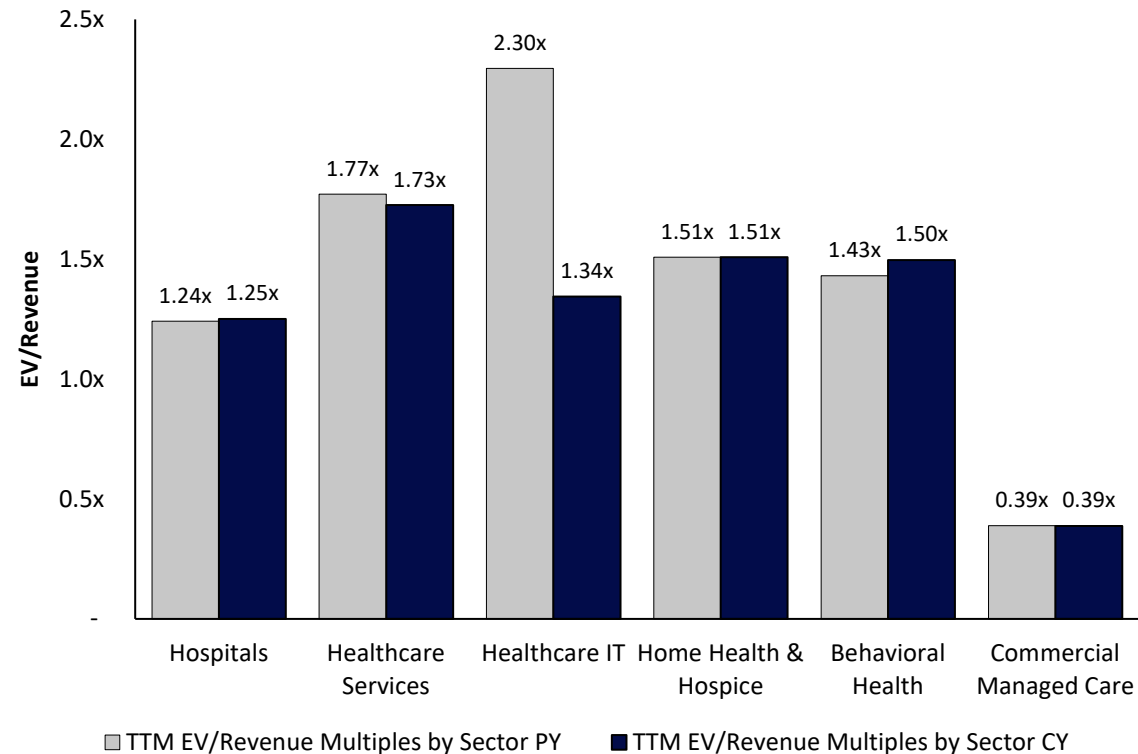
September 2026: Penn Medicine, Independence Blue Cross, and Regent Surgical Form JV to Develop 18+ Surgery Centers



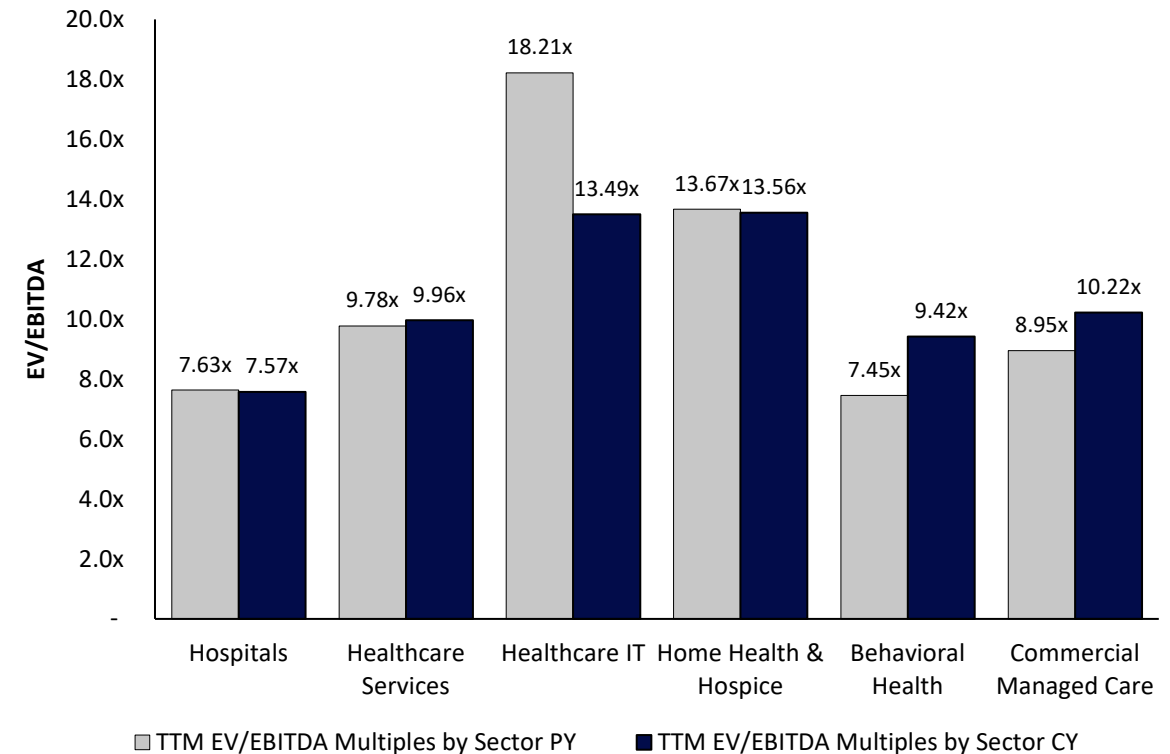
YOY TTM Revenue and EBITDA Medians by Sector

EV-to-revenue and EV-to-EBITDA multiples remained relatively stable YOY across most analyzed sectors.

Q3 2026 TTM Versus Q3 2025 TTM EV/Revenue



Q3 2026 TTM Versus Q3 2025 TTM EV/EBITDA



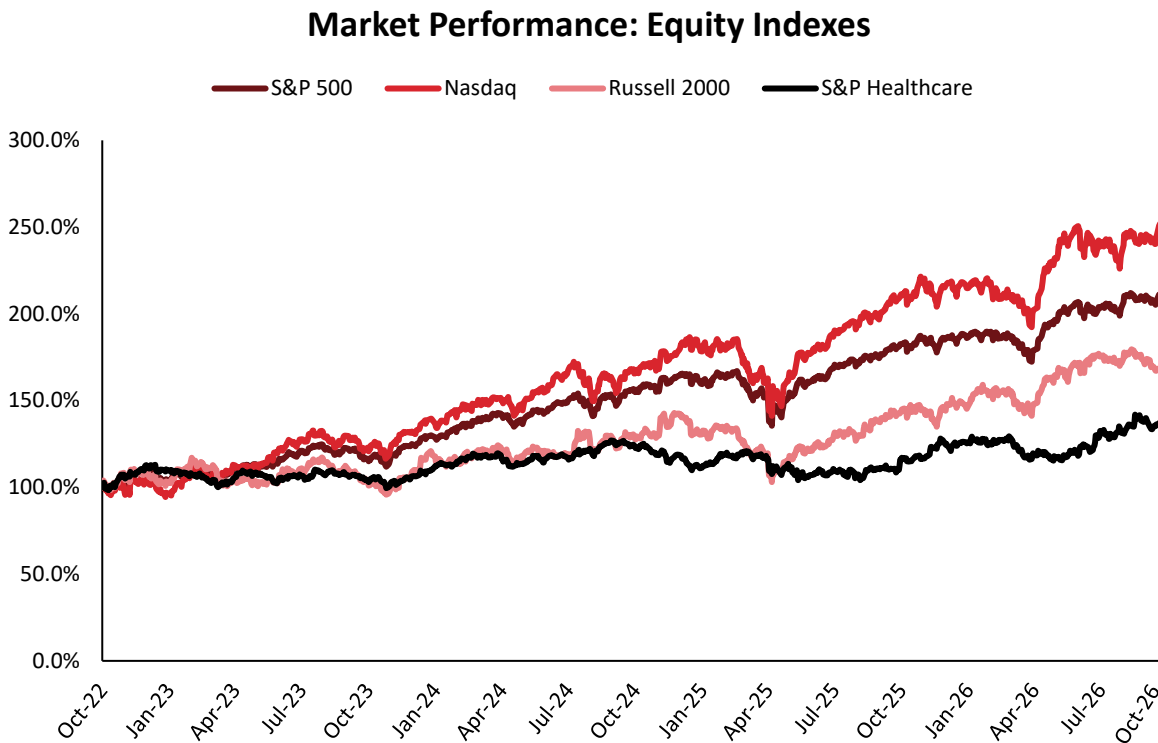
Source: S&P Capital IQ.

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 October 1, 2026.

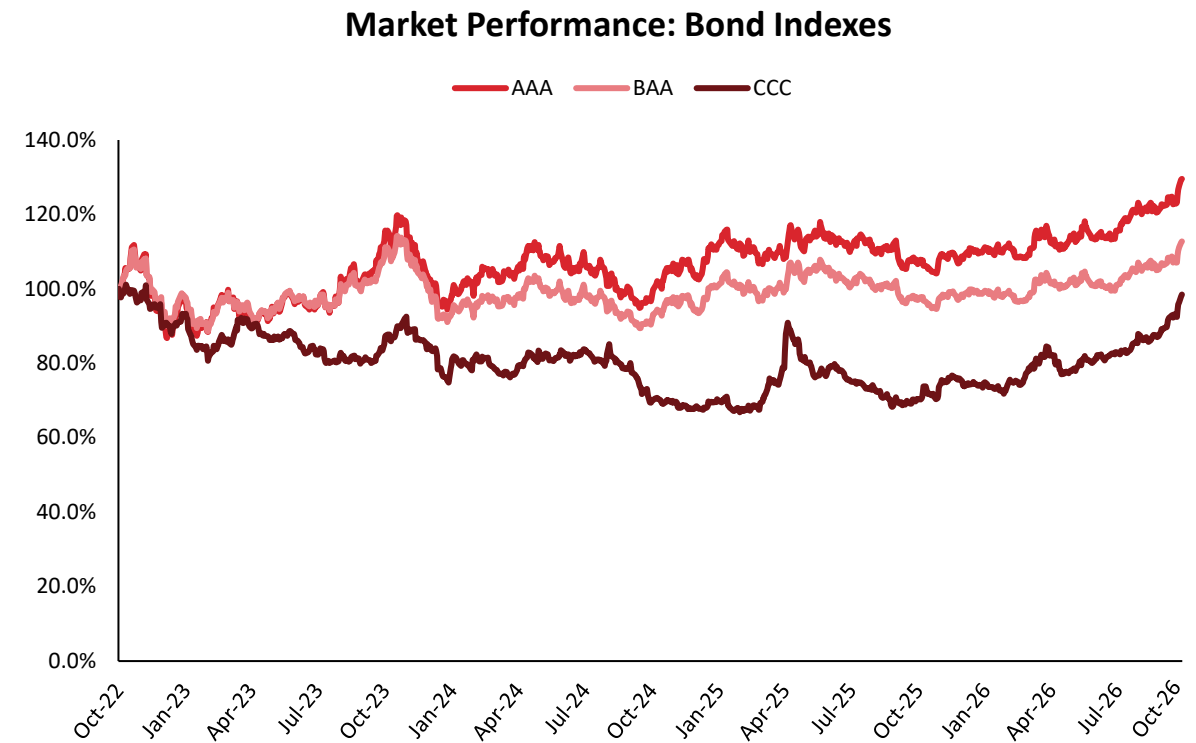
Equity and Bond Index Comparison

In Q3 2026, the S&P 500 and Nasdaq equity indexes rebounded from Q1 declines, while bond indexes trended upward.

Equity Index Trend



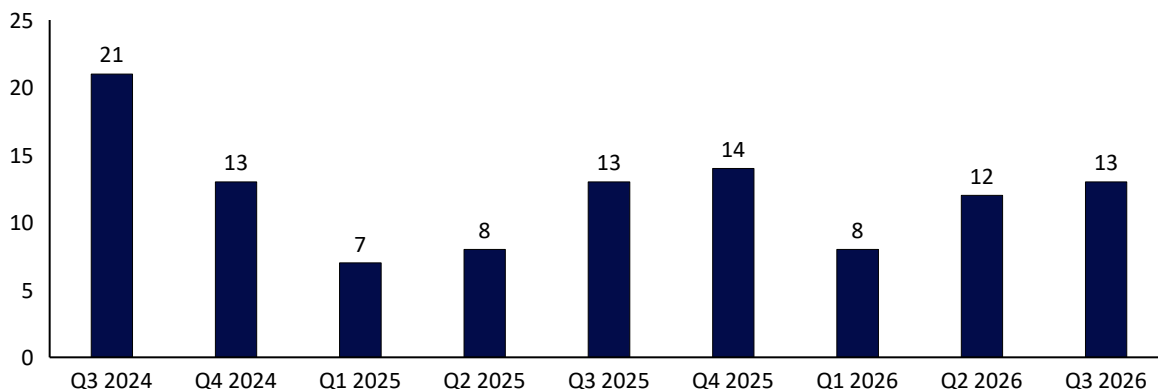
Bond Index Trend



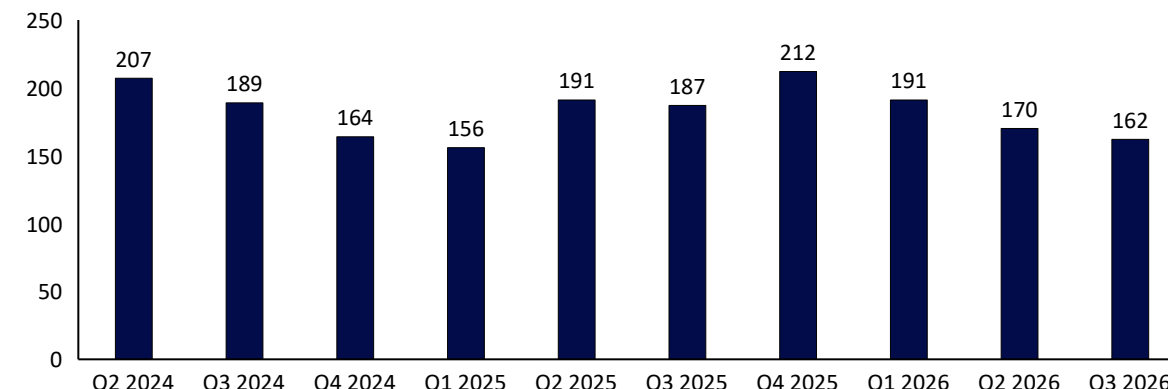
Sources: S&P Capital IQ and Federal Reserve Bank of St. Louis.

Quarterly Transaction Trends by Sector

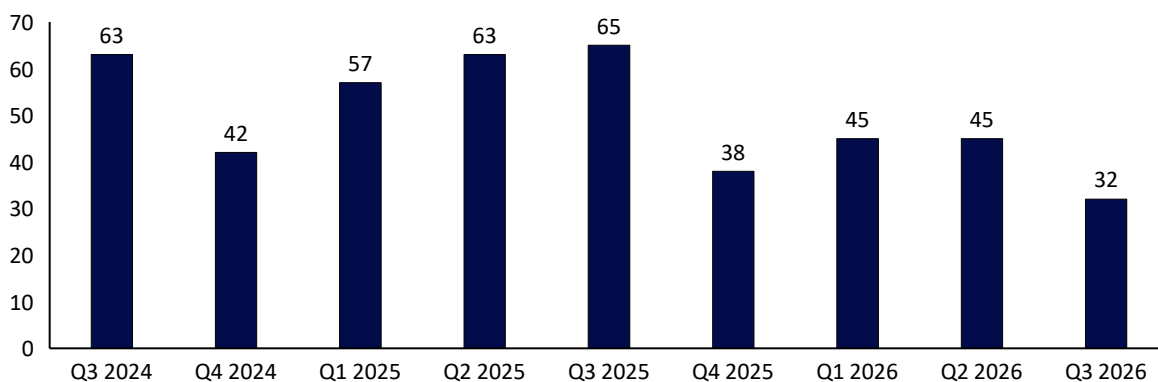
Hospitals



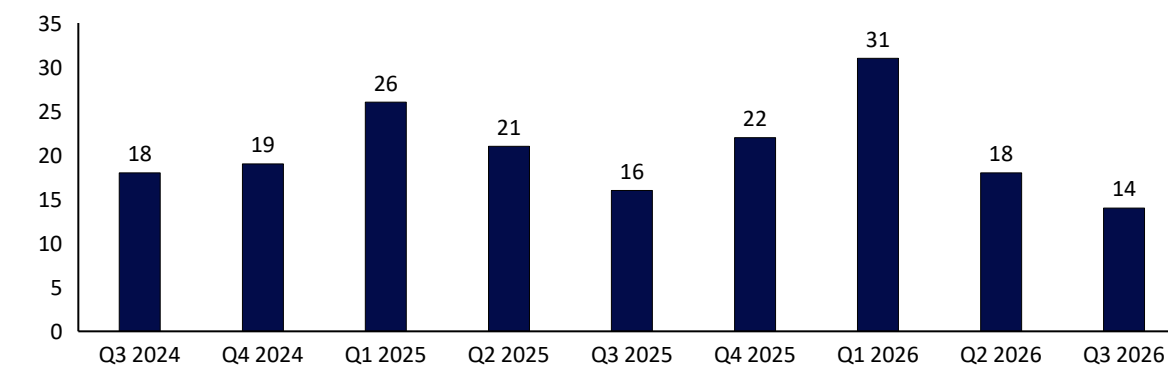
Healthcare Services¹



Health Tech



Home Health and Hospice

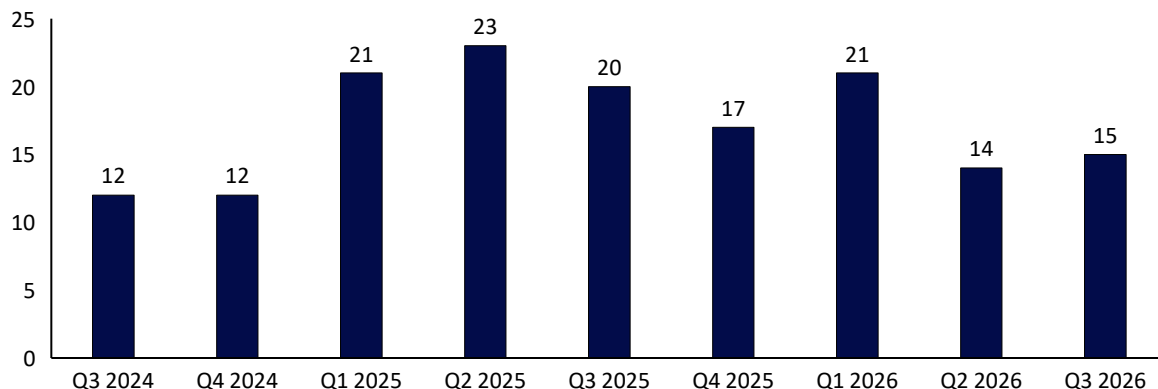


Source: LevinPro Healthcare M&A. Note: Transaction volumes for prior quarters were not adjusted retroactively.

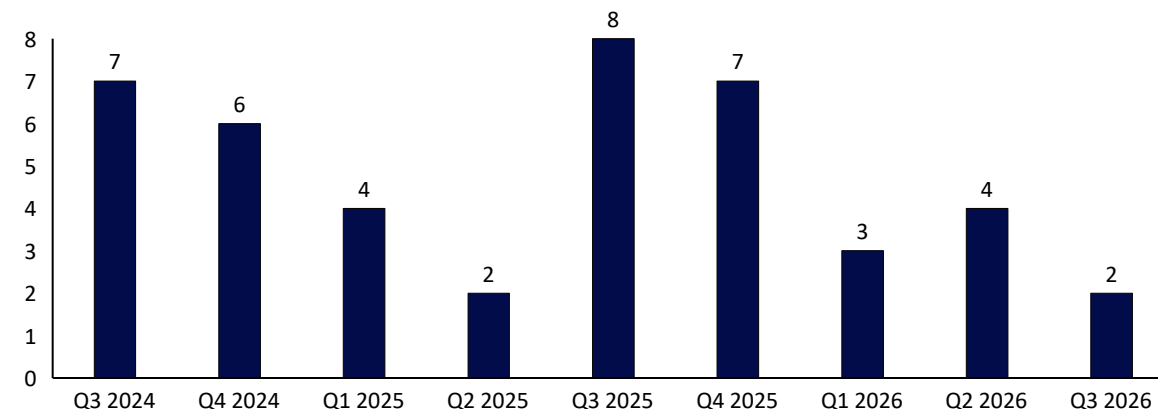
¹ Health services include deals in biotechnology, laboratories, MRIs and dialysis, ACOs, ASCs, chiropractic, CROs, GPOs, health clinics, payments and billing, home equipment, infusion, occupational health, organ transplant, outpatient clinics, population health, primary and value-based care, specialty 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



- ➔ US hospital transaction volumes continued to rise from Q1 2026 levels, with 13 deals announced in Q3 2026.
- ➔ Aside from hospitals and behavioral health, transaction counts declined across all analyzed sectors in Q3 of 2026. Announced deal volumes in health tech and home health and hospice fell to two-year lows.

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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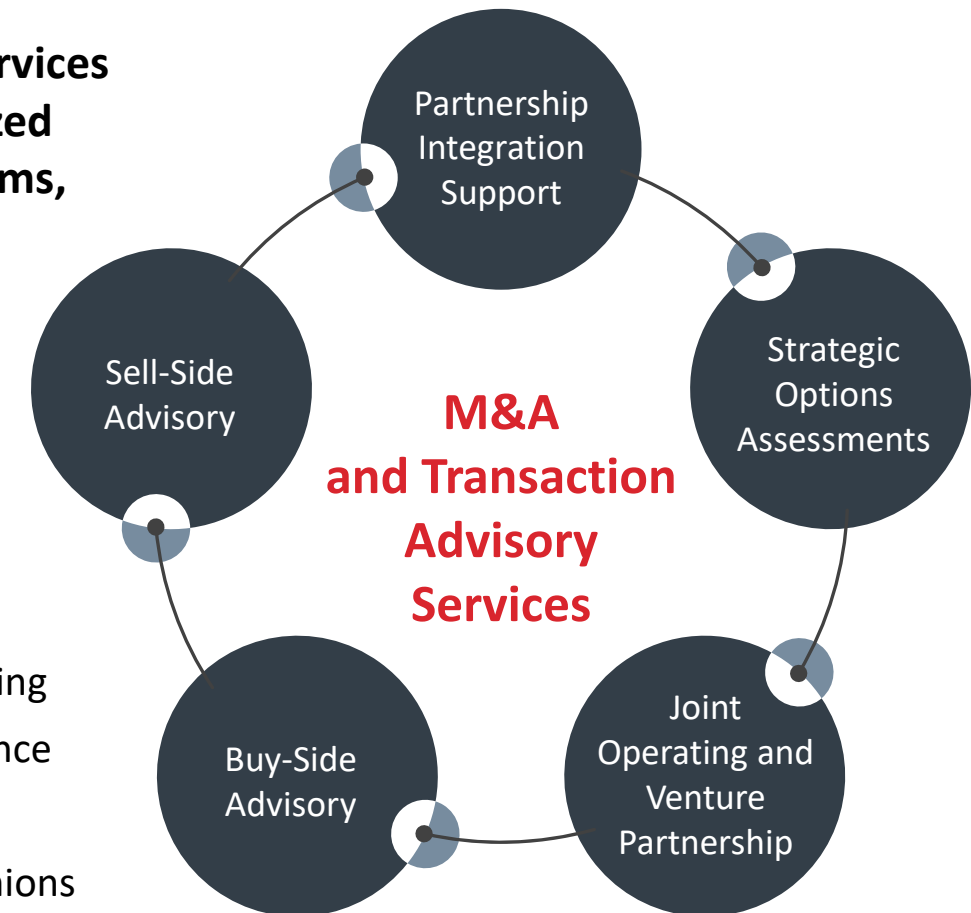
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ECG's M&A and Transaction Advisory Practice

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 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), 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), 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).