

Healthcare

INDUSTRY UPDATE | **Q2 2026**

PHYSICIAN PRACTICE MANAGEMENT (PPM)

IN THIS ISSUE

Firm Overview	2
Key Trends in the PPM Sector	4
M&A Activity	5
Market Multiples & Performance	7
Macro Economic Update	10



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



Deep Experience Advising Healthcare Clients

Select Sell-Side M&A Experience

 Acquired by PatientPoint A portfolio Company of CATTERTON & LITTLEJOHN & Co. Sell-Side Advisor chesapeake corporate advisors	 Acquired by PDI Health Sell-Side Advisor chesapeake corporate advisors	 Acquired by W2O A portfolio Company of NMC NEW MOUNTAIN CAPITAL LLC Sell-Side Advisor chesapeake corporate advisors	 Acquired by REVINT SOLUTIONS A portfolio Company of NMC NEW MOUNTAIN CAPITAL LLC Sell-Side Advisor chesapeake corporate advisors
---	---	--	---

Healthcare Service Areas



Medical Facilities & Ancillary Services



Behavioral Health



Post-Acute & Long-Term Care



Physician Practice Management

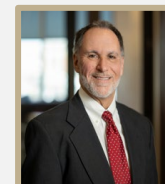


Digital Health & Tech-Enabled



Revenue Cycle Management

Contact Us

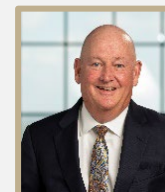


Steve Collins

Managing Director

scollins@ccabalt.com
954.683.8466

- University of Maryland - B.S.
- Pepperdine University - MBA
- 250+ Healthcare Services Deals



Charlie Maskell

Managing Director

cmaskell@ccabalt.com
443.842.7456

- Loyola University Maryland - B.S.
- Certified Public Accountant
- 30+ years of M&A Experience



Tim Brasel

Managing Director

tbrasel@ccabalt.com
302.388.8513

- Salisbury University - B.S.
- University of Maryland - MBA
- 10+ years of M&A Experience



Macro Dynamics...

- Demand for services continues to rise as the population grows and ages
- In many practice areas, growth in providers will not keep up with demand, forcing innovative care models including increased utilization of physician extenders
- Cost inflation and pressure on reimbursement is forcing more care into lower cost settings such as ASCs, homes, and telemedicine
- Rapidly evolving technology in both clinical delivery, workflow and reporting areas is forcing providers to adapt

...Put Pressure on Independent Practice...

- Rising demand in the face of increasing labor costs and reimbursement headwinds put pressure on smaller groups, forcing many to increase volume to maintain economics
 - CMS's 2026 fee schedule raised rates ~3-4%, but a new RVU adjustment holds real payment flat
- Practices must deploy capital on technology to keep up with requirements in clinical, RCM and reporting elements
- Maintaining appropriate compliance programs remains challenging as regulations are complex and changing
- Many of these factors contribute to rising burnout and a diminishing number of independent groups

... Along with Technology/AI Disruptors...

- AI adoption (ambient documentation, revenue cycle automation) is now a key lever for offsetting cost pressure
- Service providers must adapt and integrate appropriate technology to capture data and drive efficiencies – this can be challenging without scale
- Digital capture and interoperable data are now critical to competing at scale

...Force Consideration of Alternatives.

- Staying the course - requires some combination of outsourcing/creating efficiencies, deploying capital, and increasing patient volume
- Employment or merging practice with health systems that have enjoyed reimbursement advantages
- Combining with other practices or multi-specialty groups
- PPM consolidators, many of which are PE-backed
- Different models such as concierge medicine

The experts at CCA can help you assess the current state, evaluate and recommend options, and find the right partner(s) to help solve matters of scale, while promoting clinical autonomy



Cencora To Acquire EyeSouth Partners' Retina Business (Physician Practice Management Sector)

cencora

To acquire



March 2026

Commentary

- EyeSouth Partners' Retina Business is a physician-focused ophthalmology management organization that partners with independent eye-care practices.
- The acquisition is a direct extension of Cencora's strategy to build high-margin specialty services capabilities adjacent to its core pharmaceutical distribution business. Cencora has argued consistently that investment in specialty support assets enhances the long-term economics of its core operations, particularly in ophthalmology.

Lifepoint Health To Acquire 8 Hospitals from ScionHealth (Medical Facilities & Ancillary Services Sector)



To acquire



(8 Community Hospitals)

June 2026

Commentary

- ScionHealth is a U.S. healthcare system focused primarily on specialty hospital services for medically complex patients, with a smaller portfolio of community acute-care hospitals.
- Lifepoint Health is a leading healthcare provider that serves patients, clinicians, communities and partner organizations across the healthcare continuum. With the completion of the transaction, Lifepoint's healthcare delivery network now spans 68 community hospital campuses, more than 70 rehabilitation and behavioral health hospitals and more than 300 additional sites of care.

Singlepoint Healthcare To Acquire Healix (Medical Facilities & Ancillary Services Sector)



To acquired



June 2026

Commentary

- Healix Infusion Care is a national provider of outpatient infusion management and ambulatory infusion services, headquartered in Sugar Land, Texas.
- The acquisition further strengthens Singlepoint Healthcare's ability to deliver comprehensive, multi-specialty care for patients with inflammatory disease. By bringing together Singlepoint Healthcare and Healix Infusion Care, the combined organization will further reduce care fragmentation and shorten time to advanced therapies, improving healthcare outcomes.

Lee Health To Acquire Florida Heart Associates (Physician Practice Management Sector)



To acquire



May 2026

Commentary

- Florida Heart Associates was an independent cardiology physician practice serving Southwest Florida.
- The deal expands Lee Health's cardiovascular care network in Southwest Florida to 16 facilities and reflects the desire of many health systems to keep cardiovascular care in house and expand outpatient facilities affiliated with the system.



Key Commentary

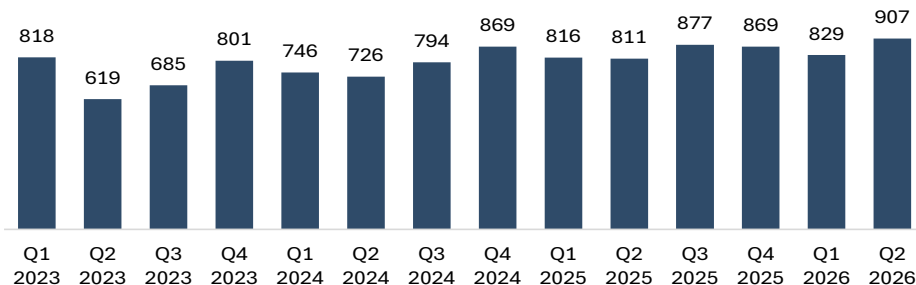
- Healthcare deal volume picked up in Q2 and continues to push through headwinds including uncertain, economic, political and regulatory factors. Hot subsectors include Digital Health, Behavioral Health, Outpatient and Home Care, Specialty Pharma and AI-enabled RCM platforms. In the PPM space, activity in Dental, Oncology, and Ophthalmology has been particularly strong. PE and PE-backed platforms lead the way in many healthcare subsectors but strategic acquirors are active, particularly in expanding capabilities and diversifying revenue streams.

- While PPM transactions continue to be the volume leaders at more than 40% of total healthcare activity primarily due to the massive market size and still high levels of fragmentation, buyer priorities have shifted. PE continues to be very active but has become much more selective particularly when it comes to a new platform. PE is de-emphasizing pure dependence on fee for service revenue (especially from government payors) and prioritizing ancillary revenue streams, organic growth and technology levers to increase RCM and workflow efficiency, all driving a build towards scaled, integrated platforms rather than a collection of practices.

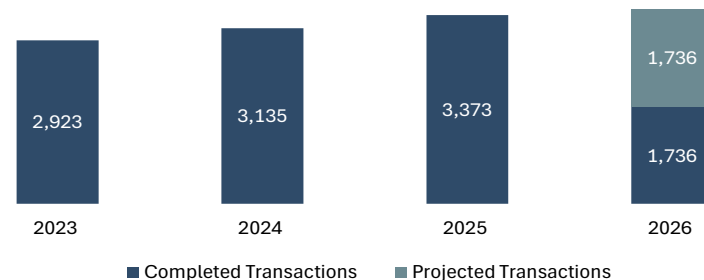
- Regulators continue to focus their spotlight on PE investment in healthcare, especially in the PPM sector. Corporate practice of medicine laws restrict the ownership of medical practices to clinicians and CON laws govern establishment of new centers such as ASCs. In addition, many states have enacted “anti-PE” legislation such as government transaction reviews and prohibitions on physician non-compete agreements. Despite these headwinds which are contributing to lower PPM transaction counts so far in 2026, consolidation continues, with an increasing percentage of physicians choosing hospital or consolidating entities over independent, private practice.

Key Metrics

Global Quarterly Deal Volume



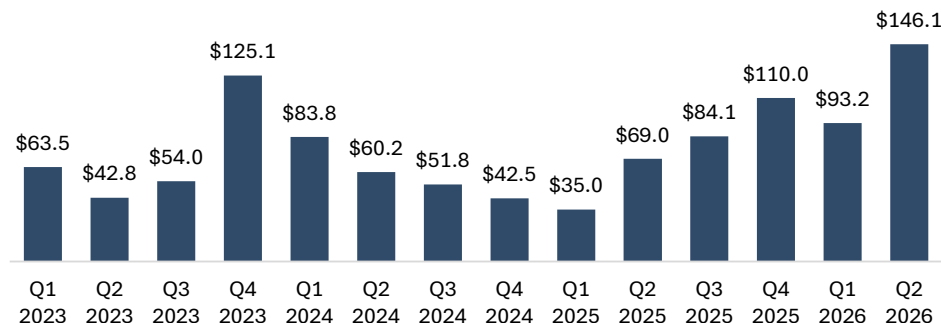
Global Annual Deal Volume



■ Completed Transactions ■ Projected Transactions

(\$ in Billions)

Total Global Quarterly Capital Invested



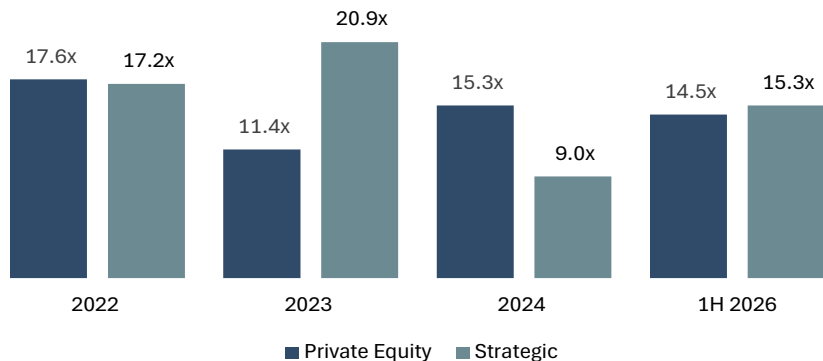
Source: S&P Capital IQ, R.L. Hulett

1H 2026 Valuation Multiples & Public Market Information



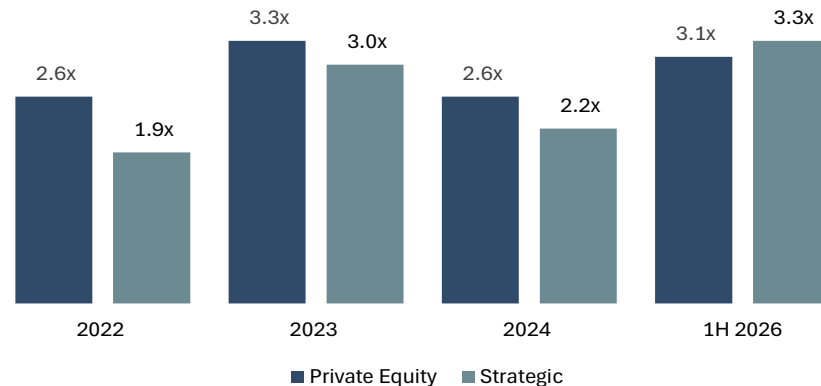
Valuation Multiples

Reported EV/EBITDA Multiples



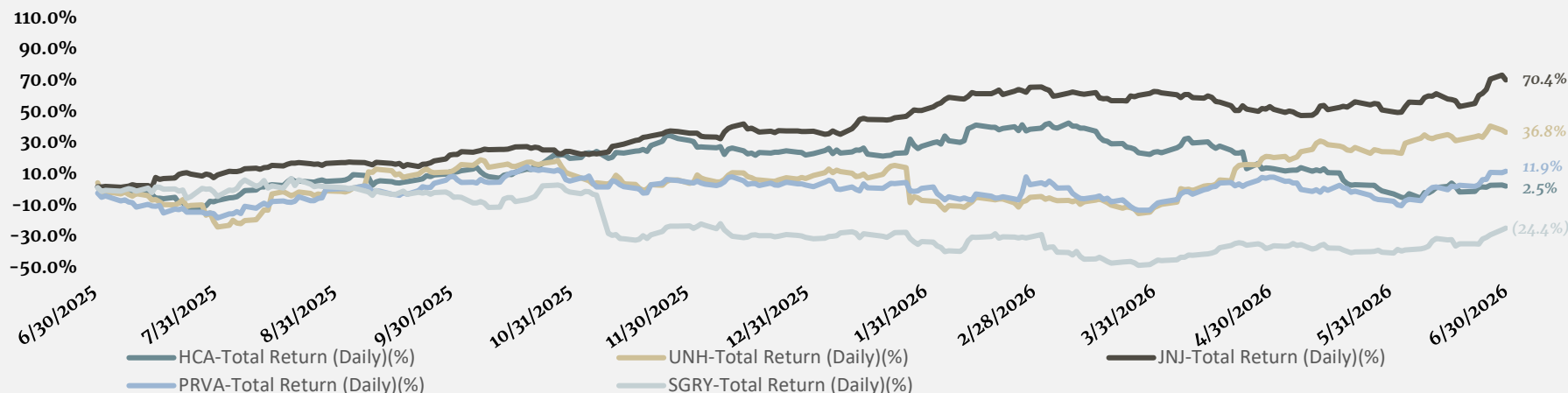
- The median EV/EBITDA multiple for reported private equity Healthcare deals decreased to 14.5x in 1H from 15.3x in 2025 but increased for strategic deals to 15.3x from 9.0x in the prior year.

Reported EV/Revenue Multiples



- The median EV/Revenue multiple for reported private equity deals increased to 3.1x in 1H from 2.6x in 2025 and increased for strategic deals to 3.3x from 2.2x in the prior year.

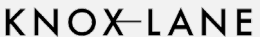
Public Markets



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

Recent Transaction Highlights



Target	Acquiror	Sector	Target Business Description
	 KAIN CAPITAL	Physician Practice Management	White-Wilson Medical Center is a comprehensive multi-specialty healthcare organization providing primary care, urgent care, specialty medical services, diagnostic imaging, laboratory testing, and other outpatient healthcare services to individuals and families throughout Florida's Emerald Coast.
 EYESOUTH PARTNERS <i>(Retina Business)</i>		Physician Practice Management	EyeSouth Partners operates a growing national retina and ophthalmology platform that partners with physician-owned practices to provide medical and surgical retinal care. The company manages the business and administrative infrastructure, including operations, finance, human resources, technology, payer contracting, and practice growth, while affiliated physicians retain clinical autonomy and local practice identity.
		Physician Practice Management	Midwest Interventional Spine Specialists treats chronic spine and pain conditions using minimally invasive and image-guided procedures, including spinal cord stimulation, intradiscal procedures, percutaneous disc decompression, epidural and other injections, nerve blocks, radiofrequency procedures, and other non-surgical interventions.
		Medical Facilities & Ancillary Services	AMSURG is a national ambulatory surgery center (ASC) management and partnership company that owns, operates, and manages outpatient surgery centers in partnership with physicians and health systems. Its network includes 250+ surgery centers across 34 states, with more than 3,500 affiliated physicians spanning 20+ specialties.
		Medical Facilities & Ancillary Services	Cross Country Healthcare is a technology-enabled healthcare workforce solutions company focused on helping healthcare organizations solve complex labor and staffing challenges. Its core business provides nursing, allied health, and nonclinical staffing and workforce solutions to health systems and other healthcare organizations.
17 Locations 	40 Locations 	Medical Facilities & Ancillary Services	Urgent Care Group (UCG) is a multi-state urgent care platform that partners with physicians and health systems to acquire, develop, and operate walk-in healthcare centers. Texas MedClinic is an urgent care and occupational medicine provider offering convenient, walk-in treatment for non-emergency illnesses and injuries
			
		Behavioral Health	Little Leaves Behavioral Services is a center-based pediatric behavioral health provider specializing in Applied Behavior Analysis (ABA) therapy for young children with autism spectrum disorder (ASD). The company primarily serves children ages 1–6 in a preschool-like setting, with an emphasis on early intervention and preparing children for school and everyday life.



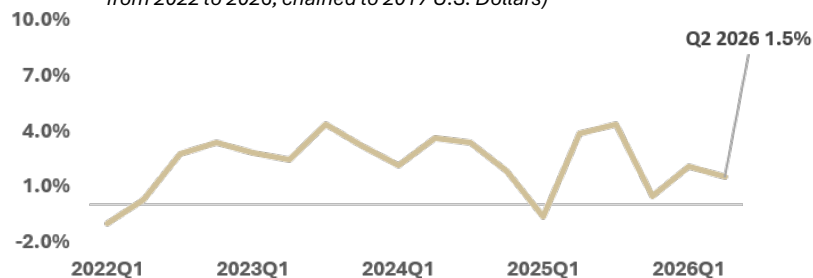
Recent Transaction Highlights (Cont.)

Target	Acquiror	Sector	Target Business Description
		Behavioral Health	Magellan Health is a healthcare management and services company focused on behavioral health and other complex, specialty healthcare needs. The company primarily serves health plans, employers, government agencies, and other managed-care organizations, providing behavioral health management, care coordination, clinical management, and related specialty services.
		Behavioral Health	ResCare Community Living is a national home and community-based services (HCBS) provider focused primarily on individuals with intellectual and developmental disabilities (IDD) and other complex support needs.
		Post-Acute and Long-Term Care	Select Medical is a national post-acute healthcare services provider focused on critical illness recovery, inpatient rehabilitation, and outpatient rehabilitation. The company operates specialty hospitals and rehabilitation clinics that help patients recover from serious illness, injury, and surgery.
		Post-Acute and Long-Term Care	Family First Homecare is a multi-state pediatric home healthcare provider specializing in private-duty nursing for children with complex and chronic medical conditions. The company provides skilled nursing care in the home, allowing medically fragile children to receive ongoing care outside of hospitals and other institutional settings.
		Post-Acute and Long-Term Care	TEAM Services Group is a national home care and household employment services platform focused on supporting seniors, individuals with long-term disabilities, and families who require in-home care. The company partners with home care agencies, fiscal intermediaries, and household employment providers to expand access to care while helping individuals maintain independence and choice.
		Digital Health	VitalConnect is a medical technology and digital health company focused on wearable biosensors, remote patient monitoring, and ambulatory cardiac monitoring. Its technology combines disposable wearable sensors, mobile connectivity, cloud software, analytics, and clinical monitoring services to continuously capture and transmit patient physiological data in hospital and at-home settings.
		Digital Health	MD Revolution is a technology-enabled remote care management and population health platform that helps physician practices, health systems, and healthcare organizations manage patients between traditional office visits.
		Revenue Cycle Management	TruBridge is a healthcare technology and services company focused primarily on rural and community hospitals, their clinics, and other healthcare organizations. The company provides technology-enabled solutions spanning both the financial and clinical sides of healthcare delivery.

Selected Macroeconomic Indicators

Real GDP

(Annualized quarter-over-quarter % change, showing only quarterly data from 2022 to 2026, chained to 2017 U.S. Dollars)

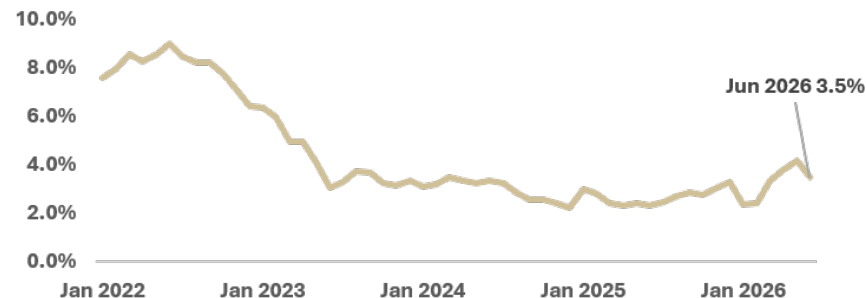


Source: Bureau of Economic Analysis.

- Real GDP rose 1.5% (annualized) in Q2 2026 to \$24.3T.
- AI-related investment and resilient consumer spending supported Q2 2026 growth, partially offset by weaker net exports.

Consumer Price Index (CPI)

(Seasonally Adjusted Annual % Change)

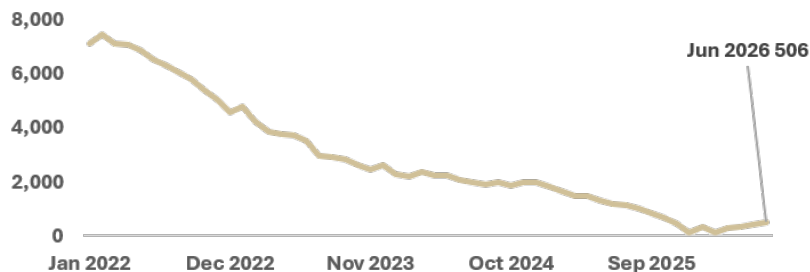


Source: Bureau of Labor Statistics.

- CPI increased 3.5% from June 2025 to June 2026 and fell 0.4% MoM in June 2026, the largest one-month decline since April 2020.
- Core CPI eased to 2.6% YoY from 2.9% in May 2026, while energy rose 15.7% over the 12 months ending June 2026.

Total Nonfarm Payrolls

(Annual Employee Growth, Employees in Thousands)

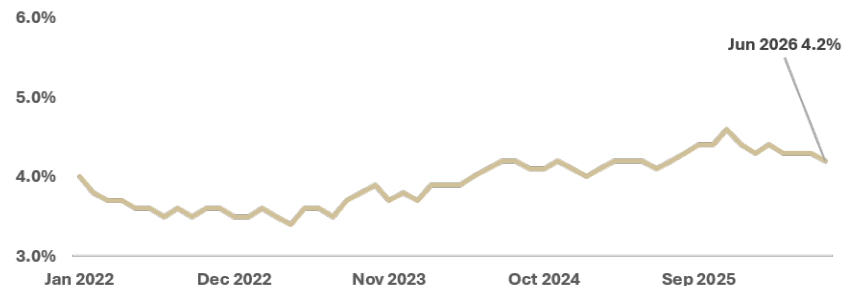


Source: Bureau of Labor Statistics.

- Nonfarm Payrolls increased by 506K YoY between June 2025 and June 2026.
- Nonfarm payrolls rose by only 57K MoM in June 2026; however, sentiment reflects that the labor market is steady.

Unemployment Rate

(MoM since Jun 2022)



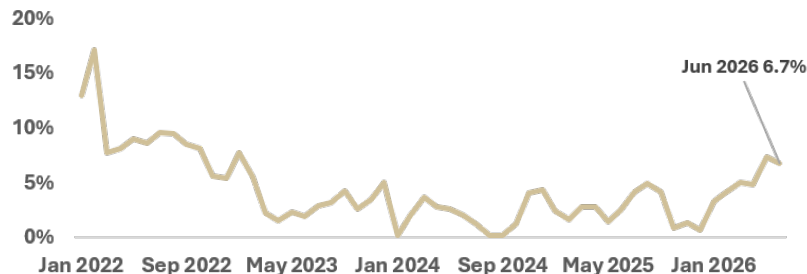
Source: Bureau of Labor Statistics.

- The unemployment rate is stable at 4.2% in June 2026, holding near maximum employment levels.
- The economy has continued to display a low-hire, low-fire equilibrium, easing concerns about a sharper downturn.

Selected Macroeconomic Indicators (cont'd)

Retail Sales

(Annual % Change)

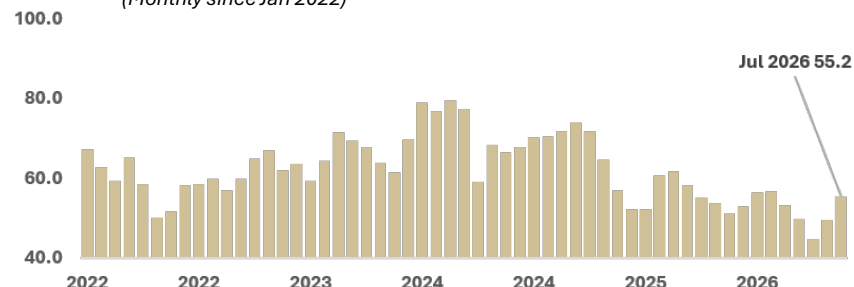


Source: United States Census Bureau.

- Total retail sales for June 2026 were up 6.7% over June 2025.
- Spending has held up in nominal terms even as real purchasing power is squeezed by elevated energy costs.

Consumer Sentiment

(Monthly since Jan 2022)

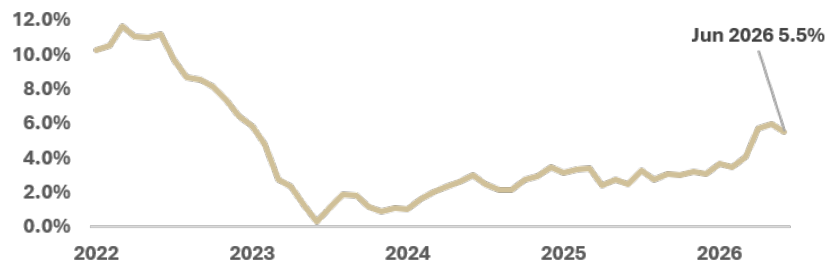


Source: University of Michigan Survey of Consumers.

- Consumer sentiment recovered to 55.2 in July 2026, marking the first meaningful improvement in sentiment this year.
- The level remains historically depressed, reflecting persistent pressure from elevated living costs and lingering inflation concerns.

Producer Price Index (PPI)

(Annual % Change; adjusted)

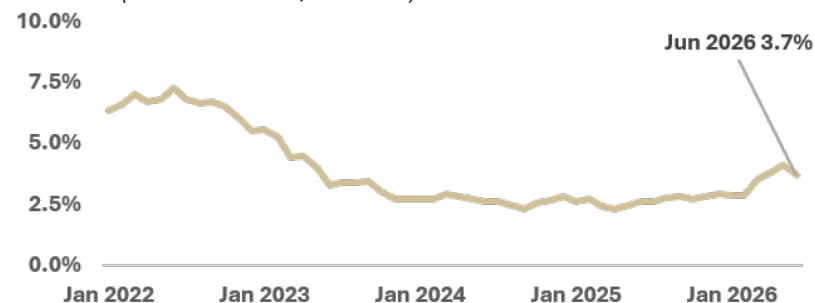


Source: Bureau of Labor Statistics.

- The Producer Price Index for final demand fell 0.3% MoM in June 2026 but remained 5.5% higher YoY.
- Lower energy prices drove the monthly decline, providing near-term relief, though underlying producer inflation remained elevated.

Consumer Spending – PCE Price Index

(Annual % Increase, 2017 = 100)



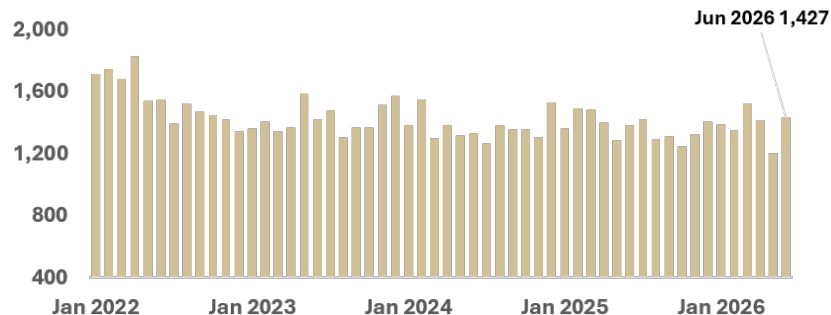
Source: Bureau of Economic Analysis.

- June 2026 PCE inflation decreased 0.1% MoM and has increased 3.7% YoY, a cool-down from 4.1% in May 2026.
- Core PCE increased 3.3% YoY and 0.1% MoM in June 2026, easing from 3.4% and 0.3%, respectively, in May 2026.

Selected Macroeconomic Indicators (cont'd)

Housing Starts

(Seasonally Adjusted Annual Rate (SAAR), Numbers in Thousands)

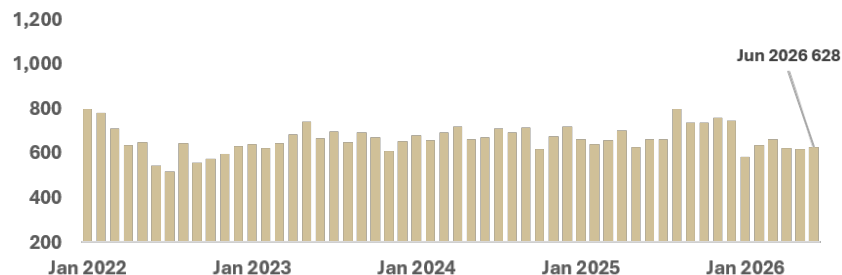


Source: Federal Reserve Bank of St. Louis (FRED).

- June 2026 Housing Starts increased 3.5% YoY and 19.0% MoM to a seasonally adjusted annual rate of 1.43M units.

New Home Sales

(Monthly, Numbers in Thousands)

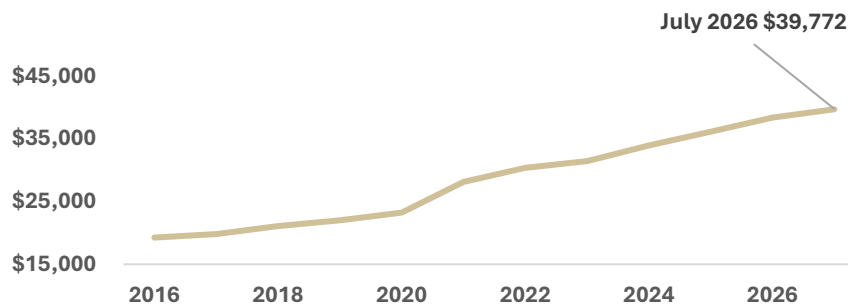


Source: United States Census Bureau.

- New home sales reached 628K units in June 2026, up 1.6% MoM but down 5.6% YoY.
- Multifamily activity is driving the increase rather than a broad housing recovery, underscoring ongoing weakness in the single-family market.

National Debt

(Annually, \$ in Billions)

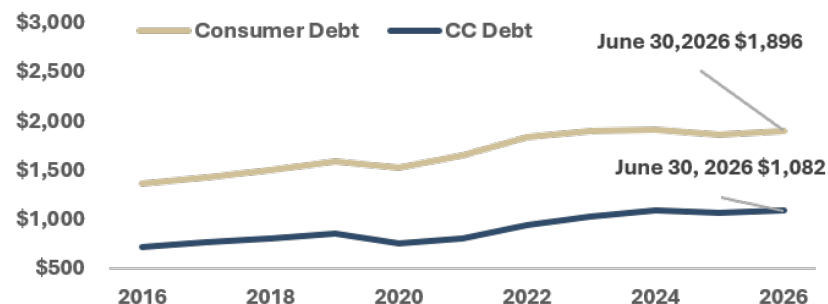


Source: Federal Reserve Bank of St. Louis (FRED), United States Department of the Treasury.

- National debt reached approximately \$39.8T in July 2026, increasing \$2.9T, or 7.7%, from \$36.9T a year prior.

Consumer Debt & Credit Card Debt

(Annually, \$ in Billions)



Source: Federal Reserve Bank of St. Louis (FRED).

- Consumer & Credit Card Debt were ~\$1.9T and ~\$1.1T, respectively, as of the June 2026 reading.
- In June 2026, credit card debt made up 57.1% of all consumer debt, which remained constant from May 2026.

The CCA's Investment Banking Team



Charlie Maskell
Managing Director

cmaskell@ccabalt.com
443.842.7456

- Loyola University Maryland - B.A.
- Certified Public Accountant
- 30+ years of M&A Experience



Steve Collins
Managing Director

scollins@ccabalt.com
954.683.8466

- University of Maryland - B.S.
- Pepperdine University - MBA
- 30+ years of M&A Experience



Martin O'Neill
Managing Director

moneill@ccabalt.com
443.842.7465

- University of Maryland - B.S.
- Loyola University Maryland - MBA
- 30+ years of Experience



Stuart Knott
Managing Director

sknott@ccabalt.com
443.738.4456

- Boston College - B.A.
- University of Maryland - MBA
- 25+ years of M&A Experience



Timothy Brasel
Managing Director

tbrasel@ccabalt.com
302.388.8513

- Salisbury University - B.S.
- University of Maryland - MBA
- 10+ years of M&A Experience



Andy Spears
Director

aspears@ccabalt.com
443.842.7512

- Vanderbilt - B.S.
- 10+ years of Corporate Advisory & Investment Banking Experience



Katie Kieran
Director

kkieran@ccabalt.com
617.797.7173

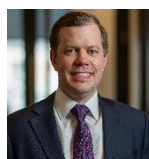
- Boston College - B.S.
- University of Pennsylvania - MBA
- 9+ years of M&A Experience



Aidan Olmstead
Vice President

aolmstead@ccabalt.com
607.329.8352

- Loyola University Maryland - B.B.A., B.S.
- Loyola University Maryland - MBA
- 3+ years of M&A Experience



Matt Metzger
Associate

mmetzger@ccabalt.com
410.972.7969

- Mount Aloysius College - B.S.
- Cornell University - MBA
- 4+ years of M&A Experience



- 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.

Chesapeake Corporate Advisors

410-537-5988

www.ccabalt.com

1001 Fleet Street

Suite 420

Baltimore, MD 21202