chesapeake corporate advisors

Healthcare

INDUSTRY UPDATE | *Q1 2026*

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Chesapeake Corporate Advisors (CCA) Firm Overview

Firm Overview

CCA is a boutique corporate advisory and investment banking firm that has been successfully serving investor-owned and closely held emerging growth and middle market companies since 2005. Our team of managing directors brings 30 years of experience.

Together we provide a collaborative, holistic approach to serving clients in all of the sectors we cover. For middle market companies looking to create business value with the help of our strategy services, and/or realize value through a merger, acquisition or other transaction.

CCA stands ready to guide you through the process and help you achieve your goals.

Solutions for Every Critical Juncture

INVESTMENT BANKING

- Sell-Side
- Buy-Side
- Merger
- Recapitalization
- Growth Capital
- Management Buyout

CORPORATE ADVISORY

- Strategic Assessments
- Financial Planning & Analysis
- Value Sharing Plans
- Transaction Advisory
- Value Creation Strategy
- Business Valuations

$4Bn+
Aggregate Tx value

40+
Closed Tx since Jan. 2020

120+
2025 Valuations

12+
Advisory Clients Exited since Jan. 2021

CCA's Healthcare Practice Leadership

Deep Experience Advising Healthcare Clients

Select Sell-Side M&A Experience

Rendia *Acquired by* PatientPoint *A portfolio Company of* L Catterton & Littlejohn & Co.	radiation physics, inc. *Acquired by* PDI Health	Discern Health *Acquired by* W2O *A portfolio Company of* NMC New Mountain Capital LLC	Washington & West, LLC Denial and Underpayment Recovery Experts *Acquired by* RevInt Solutions *A portfolio Company of* NMC New Mountain Capital LLC
Sell-Side Advisor chesapeake corporate advisors	Sell-Side Advisor chesapeake corporate advisors	Sell-Side Advisor chesapeake corporate advisors	Sell-Side Advisor chesapeake corporate advisors

Healthcare Service Areas

- Medical Facilities & Ancillary Services
- Behavioral Health
- Post-Acute & Long-Term Care
- Physician Practice Management
- Digital Health & Tech-Enabled
- Revenue Cycle Management

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Key Trends Impacting the Healthcare Sector

Economic Pressure

- The pool of providers and labor is not keeping up, creating existing or looming shortages and increasing burnout and dissatisfaction
- Cost inflation (especially in labor) and downward pressure on reimbursement is forcing service providers to seek scale and/or different models of service and care
- The promise of value-based care has so far failed to create win-win scenarios for providers, payors and patients
- Economic pressure forcing care to lower cost settings such as ambulatory centers and even homes

Regulatory Complexity and Change

- Navigating regulatory complexity and change is an increasing burden for healthcare service providers.
- Regulatory activity (especially at the state level) designed to slow or curb private equity investment in healthcare (such as corporate practice of medicine laws, limitations or prohibitions on non-competes, and even individual transaction reviews) has gained momentum in recent years
  - A disproportionate amount of regulatory activity in recent years has been aimed at the physician practice management (PPM) sector where the largest volume of transaction activity resides

Technology and AI

- Technology and AI are major disruptors in the delivery of healthcare services, both in clinical applications and business services, especially around workflow optimization and improving revenue cycle management performance
- Service providers must adapt and integrate appropriate technology to capture data and drive efficiencies – this can be challenging without scale
- Digital capture and ability to measure data is critical

Service Demand and Care Settings

- An aging population base and growth have driven ever-increasing demand for services
- Demand, coupled with rising costs have compelled health systems and providers to embrace lower cost settings for care (ASCs, offices, homes, virtual, remote) without sacrificing quality
- Site neutrality will generally force hospitals to embrace innovative delivery models

In addition to clinical and operational excellence, thriving in the years ahead will require scale, the ability to capture and measure data, and adaptation to rapidly evolving technology

Q1 2026 Transaction Headlines

Sutter Health To Acquire Allina Health
(Medical Facilities Sector)

Sutter Health Sutter Medical Center

To acquire

Allina Health

March 2026

Commentary

- In the biggest hospital deal of the year so far, Sutter Health and Allina Health announced plans to join forces and create a system with 39 hospitals and $26 billion in revenue.
- "By bringing together our complementary strengths, geographies and expertise, we have an opportunity to expand access, improve affordability and accelerate innovation in ways that will better serve patients, caregivers and communities across Northern and Central California, Minnesota, and Western Wisconsin," Warner Thomas, President & CEO, Sutter Health.

Universal Health Services To Acquire Talkspace
(Behavioral Health Sector)

UHS

To acquire

talkspace

March 2026

Commentary

- Talkspace is a mental health company that provides virtual therapy and psychiatric services through a secure digital platform.
- "Over the past several years, Talkspace has transformed from a direct-to-consumer pioneer into a scaled, insurance-covered behavioral healthcare platform trusted by patients, providers, payors, and employees. This transaction reflects the next logical step in expanding access to affordable, high-quality mental healthcare", Jon Cohen, CEO, Talkspace.

Kinderhook Industries To Acquire Enhabit
(Post-Acute Care Sector)

Kinderhook INDUSTRIES

To acquired

enhabit Home Health & Hospice

February 2026

Commentary

- Enhabit delivers in-home medical care and end-of-life support, primarily serving patients recovering from illness, injury, or surgery, as well as those with chronic conditions or terminal diagnoses.
- "Under Kinderhook's ownership, Enhabit will benefit from additional resources and expertise that will support long-term investments in our people, clinical excellence and innovation without the short-term pressures of the public markets," Barb Jacobsmeyer, President & CEO, Enhabit.

Hims & Hers Health To Acquire Eucalyptus
(Digital Health Sector)

hims & hers

To acquire

eucalyptus

February 2026

Commentary

- Eucalyptus Digital Health is a technology-driven healthcare company that delivers virtual, data-enabled, and patient-centered care solutions designed to improve access, outcomes, and efficiency in healthcare.
- The deal gives Hims & Hers a foothold in Australia and Japan while deepening its presence in the United Kingdom, Germany, and Canada through partnerships with established regional operators.

Global Healthcare M&A Deal Volume: Q1 2026

Key Commentary

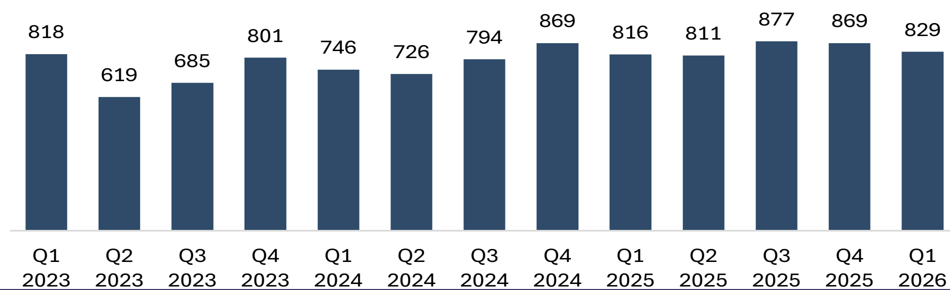
- Deal volume in the Healthcare sector declined 4.6% quarter-over-quarter in Q1 to 829 deals from 869 in Q4, while increasing 1.6% year-over-year from 816 deals in Q1 of the prior year. Despite the modest sequential decline, Q1 activity remains consistent with a broader upward trend in dealmaking that has persisted since Q2 2023, reflecting sustained demand for Healthcare M&A. This momentum is supported by significant private equity dry powder and ongoing roll-up strategies across highly fragmented subsectors.

- Annual deal volume is projected to decline 1.7% in 2026 to 3,316 deals, down from 3,373 in 2025. This modest decrease reflects a balance between supportive factors—including interest rate cuts and substantial private equity dry powder seeking deployment—and headwinds such as heightened geopolitical tensions in the Middle East, and regulatory activity, which are contributing to buyer caution.

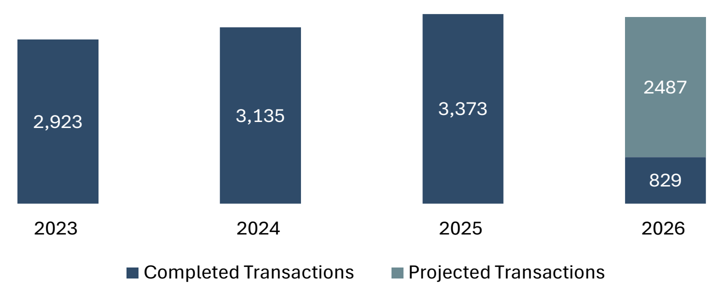
- Total capital invested in Healthcare M&A declined 15.4% quarter-over-quarter in Q1 to $93.2B from $110.1B in Q4, while increasing 166.3% year-over-year from $35.0B in Q1 of the prior year. The sequential decline was primarily driven by a reduction in mega-deal activity. In Q4, Abbott’s $21.0B acquisition of Exact Sciences was the largest transaction, whereas Q1’s largest deal was Waters’ $17.5B acquisition of BD Solutions.

Key Metrics

Global Quarterly Deal Volume

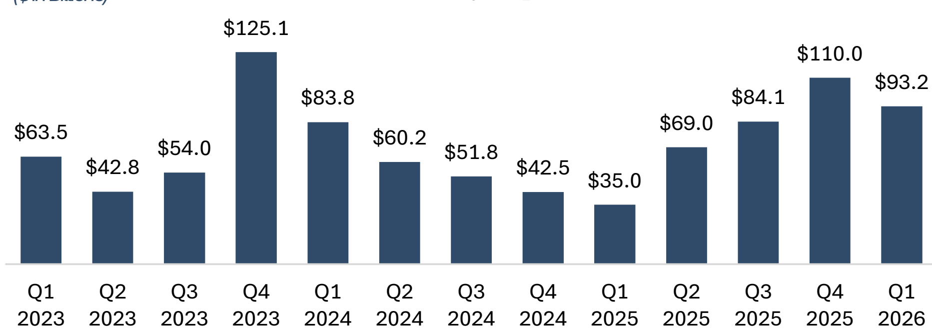


Global Annual Deal Volume



($ in Billions)

Total Global Quarterly Capital Invested

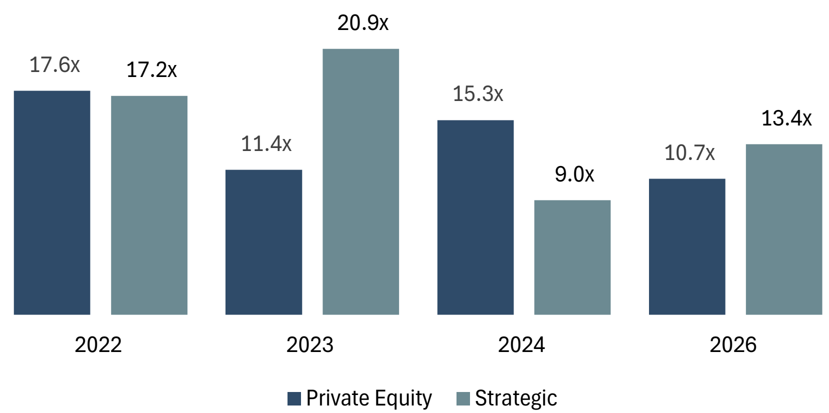


Source: S&P Capital IQ, R.L. Hulett

Q1 2026 Valuation Multiples & Public Market Information

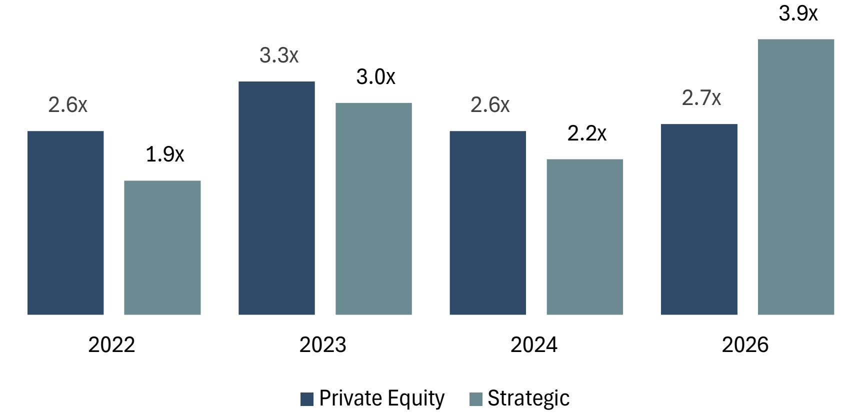
Valuation Multiples

Reported EV/EBITDA Multiples



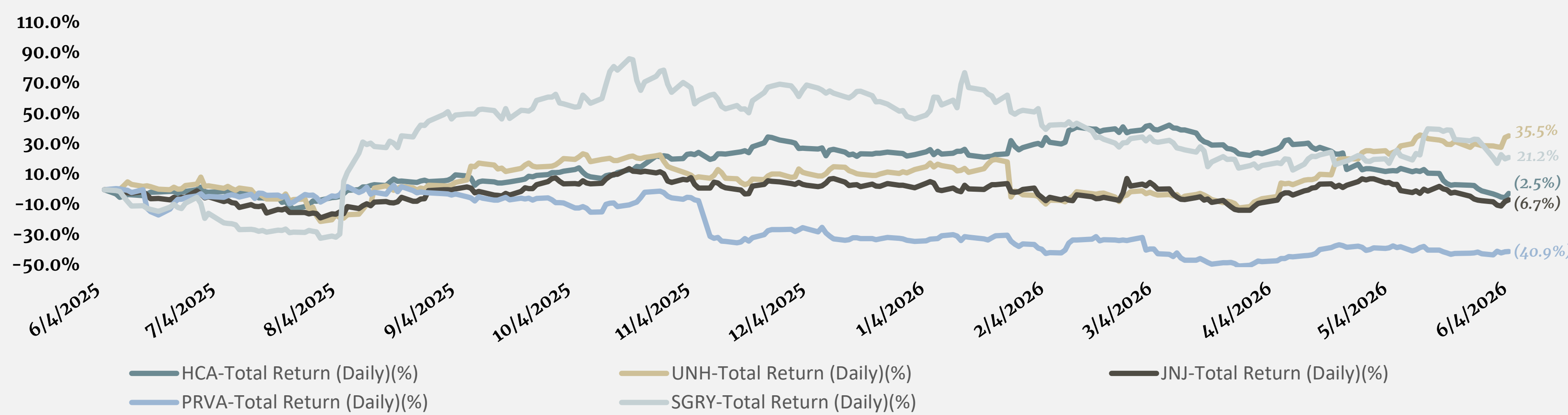
- The median EV/EBITDA multiple for reported private equity Healthcare deals decreased to 10.7x in Q1 from 15.3x in 2025, while strategic deal multiples increased to 13.4x from 9.0x in the prior year.

Reported EV/Revenue Multiples



- The median EV/Revenue multiple for reported private equity deals increased to 2.7x in Q1 from 2.6x in 2025, while strategic deal multiples rose to 3.9x from 2.2x in the prior year.

Public Markets



Source: S&P Capital IQ, R.L. Hulett

Recent Transaction Highlights

Target	Acquiror	Sector	Target Business Description
RMC Health System	Orlando Health	Medical Facilities & Ancillary Services	RMC Health System is a not-for-profit regional healthcare system headquartered in Anniston. Its mission is to provide "state-of-the-art healthcare with integrity" through a network of hospitals, outpatient facilities, urgent care centers, physician practices, and specialty clinics.
MercyOne	UnityPoint Health	Medical Facilities & Ancillary Services	MercyOne Siouxland Medical Center is a regional, faith-based, not-for-profit healthcare provider headquartered in Sioux City, Iowa. The organization serves a 33-county tri-state region spanning western Iowa, eastern Nebraska, and southeastern South Dakota.
HMG Holston Medical Group	Optum	Medical Facilities & Ancillary Services	Holston Medical Group (HMG) is one of the largest physician-owned, multispecialty medical groups in the Appalachian region, serving Northeast Tennessee and Southwest Virginia. Founded in 1977, HMG has grown from a small family medicine practice into a comprehensive, physician-led healthcare organization.
Modern network	BrentCare Behavioral Health	Behavioral Health	Modern Recovery Network (MRN) is a behavioral health platform headquartered in Phoenix, Arizona, focused on mental health, substance use disorder (SUD), and adolescent behavioral health services. The company operates a portfolio of treatment brands that provide virtual, outpatient, and residential care for both adults and adolescents.
RadleyCare	CareSource	Behavioral Health	RadleyCare is a technology-enabled behavioral health services company focused on providing peer support and family support services for adults living with serious mental illness (SMI). Headquartered in Cincinnati, Ohio, the company operates a peer-led care model that connects individuals and families with certified peer supporters.
Resilience Lab	Cerebral	Behavioral Health	Resilience Lab is a technology-enabled behavioral health provider and clinician-services platform headquartered in New York City. Founded in 2019, the company combines outpatient therapy, psychiatry, clinician training, and proprietary software to deliver collaborative, team-based mental healthcare.
Centerstone	Brightli Building Healthy Communities	Behavioral Health	Centerstone is one of the largest nonprofit behavioral health providers in the United States, delivering a comprehensive continuum of mental health, substance use disorder (SUD), crisis, community-based, residential, and supportive services.

Source: Modern Healthcare

Recent Transaction Highlights *(Cont.)*

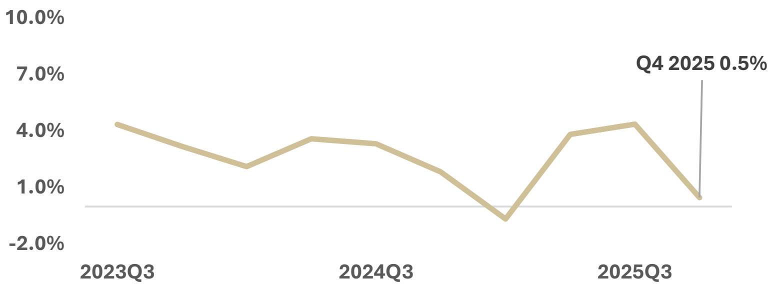
Target	Acquiror	Sector	Target Business Description
bend	lyra	Behavioral Health	Bend Health is a technology-enabled pediatric behavioral health company providing virtual mental health services for children, adolescents, young adults, and their families. The company utilizes a collaborative care model that combines coaching, therapy, psychiatry, and digital tools to improve access to behavioral healthcare.
Family First Homecare	aveanna healthcare	Post-Acute Care	Family First Homecare is a pediatric-focused home healthcare provider specializing in skilled private duty nursing (PDN) services for medically complex and medically fragile children.
TEAM Services Group	General Atlantic	Post-Acute Care	TEAM Services Group (TEAM) is a diversified home-based care and household employment services platform that partners with home care agencies, fiscal intermediaries, and household employment providers across the United States.
Valencia Technologies	Boston Scientific	Digital Health	Valencia Technologies is a U.S.-based medical device and neuromodulation company focused on developing minimally invasive implantable therapies for urinary incontinence and bladder dysfunction, primarily urge urinary incontinence (UUI).
Mytonomy	Elsevier	Digital Health	Mytonomy is a healthcare technology company that provides a cloud-based patient education and engagement platform for health systems, hospitals, clinics, health plans, and life sciences organizations. Founded in 2011 and headquartered in Bethesda, the company specializes in delivering personalized, video-based patient education and communications throughout the care journey.
Cirrus MD	Quantum Health	Digital Health	CirrusMD is a technology-enabled virtual care platform that provides on-demand, physician-led medical care through a text-first (chat-based) experience. The company's core offering allows patients to connect directly with licensed physicians in seconds for diagnosis, treatment, prescriptions, and care navigation.
Intelerad	GE HealthCare	Digital Health	Intelerad Medical Systems is a healthcare imaging software company that provides cloud-enabled platforms for managing, viewing, storing, and sharing medical images across hospitals, radiology groups, cardiology practices, and outpatient care networks.
UCM Digital Health	Fabric health	Digital Health	UCM Digital Health is a technology-enabled virtual care and care navigation company that provides a "digital front door" to healthcare, offering patients 24/7 access to clinicians for urgent care, primary care, emergent care triage, behavioral health support, and care coordination through a single integrated platform.

Source: Modern Healthcare

Select Macroeconomic Indicators

Real GDP

(Annualized quarter-over-quarter % change, showing only quarterly data from 2022 to 2025, Chained to 2017 U.S. Dollars)

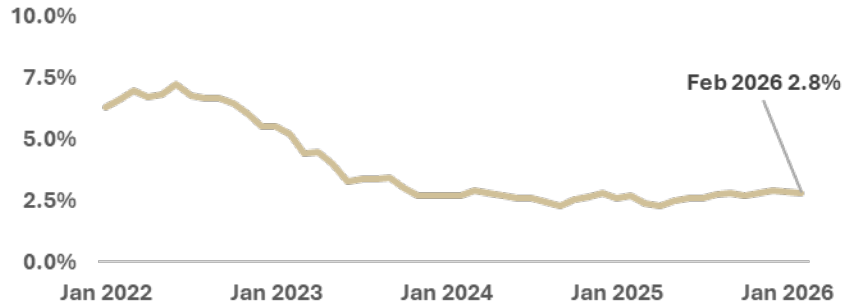


Source: Bureau of Economic Analysis.

- Real GDP rose 0.5% (annualized) in Q4 2025, reflecting weaker exports, slower consumer spending, and reduced government expenditure. This deceleration confirms that momentum entering 2026 is materially lower than headline mid-2025 data suggested.

Consumer Spending – PCE Price Index

(Annual % increase, 2017 = 100)

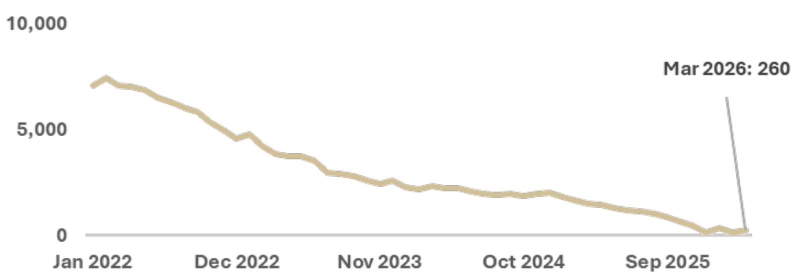


Source: Bureau of Economic Analysis.

- February PCE inflation increased by 0.4% MoM and 2.8% YoY due to continued pricing pressure.
- Core PCE (excluding food and energy) increased 3.0% YoY and 0.4% MoM.

Total Nonfarm Payrolls

(Annual Employee Growth, Employees In Thousands)

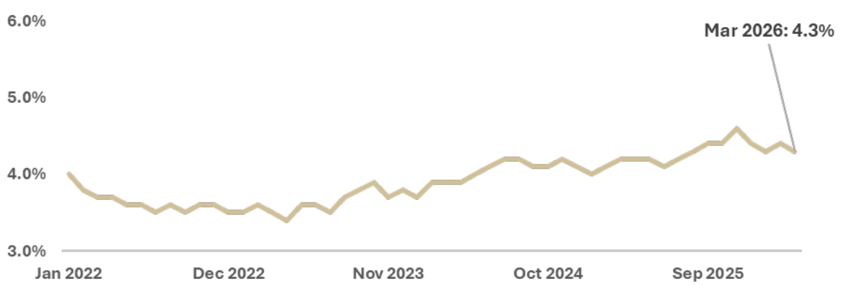


Source: Bureau of Labor Statistics.

- Nonfarm Payrolls increased by 260K between March 2025 and March 2026.
- Nonfarm payrolls rose by 178,000 in March 2026, suggesting stabilization after the late-2025 slowdown.

Unemployment Rate

(MoM since Jan 2022)



Source: Bureau of Labor Statistics.

- The Unemployment rate changed slightly in March 2026 to 4.3%.
- The data supports the view that the economy has transitioned into a low-hire, low-fire equilibrium, easing prior concerns about a sharper employment slowdown while still consistent with late-cycle normalization.

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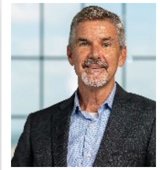

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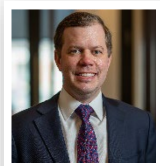

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Investment Banking Services

- M&A Advisory
- Capital Raising
- Recapitalizations

CCA's Investment Banking team is a seasoned team dedicated to its clients' outcomes. We have worked with dozens of companies in projects ranging from Sell-side Investment Banking, to Ownership Alternatives, to Valuations to Boards of Directors. CCA partners with its clients, shepherding them throughout the process, and supporting them to reach their goals.

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