



**Specialty Healthcare Services
M&A Update**

Q1 2025

Specialty Healthcare Services M&A Update Q1 2025

CONTENTS

- 3 Global Deal Analytics
- 7 Valuation Multiples
- 10 Leading M&A Deals
- 13 Industry Outlook
- 14 About R.L. Hulett
- 16 Selected Transactions
- 18 Our M&A Team

REPORT CONTRIBUTORS



Trevor Hulett
Managing Director
thulett@rlhulett.com



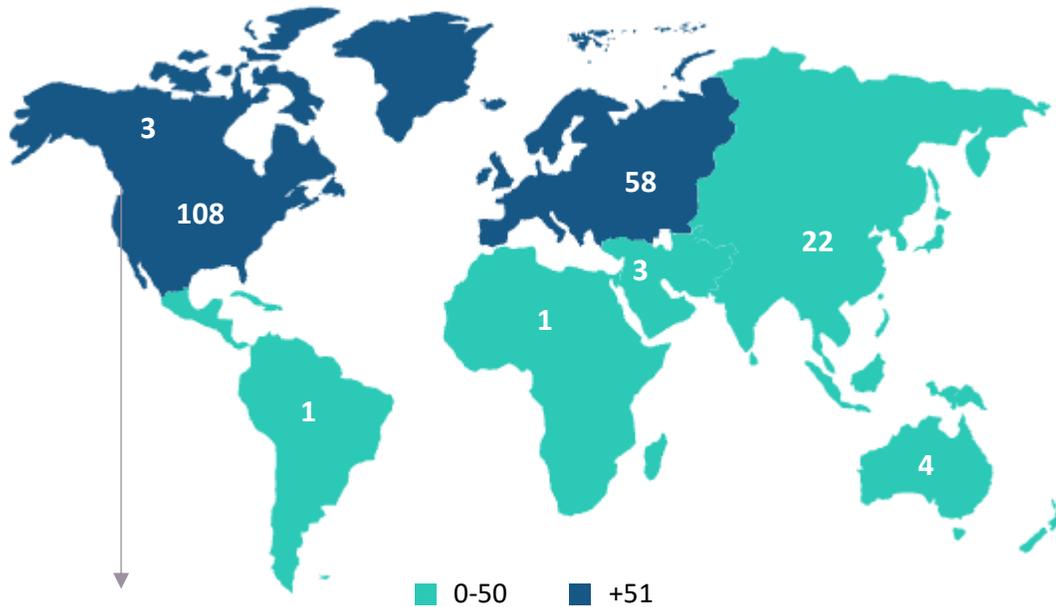
Ryan Hartman
Senior Analyst
rhartman@rlhulett.com

REPORT HIGHLIGHTS

- In Q1, the S&P Healthcare Services Select Industry Index increased by 2.7% and outperformed the S&P 500, which decreased by 4.4% over the same period.
- The Median EV/Revenue multiple for reported strategic deals in the Specialty Healthcare Services sector decreased to 0.6x in Q1 from 1.4x in 2024.
- M&A deal volume in the sector decreased 2.9% in Q1 to 200 deals from 206 deals in Q4 2024, but increased 4.7% from 191 deals in Q1 of the prior year.
- As a % of total capital invested in M&A transactions, PE participation increased in Q1 to 87.2% from 70.2% in 2024.
- North America was the most active region in Q1 with 111 deals. Most notably in North America was The Carlyle Group's \$3.8 billion acquisition of Vantive, an Illinois-based provider of kidney care services, in February 2025.



Of the 200 deals in the Specialty Healthcare Services sector in Q1, North America was the most active with 111. A notable North American deal (in addition to the Vantive deal mentioned on the previous page) was New Mountain Capital’s \$1.5 billion acquisition of Access Healthcare, a Texas-based provider of revenue cycle management services, in January 2025. Europe was the second most active with 58 transactions and all other regions combined for a total of 31 deals.



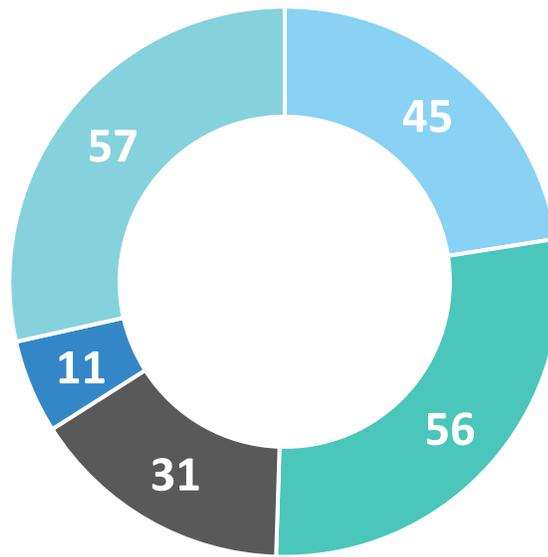
Canada:	3
United States:	108
Southeast:	36
Mid Atlantic:	20
Great Lakes:	14
South:	13
Others:	25

In the U.S. market, the Southeast region was the most active area with 36 deals, followed by the Mid Atlantic with 20 closed transactions. Most notably in the Southeast region was Advent Health’s \$260.0 million acquisition of ShorePoint Health Port Charlotte & Punta Gorda, a Florida-based operator of a 254-bed hospital offering behavioral health, heart care, neurology, and digestive health, in March 2025. The Great Lakes and South regions saw 14 and 13 transactions, respectively, and all other U.S. regions combined for a total of 25 completed deals.

In Canada, 3 transactions closed in Q1, including Roynat’s acquisition of Spectrum Health Care, a Toronto-based provider of home care nursing, physiotherapy, foot care and corporate wellness services.

Of the 200 Specialty Healthcare Services deals in Q1, 56 deals were in the Elderly/Disabled Care and Inpatient Services subsector, making it the most active from an M&A volume standpoint. Oncology, Ophthalmology, & Dermatology was the second most active with 45, followed by Dentistry & Orthodontics and RCM & Billing Services with 31 and 11 reported deals, respectively. All other transactions combined for a total of 57 deals in the quarter.

Deal by Subsector

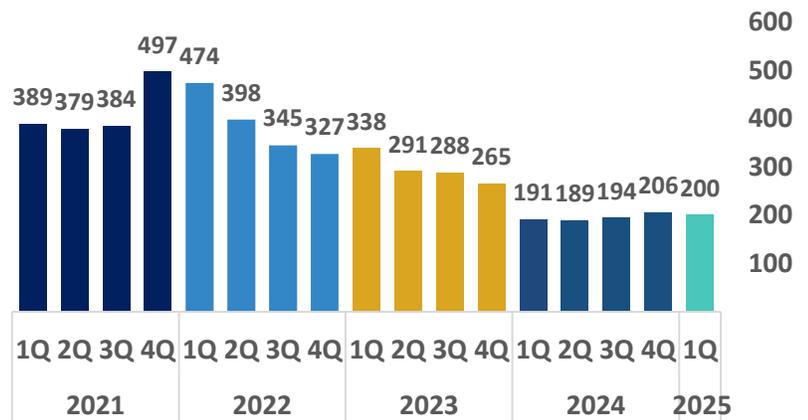


-  Oncology, Ophthalmology, & Dermatology
-  Dentistry & Orthodontics
-  RCM & Billing Services
-  Elderly/Disabled Care and Inpatient Services
-  Other Specialty Healthcare Services Providers

   	   	  	   	   
--	--	---	--	--

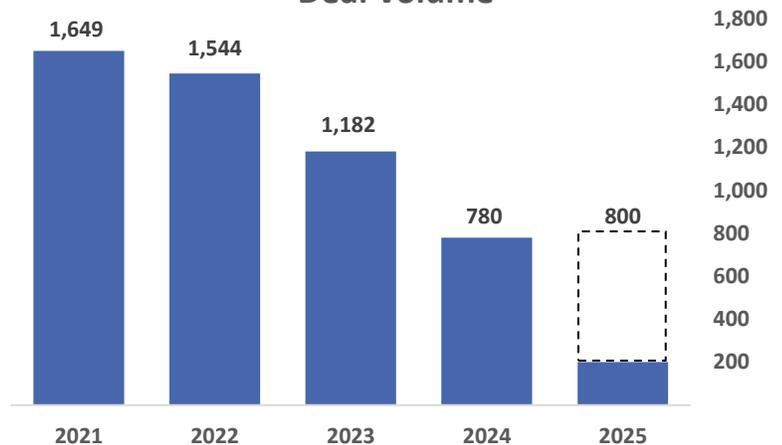
Deal volume in the Specialty Healthcare Services sector decreased 2.9% in Q1 to 200 deals from 206 deals in Q4 2024, but increased 4.7% from 191 deals in Q1 of the prior year. Q1 deal volume remained relatively flat quarter-over-quarter but continues to reflect a broader trend of market stabilization, despite persistent macroeconomic headwinds such as elevated interest rates, public market volatility, and evolving U.S. tariff policies.

Deal Volume



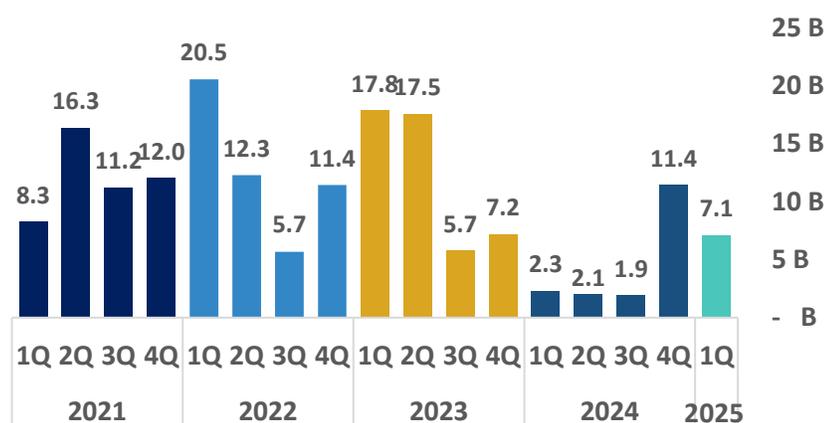
Despite a quarterly decline, annual deal volume is on pace to increase 2.6% to 800 deals in 2025 from 780 in 2024. While still well off the highs seen in 2021, we are seeing some stabilization in deal flow with improving economic conditions, stabilizing interest rates, and easing liquidity constraints. As we move further into 2025 and clearer tariff policy emerges, we anticipate increasingly strong M&A activity in the Specialty Healthcare Services sector, driven by these favorable market conditions.

Deal Volume



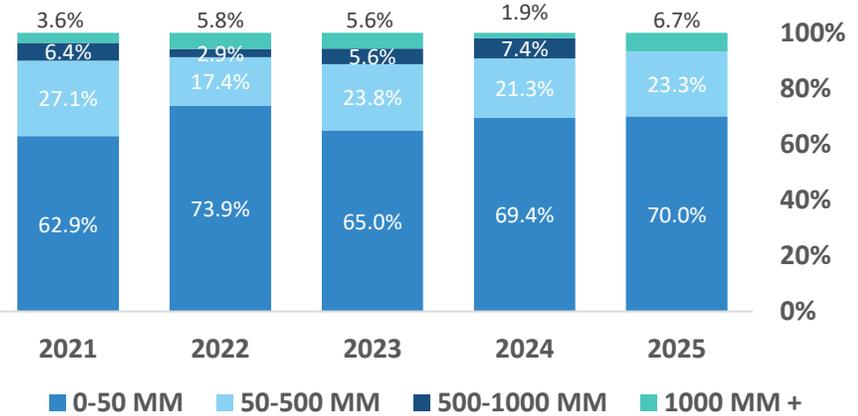
Total capital invested in M&A deals in the Specialty Healthcare Services sector decreased 37.8% in Q1 to \$7.1B from \$11.4B in Q4 2024, but increased 208.7% from \$2.3B in Q1 of the prior year. The decrease from last quarter is largely driven by Clayton, Dubilier & Rice's \$6.3 billion acquisition of R1 RCM in November 2024. Comparatively, Q1's largest deal was Carlyle Group's \$3.8 billion acquisition of Vantive in February 2025.

Total Capital Invested



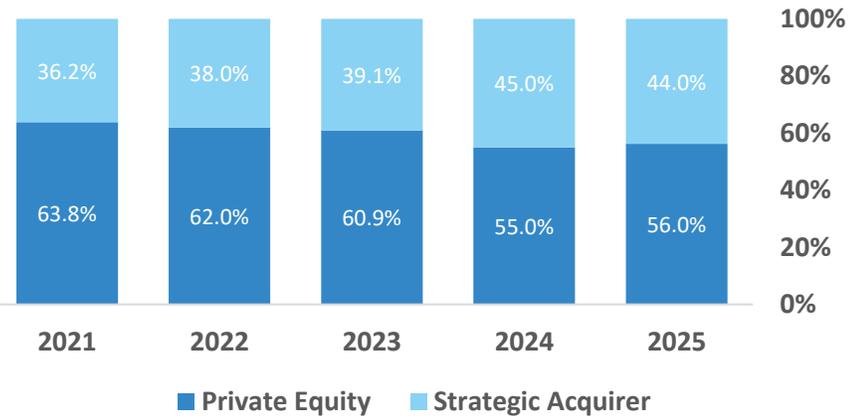
In Q1, we generally saw a shift in mix towards larger-sized deals from the prior year, specifically in the large cap market (\$1000+ MM), which increased to 6.7% from 1.9% in 2024. The middle (\$50 - \$500 MM) and lower middle (\$0 - \$50 MM) tranches of the market saw modest increases to 23.3% and 70.0% from 21.3% and 69.4%, respectively, in 2024. No deals were reported in the upper middle market (\$500-1000MM) in Q1.

Deal Volume by Deal Size



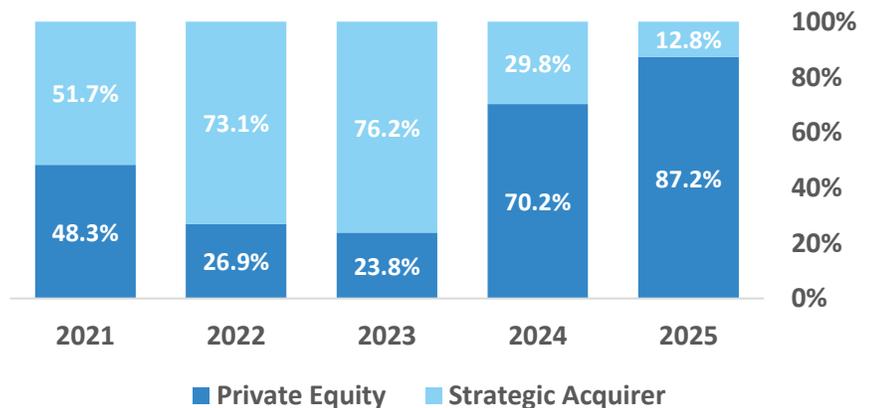
As a % of total deal volume, PE buyers trended slightly higher in Q1 relative to strategic buyers, representing 56.0% of deal volume in the sector compared to 55.0% in 2024. Despite PE's increase from 2024, Q1 is still low relative to the highs seen in 2021 and 2022 and is generally illustrative of more challenging credit markets.

Deal Volume by Acquirer



Conversely, total capital invested by PE investors (as a % of overall capital invested) increased significantly in Q1 to 87.2% from 70.2% in 2024. Q1 represents the highest % of capital invested by PE buyers in the past five years and is primarily due to The Carlyle Group's \$3.8 billion acquisition of Vantive in February 2025.

Total Capital Invested by Acquirer

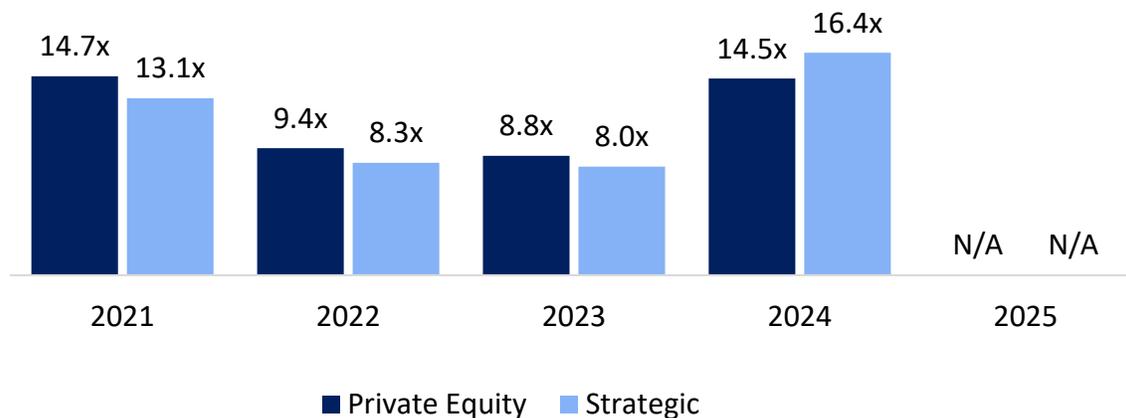


No EV/EBITDA multiples were reported during Q1.

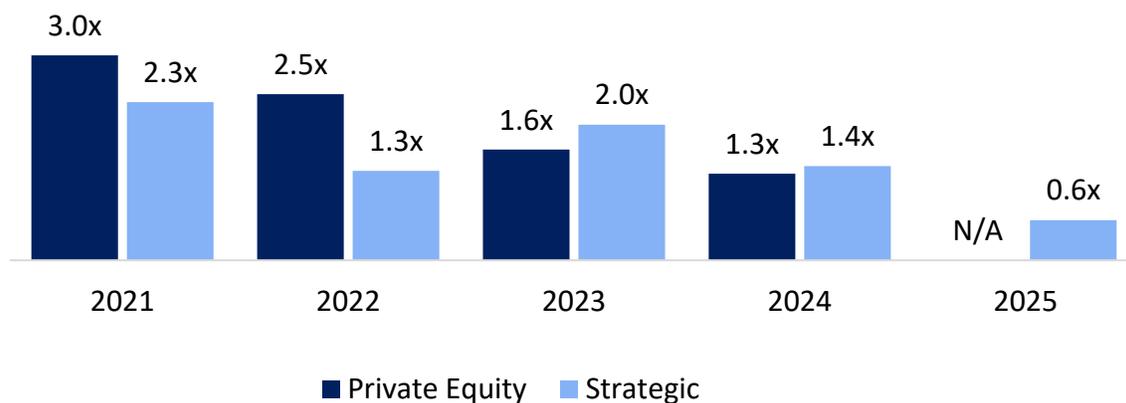
The Median EV/Revenue multiple for reported strategic deals decreased to 0.6x in Q1 from 1.4x in 2024, and no PE EV/Revenue multiples were reported during the period.

Q1 marks the lowest reported median EV/Revenue multiple for strategic buyers in the last 5 years.

Reported EV/EBITDA Multiples



Reported EV/Revenue Multiples



Active Strategic Investors

Investor	2025 Healthcare Investments	Select Targets
	3	  
	3	  
	1	

Active Private Equity Investors

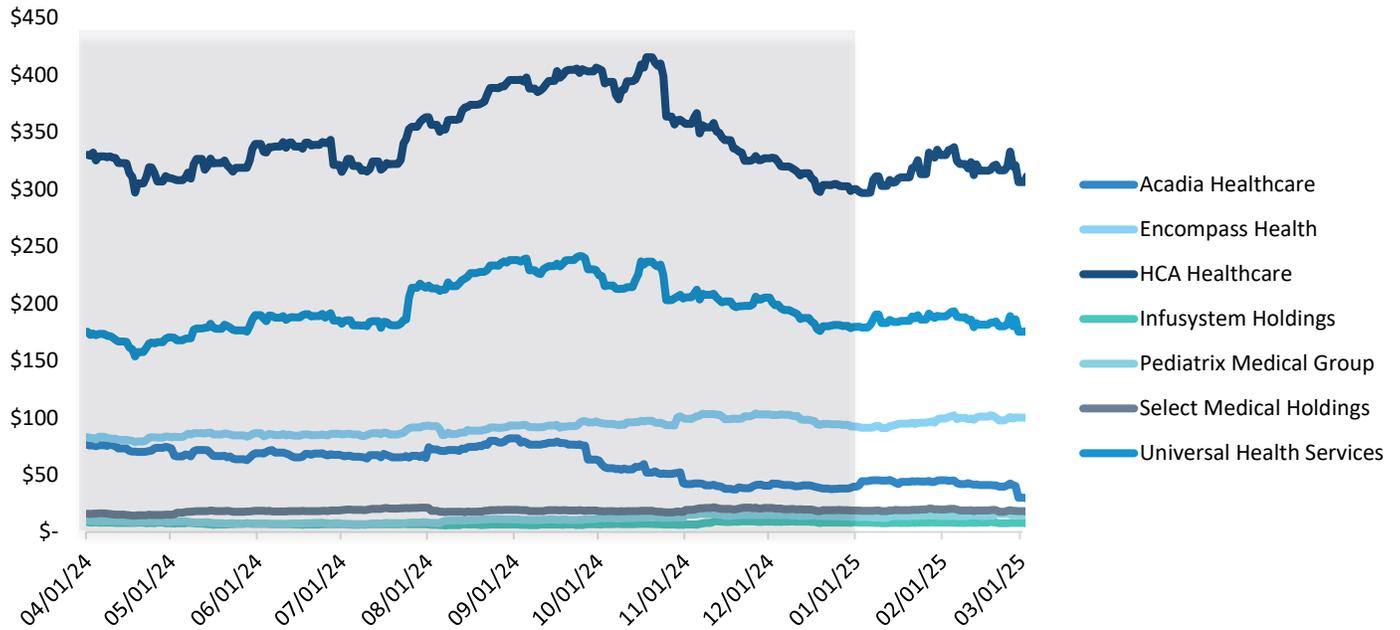
Investor	2025 Healthcare Investments	Select Targets
	5	  
	2	 
	2	 

Largest Deals (Disclosed)

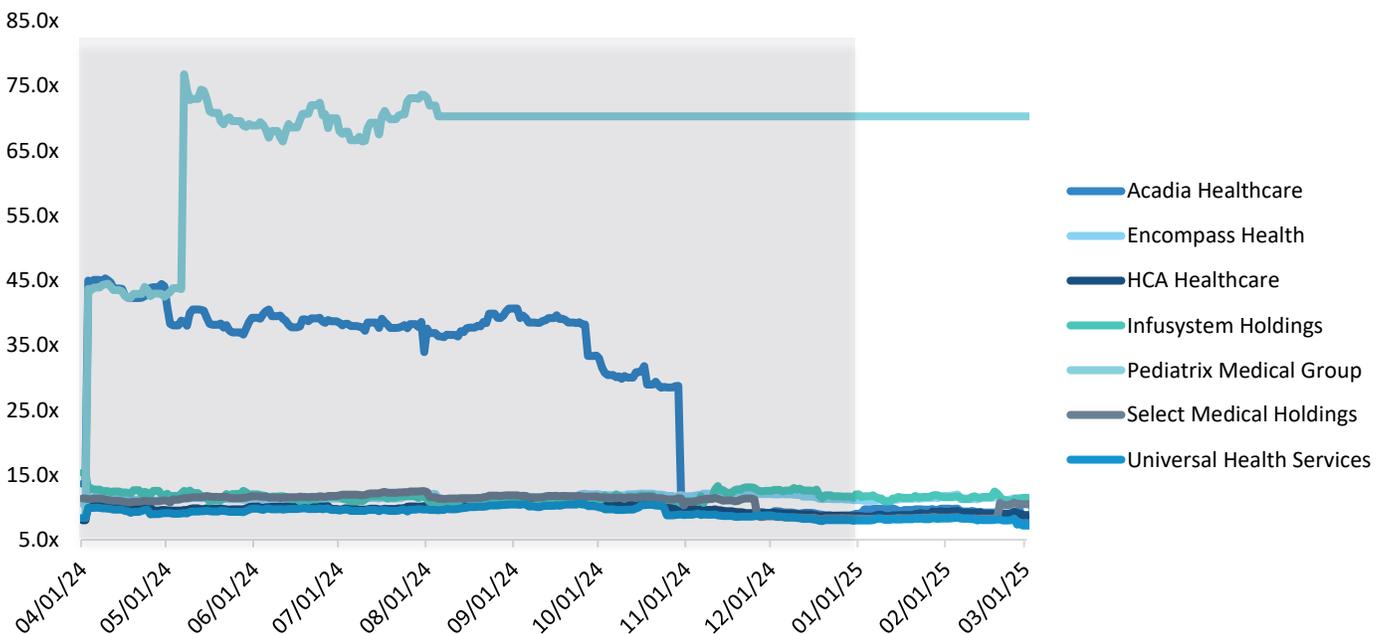
Deal Date	Company Name	Investor	Deal Type	Deal Size (\$mm)	EV		Target Business Description
					Revenue	EBITDA	
31-Mar-2025	Ankura Hospital	Asian Development Bank	PE Growth/Expansion	\$ 19.1			Operator of a chain of hospitals intended to provide pediatric and gynecological services to women and children.
25-Mar-2025	Sanoptis	The Carlyle Group	PE Growth/Expansion	268.2			Operator of a network of modern ophthalmology clinics intended to partner with ophthalmologists to deliver on organic and inorganic growth.
24-Mar-2025	DCDC Kidney Care	ABC Impact	PE Growth/Expansion	17.3			Operator of a network of dialysis centers intended for patients suffering from end-stage renal disease (ESRD).
01-Mar-2025	ShorePoint Health Port Charlotte & Punta Gorda	AdventHealth	Merger/Acquisition	260.0			Operator of a 254-bed hospital offering behavioral health, heart care, neurology, and digestive health.
01-Mar-2025	Clayton Rehabilitation and Healthcare Center	YAD Healthcare	Merger/Acquisition	19.7			Provider of healthcare and nursing facilities based in Clayton, North Carolina.
01-Mar-2025	Wilson Healthcare and Rehabilitation Center	YAD Healthcare	Merger/Acquisition	18.2			Provider of healthcare and nursing services.
26-Feb-2025	PMG Healthcare	Ikhlas Capital	PE Growth/Expansion	16.7			Operator of a network of primary healthcare facilities intended to provide affordable healthcare services based in Sarikei, Malaysia.
24-Feb-2025	Sejahteraraya Anugrahjaya	Bain Capital	PIPE	17.9			Operator of hospitals that offer health care services.
17-Feb-2025	Advanced Care Oncology Center	Burjeel Holdings	Merger/Acquisition	25.0	1.80x		Operator of a medical hospital based in Dubai, United Arab Emirates.
04-Feb-2025	La Renon	Avendus Capital	PE Growth/Expansion	18.3			Operator of a healthcare company intended to treat chronic illnesses and diseases.
03-Feb-2025	Vantive	The Carlyle Group	Buyout/LBO	3,800.0			Provider of kidney care services intended to serve patients with chronic kidney disease or other vital organ conditions.
01-Feb-2025	ConnectiCare	Molina Healthcare	Merger/Acquisition	350.0	0.25x		Provider of managed care services to Connecticut individuals, families, and businesses.
31-Jan-2025	Catholic Medical Center	HCA Healthcare	Merger/Acquisition	110.0			Operator of a nonprofit acute-care hospital and regional health system committed to delivering advanced healthcare to patients across New Hampshire.
29-Jan-2025	Broadpath Healthcare Solutions	Sagility	Merger/Acquisition	58.0	0.83x		Provider of specialized business, compliance, and technology services intended for healthcare payers and providers in commercial and government sectors.
28-Jan-2025	Dr Agarwals Healthcare	Aditya Birla Sun Life AMC	PE Growth/Expansion	101.6			Provider of eye care services, including cataract, refractive and other surgeries.
14-Jan-2025	Access Healthcare	New Mountain Capital	Buyout/LBO	1,450.0			Provider of revenue cycle management services intended to offer effective medical billing.
13-Jan-2025	Clinica Las Condes	EuroAmerica Factoring	Merger/Acquisition	40.0	0.32x		Provider of clinical medical services specializing in emergency, diagnostic, clinical support, and medical consultation services.
07-Jan-2025	Almoosa Health	Al Fozan Holding	IPO	448.7			Provider of integrated healthcare services that include primary, acute and rehabilitative care.
Mean				391.0	0.80x	N/A	
Median				49.0	0.58x	N/A	
High				3,800.0	1.80x	N/A	
Low				16.7	0.25x	N/A	

Target	Investor	Driver	Deal Synopsis
		Buyout/ LBO	<p>Vantive, an Illinois-based provider of kidney care services, was acquired by The Carlyle Group for \$3.8 billion in February 2025. Acquiring Vantive aligns with The Carlyle Group’s strategy to deepen their presence in the healthcare sector, particularly in renal care, which is experiencing significant growth due to an aging global population.</p>
	 NEW MOUNTAIN CAPITAL	Buyout/ LBO	<p>Access Healthcare (“Access”), a Texas-based provider of revenue cycle management services, was acquired by New Mountain Capital (“NMC”) for \$1.5 billion in January 2025. This partnership will support growth and strengthen Access’ position as a market leader in the rapidly growing RCM sector, fueled by healthcare providers’ heightened focus on optimizing billing processes.</p>
		Merger/ Acquisition	<p>ConnectiCare, a Connecticut-based provider of managed care services, was acquired by Molina Healthcare (“Molina”) for \$350.0 million in February 2025. With this acquisition, Molina expands its geographic footprint into Connecticut while diversifying its membership base with approximately 140,000 members across Medicare, ACA marketplace, and commercial products.</p>
		Merger/ Acquisition	<p>ShorePoint Health Port Charlotte & Punta Gorda (“ShorePoint Health”), a Florida-based operator of a 254-bed hospital offering behavioral health, heart care, neurology, and digestive health, was acquired by AdventHealth for \$260.0 million in March 2025. The acquisition gives AdventHealth a larger network of hospitals, clinics, and providers, including the ShorePoint Health Port Charlotte hospital and its associated businesses while expanding AdventHealth's footprint in Florida.</p>

Stock Price

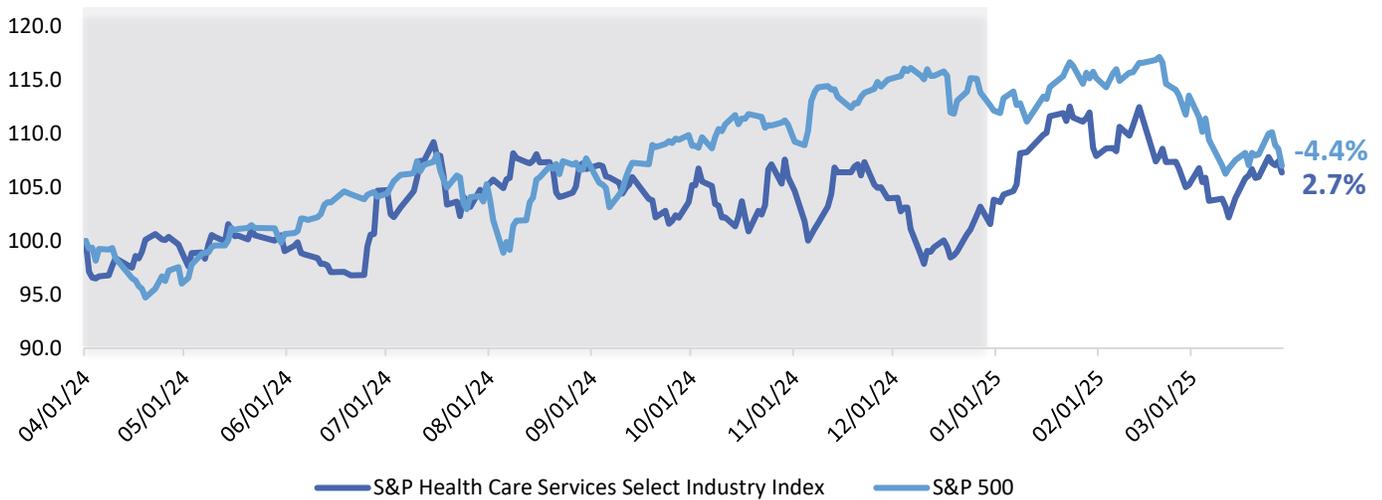


EV/EBITDA



Index Performance

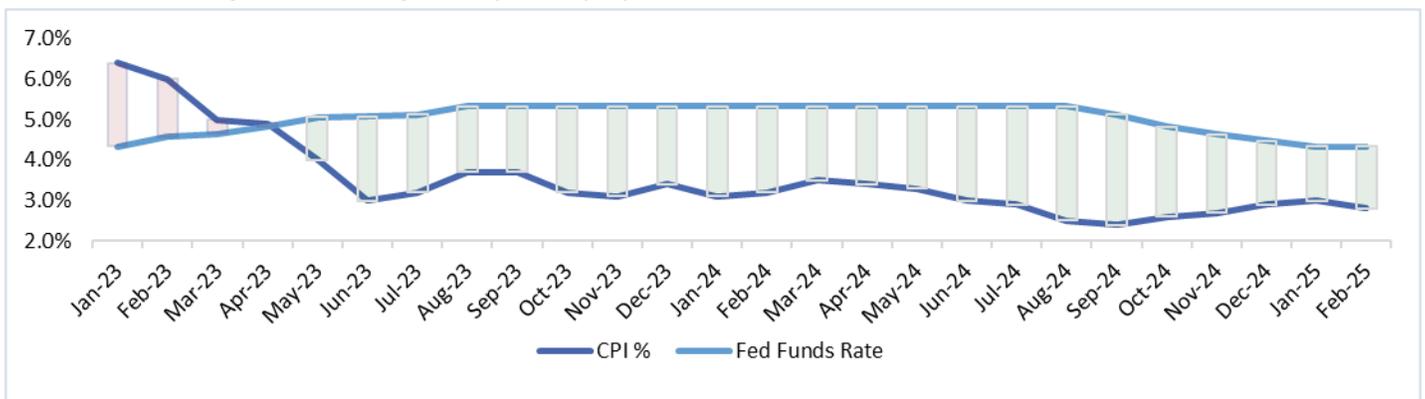
In Q1, the S&P Healthcare Services Select Industry Index increased by 2.7% and outperformed the S&P 500, which decreased by 4.4% over the same period.



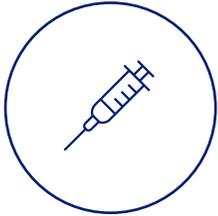
Key External Drivers

Given the specialized and essential nature of many of the clinical services included in the Specialty Healthcare Services sector, operators and clinicians in the sector tend to fare well in downturns compared to the overall market and are less impacted by declines in consumer spending.

In March 2025, the Federal Reserve left the federal funds rate unchanged, maintaining its target range of 4.25%–4.50%, as expected. The central bank reaffirmed its forecast for two quarter-percentage-point cuts later in the year, following three rate reductions in 2024 due to slowing inflation. Despite this cautious stance, looming tariffs could reignite price growth and hinder economic expansion. The Fed also revised its forecast for U.S. gross domestic product (GDP) growth down to 1.7%, a decrease from the 2.1% growth rate projected in December. This strategy reflects the Fed’s ongoing efforts to balance inflation control with sustaining economic momentum amid challenges, including the threat of higher tariffs. While market volatility remains, the M&A environment continues to be favorable for strategic deal-making and capital deployment.



Emerging trends in the Specialty Healthcare Services M&A space:



Balancing Drug Innovation and Costs

Managing pharmaceutical costs and supporting innovation

The rising spend on pharmaceuticals could drive policymakers and the broader public to seek solutions to curb spending, even as drug innovation helps improve the quality of life. PBMs will likely face increasing pressure to demonstrate value, provide transparency on GPO revenue and drug rebates, and align their incentives with plan sponsors.



Investor Interest in Healthcare

Rising investment in technology-driven holistic care

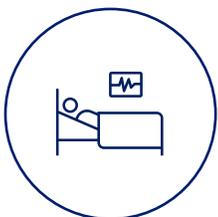
Businesses that seek to treat the end-to-end needs of patients in certain diseases, such as musculoskeletal, are gaining traction among investors. Such businesses are differentiated by treating patients' holistic needs using technology-supported care models that may result in a superior products for patient consumers, and some achieve profitability.



Impact and Regulation of AI in Healthcare

Exploring AI's impact and regulatory frameworks in healthcare

Health system executives expect generative AI to significantly impact their organizations by 2025. Regulatory oversight is seen as essential, with the FDA updating regulations to ensure patient safety and manage the AI tool lifecycle. The EU has also introduced a framework to regulate AI in healthcare, classifying systems into four risk categories, with unacceptable systems prohibited.



Growth in Home Health

Rising demand and policy support for home healthcare

Home health is expected to grow at breakneck speed, with employment of home health and personal care aides projected to grow 21% from 2023 to 2033, much faster than the average for all occupations. All signals from the new administration point to policies that are likely to favor labor and funding strategies that enhance home health as a site of care. Home health care can be less expensive, more convenient and just as effective as hospital or skilled nursing facility care.



Proven, Professional, Principled.

Investment Bankers for the Middle Market

About

R.L. Hulett is a middle-market investment bank based in St. Louis, Missouri, providing M&A and financial advisory services to middle-market companies. Since its founding in 1981, the firm has advised in over 280 transactions in a variety of industries including Healthcare, Transportation & Logistics, Packaging, Food & Consumer, Industrials, Business Services, and Software/Tech-Enabled Services. The firm has an experienced team of M&A advisors consisting of former business owners, seasoned corporate executives, professional service firm partners, CPAs and MBAs. Our ability to deliver customized solutions to meet or exceed our clients' expectations is what sets us apart from our competitors.

Our Clients

\$10 - 250MM
Revenue

\$2 - 20MM
EBITDA

Middle Market
Privately Owned

Industries Served



Healthcare



Tech-Enabled
Services



Plastics &
Packaging



Industrials



Transportation
& Logistics



Food &
Consumer





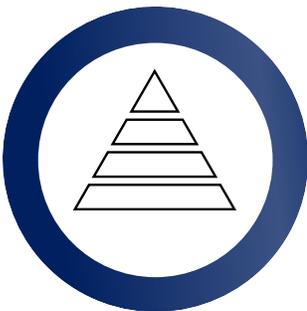
Sell-Side Advisory: Sell your business

Sell your business for the highest price and for the best terms. At R.L Hulett, communicating the value of your business to targeted buyers and finding the best fit for your team is our forte. We strive to maintain your company's culture and heritage even as you transition out of your business.



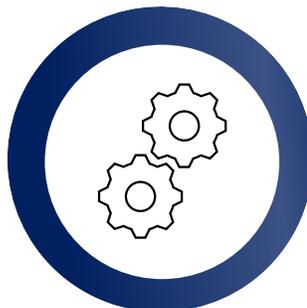
Buy-Side Advisory: Buy a business

Searching for acquisition targets can be a challenging and time-consuming task when trying to run your own business at the same time. Navigating the risks and pitfalls in negotiating valuation and deal structure can also be a daunting task for many business owners. Let our team help you minimize your risk and reduce time wasting efforts with our decades of experience in advising in both buy and sell-side M&A transactions. We utilize industry-leading M&A databases to scout for opportunities and pre-screen for "real" actionable targets so you can stay focused on what matters.



Capital Raise: Gain financial support

With nearly 40 years of experience in middle-market M&A advisory, we know how to package up your deal and put you in front of the right kind of investors who have the capital and the industry expertise you need to grow your business. Our team will develop a go-to-market strategy and advise on deal structure, valuation, due diligence and transition issues. Whether you are seeking capital for growth or trying to buy out other shareholders, we have the tools, expertise, and experience to execute a strategic process and find the optimal outcome to meet your objectives.



Restructuring: reorganization of your business

In today's uncertain economic times, more and more companies are finding themselves in unfamiliar, and unwanted, positions. Many business owners are hoping recovery is just around the corner; however, proactive measures are often required to maximize the remaining value of the business. Our team can aid banking institutions with workout situations by implementing internal controls over cash management and performing on-going cash flow modeling for their clients. We can also help business owners avoid having trouble making payments on their debts and avoid the cumbersome and low-value asset liquidation process.

Below are two recent transactions facilitated by R.L. Hulett, showcasing our expertise in the Healthcare sector. Each transaction exemplifies our commitment to delivering exceptional value and strategic growth for our clients.



have been acquired by

Bain Capital *Ventures*



The Seller: The Corner Pharmacy operates retail pharmacies located in hospitals to provide a convenient resource for hospital in-patient and outpatient discharges, hospital-affiliated Ambulatory Surgery Centers (ASCs), and clinical visits to hospital-affiliated physician offices located in Medical Office Buildings.

The Buyer: Bain Capital Ventures is the Boston-based venture capital affiliate of Bain Capital. Founded in 1984, Bain Capital Ventures has made investments in over 110 early and growth-stage companies. Bain Capital Ventures currently has \$2 billion under management and invests in business services, consumer, healthcare, internet & mobile, and software companies.

Transaction Rationale: The Corner Pharmacy will use the investment proceeds to fund the continued expansion of its business and for general corporate purposes.



have been acquired by



The Seller: All-Staff Nursing, Inc. (“ASN”), located in the St. Louis metropolitan area, is a specialized provider of supplemental staffing services for long-term care facilities. Since its establishment in September 1990, All-Staff Nursing has been dedicated to addressing the temporary staffing needs of healthcare organizations, particularly nursing homes. Their primary focus is on supplying highly qualified healthcare professionals, including Registered Nurses, Licensed Practical Nurses, and Certified Nurse Assistants.

The Buyer: Founded in 1986, Cooperative Home Care (“CHC”) is a trusted provider of healthcare staffing and home care services in St. Louis, Missouri. The company provides nurse staffing and palliative home care services under Medicaid, Medicare and private pay programs.

Transaction Rationale: The acquisition of ASN expands CHC into the Illinois market.

Over the years, R.L. Hulett has completed hundreds of transactions in a wide variety of industries. Below are several representative transactions. Please note that this list is not comprehensive.



Has been acquired by







Has sold substantially all of its assets to







Has been acquired by







Has sold substantially all of its assets to







Has been acquired by

MONTIEL ENTERPRISES





Has been acquired by

Gateway Dental Laboratory





R. Trevor Hulett, CPA
Managing Director
(314) 721-0607 x112
thulett@rlhulett.com

Mr. Hulett has led M&A transactions in a variety of industries including manufacturing/industrial, software development/IT, business services and value-added distribution for over 15 years. Prior to joining the firm, he held senior level accounting and financial management positions in both public accounting and large corporations. Mr. Hulett began his career as a Certified Public Accountant with MPP&W, a St. Louis-based public accounting firm specializing in middle market companies. He then held various management positions in internal audit and corporate accounting with a Fortune 1000 industrial manufacturing company and also spent nine years with Enterprise Rent-A-Car Company as a department manager in the Corporate Accounting group. Mr. Hulett holds his Series 62, 63 and 79 securities registration. Mr. Hulett earned a Bachelor's Degree in Accounting from the University of Missouri, Columbia.



David T. Vass
Director
(314) 721-0607 x115
dvass@rlhulett.com

Mr. Vass has over 30 years of business management experience including more than 10 years as President of a highly successful consumer products manufacturing company with revenues exceeding \$25 million. During this time, he not only reversed a declining sales and earnings trend, but increased both sales and operating income over 100%. In addition, he has spent over 20 years at the executive level of Vice President of Sales and Business Development. Mr. Vass also has experience in a number of other industry niches including consumer products, commercial furniture and fixtures and metal recycling. He holds a Bachelor's Degree in Economics from DePauw University and an MBA from the University of Michigan.



Christopher Riley
Senior Advisor
(314) 721-8039
criley@rlhulett.com

Mr. Riley has owned, operated, and sold multiple businesses spanning five decades in the technology, fabrication, hospitality, real estate, social media, financial services, automotive, private equity and business services industries. He owns multiple companies, United Cutwater and Cutwater Advisory Partners, that focus on identifying, funding, growing, and exiting businesses at their Optimum Value. Prior to joining the firm, he worked in New York in the investment banking industry for 10 years. He began his career with American Express as an Estate and Tax Planning Specialist. With degrees in Finance and Philosophy and a Master's in Organizational Psychology, Chris was educated at Santa Clara University, the London School of Economics and the Harvard Business School. Chris is Series 79 and Series 63 licensed, has seven board certifications in cyber intelligence, and is a licensed forensic investigator.



Ron Litton
Director
(816) 810-0799
rlitton@rlhulett.com

Mr. Litton has been advising business owners in mergers and acquisitions since 2013. His primary industry focus areas have included industrials, paper and packaging, distribution, energy, promotional products and direct to consumer e-commerce. Prior to 2013, Mr. Litton held a variety of C-level roles with several companies in the paper and packaging industry including Unisource, Maverick Paper, Universal Graphics and Sabin Robbins. He has bought and sold a number of businesses, advised in the sale of family/founder owned businesses, and advised in start-ups and turnaround situations for banks, owners, and private equity firms. He enjoys working with owners that want to sell or transition out of their businesses. Ron covers the Kansas City and surrounding markets for the firm. He graduated from Central Missouri State University with a BS in Graphic Arts Technology and Management.



Ryan Hartman
Senior Analyst
(314) 721-8027
rhartman@rlhulett.com

Ryan provides analytical support for senior-level deal managers and, as a senior analyst, supervises the preparation of confidential memorandums, financial models and industry research reports. Ryan graduated with a Bachelor of Science degree in Finance from The Freeman School of Business, Tulane University. Prior to joining the firm, Ryan worked as an equity analyst for Burkenroad reports, an equity research program that produces widely circulated financial reports on small- to medium-sized companies. During his time at Tulane University, Ryan was elected as Vice President of Administration for Tulane's community government, took extensive courses in Investment Banking M&A transactions, and volunteered as a data analyst for American Red Cross.



Lynda Hulett
Marketing
(314) 721-0607 x 104
lhulett@rlhulett.com

Lynda Hulett leads the firm's marketing, administrative and communication efforts. She maintains the firm's proprietary CRM database, manages outbound firm communications and provides administrative support to senior deal managers. Prior to joining R.L. Hulett, Lynda spent the previous ten years in various marketing and administrative functions. Most recently, she worked as a client liaison providing administrative support for a CPA firm. Prior to that, she was employed by Moneta Group, a financial services advisory firm, where she provided marketing and administrative support to the client managers. Lynda graduated from the University of Missouri – Columbia, receiving her business degree with an emphasis in Marketing.



Robert L. Hulett
In Memoriam:
1943-2024

Mr. Hulett founded the firm in 1981 and has negotiated and completed more than 200 transactions throughout his career. He began his career as a Certified Public Accountant and practiced with Peat, Marwick, Mitchell & Co. in St. Louis as an Audit Manager and in New York as the Director of Training for Private Business. Mr. Hulett has also served as Chief Executive & Board Member for various middle market companies. As an educator, he was an adjunct professor at New York University and a tenured faculty member at Lindenwood University in St. Louis. He conducted training sessions for middle market CPA firms throughout the country for more than ten years. Mr. Hulett earned his BS/BA Cum Laude in Accounting from the University of Missouri-Columbia, and an MBA from Lindenwood University.



Trusted Advisors. Tenacious Advocates.

The data in this document has been derived from PitchBook Data and has been compiled by R.L. Hulett. This document is strictly for illustrative purposes only. The data presented in this document is not comprehensive and should not be used for benchmarking, valuation, or for any other decision making. R.L. Hulett accepts no responsibility for loss or damage caused by dependence on the information in this document.