

Private Equity in Healthcare Today

May 2026



William Blair

Speaker Biography

Fritz Buerger, Managing Director

- Partner at William Blair & Company; Head of Healthcare Services
- Joined William Blair in 2003
- Completed over 100 transactions representing more than \$60 billion in enterprise value
- BSM, Tulane University; MBA, Kellogg (Northwestern)
- Resides in Wilmette, IL with his wife and three children










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William Blair: The Premier, Independent & Global Investment Bank

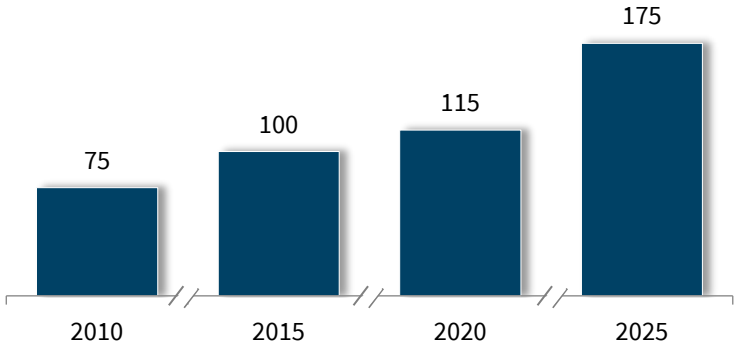
The world's leading advisor to high-quality, high-growth companies

A Snapshot of William Blair

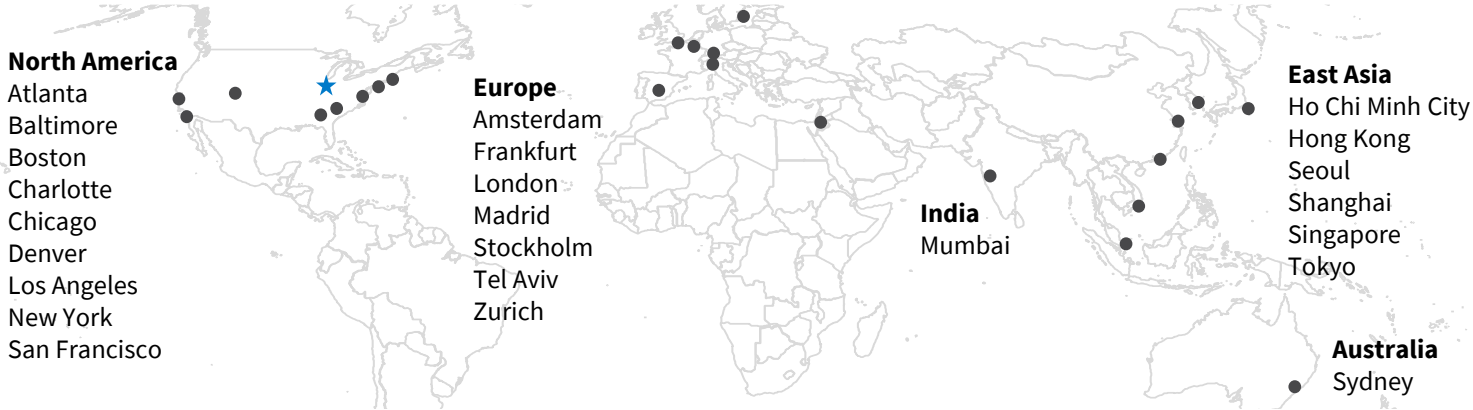
 24 Offices worldwide	 1000+ M&A advisory transactions since 2020	 ~70% Repeat clients
 ~650 Investment banking employees	 \$660B+ Total transaction value since 2020	 ~45% Sales to strategic acquirers
 100% Owned by active partners	 \$600M+ Average firmwide M&A deal size since 2020	 ~30% M&A advisory for physician / founder-owned companies

Accelerating M&A Deal Volume

(# of M&A deals completed per year, rounded to the nearest 5)



Locations



Note: Data is as of March 2026. Represents global William Blair M&A transactions. Map includes strategic partnerships with Allier Capital, BDA Partners, and Poalim Capital Partners.

William Blair's Market Leading Patient Care Investment Banking Practice

Unmatched deal experience for over two decades drives our ability to deliver industry-leading outcomes

\$70B+ in Enterprise Value Across **120+** Patient Care Transactions

Not Disclosed SignatureMD has been acquired by CAUTERION March 2026	\$7,354,743,966 MEDLINE Initial Public Offering & Follow on Offering March 2026	Not Disclosed PatientCare has been acquired by Gran Avenue December 2025	\$462,500,000 Lumexa IMAGING Initial Public Offering December 2025	Not Disclosed TDP secured a single asset continuation trust for Western Veterinary Partners November 2025	Not Disclosed bpd has been acquired by M.H. Life Sciences October 2025	Not Disclosed Envision has sold its Women's and Children's Division to Pediatric & HCA September 2025	\$285,000,000 BioTouch Unimatrix Credit Facility August 2025	Not Disclosed 305 Cinaron Healthcare Capital has received a preferred equity investment from Apogee Capital July 2025	\$502,968,800 Hinge Health Initial Public Offering May 2025	Not Disclosed INTUITIVE HEALTH has been acquired by Altamont Capital Partners has been acquired by Great Hill Partners November 2024	Not Disclosed DUOMED has been acquired by Palex Constant Improvement October 2024	
Not Disclosed SKINCARE ONCOLOGY September 2024	Not Disclosed EHE HEALTH has been acquired by Consello Capital August 2024	Not Disclosed medsPEED has partnered with Water Street Healthcare Partners July 2024	Not Disclosed MEDVET has received a preferred equity investment from Leonard Green & Partners, LP June 2024	Not Disclosed MEDVET Senior Secured Credit Facility Preferred Equity June 2024	\$125,000,000 LifeStance HEALTH Follow-on Offering May 2024	Not Disclosed Corporative Health Consultants has been acquired by York Capital October 2023	Not Disclosed VERIDIAN HEALTHCARE has been acquired by United Western Group HealthEdge Partners July 2023	\$1,861,295,244 agilon health Follow-on Offering May 2023	Not Disclosed THREE & D'ANGELO PARTNERS has made a strategic equity investment in Western Veterinary Partners March 2023	\$135,125,000 PRIVIA HEALTH Follow-on Offering November 2022	Not Disclosed TSG CONSUMER has made an investment in Specialty Dental Brands September 2022	Not Disclosed PEARL STREET has been acquired by SkyKnight Capital September 2022
\$180,250,000 Oak St Health Follow-on Offering August 2022	Not Disclosed SKYKNIGHT has acquired Dermatologists of Central States June 2022	\$655,000,000 Hemeyer Acquisition Corp. II has merged with Biote May 2022	\$665,000,000 Biote becomes publicly traded via merger with Haymaker Acquisition Corp. III May 2022	Not Disclosed VISTA has been acquired by Ingenious Health April 2022	Not Disclosed Vision Innovation Partners has acquired Vision Innovation Partners April 2022	Not Disclosed Regency has been acquired by Gateway Pet Memorial March 2022	Not Disclosed BEACON Specialized Living has been acquired by The Vistria Group March 2022	Not Disclosed AEA has acquired AmeriVet Veterinary Partners February 2022	\$310,000,000 alpaca h has been acquired by Sonova Group February 2022	VFP has been acquired by Audax Group December 2021	Not Disclosed Fulbloom has been acquired by American Securities December 2021	Not Disclosed CVM has been acquired by Webster Equity Partners December 2021
Not Disclosed Smile Doctors has received an investment from Thomas H. Lee Partners December 2021	\$174,000,000 PRIVIA HEALTH Follow-on Offering November 2021	\$193,200,000 Alignment Healthcare Follow-on Offering November 2021	\$510,000,000 agilon health Follow-on Offering September 2021	Not Disclosed VISION has been acquired by H.J.G. Capital September 2021	Not Disclosed AFFORDABLE CARE has been acquired by Harvest Partners August 2021	Not Disclosed HEALTHCONNECT has acquired Palladium Equity August 2021	Not Disclosed OAK HILL CAPITAL has acquired Technimark July 2021	\$828,000,000 LifeStance HEALTH Initial Public Offering June 2021	\$747,239,996 OAK STREET HEALTH Follow-on Offering May 2021	\$1,232,370,000 agilon health Initial Public Offering April 2021	Not Disclosed vera has received an investment from Clayton Dubbler & Rice April 2021	\$515,775,000 PRIVIA HEALTH Initial Public Offering April 2021
Not Disclosed NDC has been acquired by Platinum Equity March 2021	Not Disclosed OAK HILL CAPITAL has acquired American Veterinary Group March 2021	\$489,600,000 Alignment Healthcare Initial Public Offering March 2021	\$690,634,064 OAK STREET HEALTH Follow-on Offering February 2021	\$398,913,921 InnovAge Initial Public Offering March 2021	Not Disclosed MD2 has been acquired by NexPhase Capital December 2020	Not Disclosed Pediatric Home Health Company has been acquired by Webster Equity Partners December 2020	Not Disclosed PEAK DENTAL has been acquired by Varsity Healthcare Partners December 2020	Not Disclosed Onite has been acquired by Olympus Partners December 2020	Not Disclosed VISTRIA has acquired Mission Healthcare November 2020	\$400,000,000 AKUMIN Senior Secured Notes November 2020	Not Disclosed Helpa Home has been acquired by Centerbridge Partners October 2020	\$377,343,750 OAK STREET HEALTH Initial Public Offering August 2020
Not Disclosed WINDROSE has acquired Caregiver Inc. July 2020	\$258,795,000 option care health Follow-on Offering July 2020	Not Disclosed Berkshire Partners has acquired VetStrategy June 2020	\$295,895,000 one medical Follow-on Offering April 2020	\$1,000,000,000 Teladoc HEALTH Convertible Senior Notes April 2020	Not Disclosed SpaMedica has been acquired by Ober Scharrer Gruppe March 2020	TSG CONSUMER has acquired Pathway Veterinary Alliance February 2020	Not Disclosed NVA has been acquired by JAB Holding Company January 2020	Not Disclosed TPG has made an investment in Kelsey-Seayold Clinic January 2020	\$281,750,000 one medical Initial Public Offering January 2020	Not Disclosed HEARTLAND has been acquired by Gryphon Investors December 2019	\$1,346,351,000 smile Initial Public Offering September 2019	Not Disclosed SALESBURY NewStory has been acquired by Audax Private Equity August 2019
Not Disclosed US EYE has been acquired by Pamlico Capital July 2019	\$970,000,000 Greencross Limited The Pet Company has been acquired by TPG Capital February 2019	Not Disclosed ConvenientMD has been acquired by Starr Investment Holdings November 2018	Not Disclosed njretina has been acquired by Quad-C September 2018	Not Disclosed PREMIER MEDICAL Senior Secured Credit Facility June 2018	\$172,431,000 TELADOC Follow-on Offering November 2017	Not Disclosed NVA has sold a minority equity position to OMERS Private Equity July 2017	Not Disclosed intraFUSION has been acquired by McKesson July 2017	\$42,500,000 COVENANT SURGICAL PARTNERS Senior Secured Notes (Add-On) February 2017	\$158,915,625 TELADOC Follow-on Offering January 2017	Not Disclosed has been acquired by GTCR October 2016	Not Disclosed has been acquired by Roark Capital Group September 2016	Not Disclosed familia Dental has been acquired by The Halifax Group April 2016
\$55,000,000 BrightStar Care Senior Credit Facilities December 2015	\$180,262,500 TELADOC Initial Public Offering June 2015	\$460,000,000 Cressey & Company has invested in VetCor, Inc. April 2015	Not Disclosed TLC has been acquired by LASIK Vision Institute October 2014	\$86,250,000 American Addition Centers Initial Public Offering October 2014	\$920,000,000 NVA has been acquired by ARES Management LLC August 2014	\$1,075,250,000 Envision Follow-on Offering July 2014	\$964,562,500 Envision Follow-on Offering February 2014	\$1,110,900,000 Envision HEALTHCARE Initial Public Offering August 2013	\$340,000,000 Massage Envy SPA has been acquired by Roark Capital Group September 2012	\$550,000,000 Western Veterinary Services, Inc. has been acquired by New Mountain Capital, LLC November 2012	649,000,000 AMEOS has been acquired by Carlyle Group March 2012	Not Disclosed LASER SINE INSTITUTE has received an investment November 2011

Patient Care Practice Snapshot

\$500M+

Average Sell-Side M&A
Transaction

80%

Sell-Side M&A
Transactions

Exceptional Momentum (2024 – 2026 YTD)

20

Deals Signed / Closed

Today's Agenda

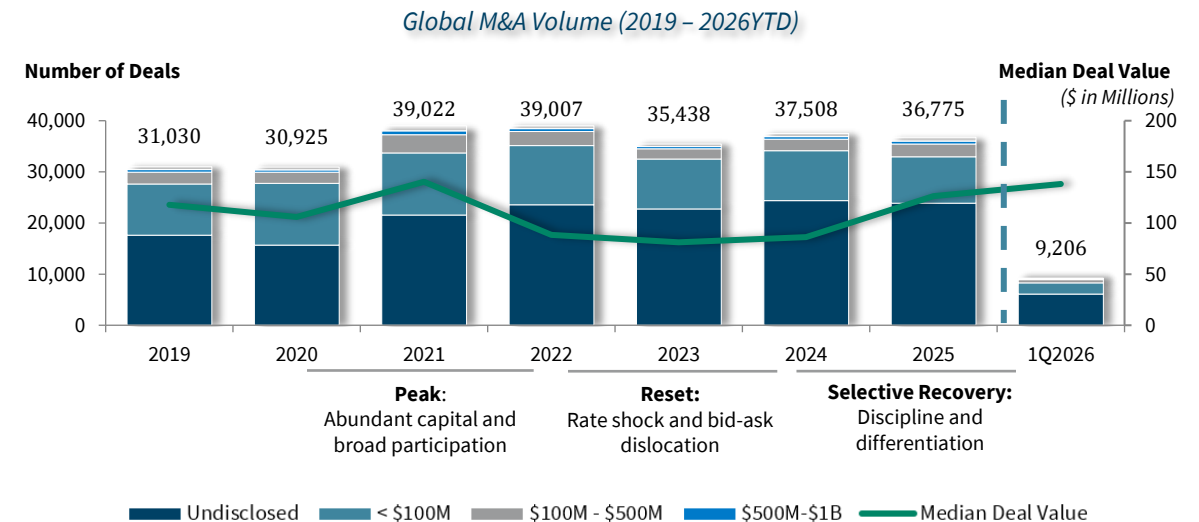
- I. How has private equity fared recently?
- II. What is private equity to a health system?

A Market at an Inflection Point

Activity is returning – but under new rules and constraints

- M&A activity is recovering from 2023–2024 lows, but not uniformly
 - Certain segments in Healthcare have remained active
- The market has reset around selectivity and execution discipline
 - Longer timelines and heightened buyer scrutiny
- Capital is available – but deployment remains measured
- Clear divide between “can transact” and “will transact”

Activity is Recovering – but Participation Remains Selective



What We're Seeing at William Blair

- Longer timelines (preparation and time in market)
- Increased selectivity (lower conversion to IOIs)
- Pre-emptive activity for highest quality businesses

Private Equity Reality Check

Deployment pressure, exit backlog, and LP expectations converging

Market Pressures

- Record dry powder and aging portfolios are driving deployment and exit pressure
- Exit backlog remains a key overhang, with extended hold periods across vintages
- LP dynamics are reinforcing urgency: Slower distributions → increased focus on DPI

Driving a shift in behavior

Resulting Sponsor Behavior

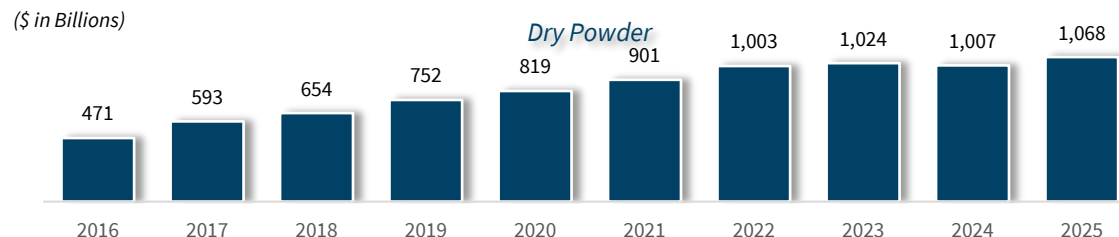
- More targeted, thesis-driven deployment
- Increased focus on quality, scale, and durability
- Greater willingness to hold, structure, or partially exit vs. force a process

These dynamics are shaping how capital is deployed – and realized

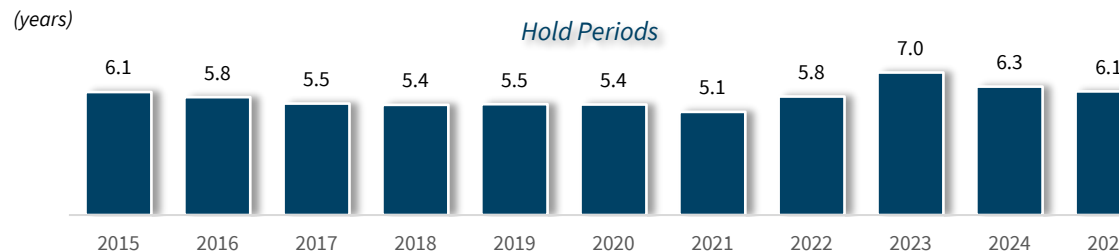
What We're Seeing at William Blair

- Increased focus on portfolio exit planning (especially in advance of fundraising)
- More advance discussions around exit timing, positioning, and alternative structures

Capital Remains Abundant – But Not Fully Deployed



Hold Periods Are Extending As Exit Activity Lags



Implications for Transactions

- Increased urgency to pick up the pace (deploy and exit capital)
- Greater selectivity in new buyout investments coupled with more openness to alternative liquidity paths

Valuations Are Clearing – But Not Evenly

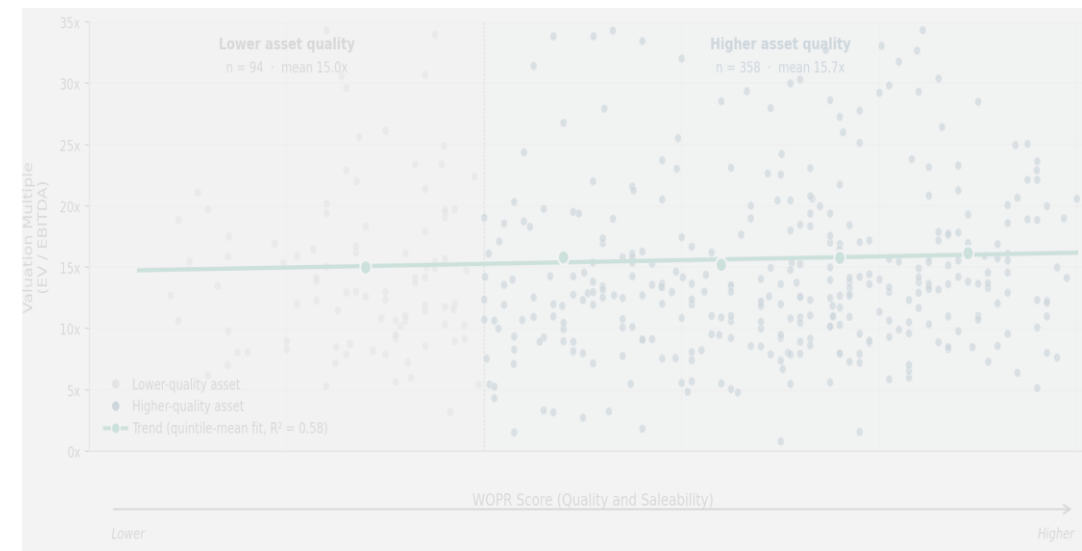
Quality, growth, and durability are driving dispersion

What Drives Valuation Outcomes in This Market

- Bid-ask spread is narrowing – but not fully closed
- The market is bifurcating
 - Top-tier assets → strong valuations and competitive processes
 - Other assets → greater variability in outcomes and execution paths
- Premium outcomes are driven by:
 - Growth and earnings visibility
 - Margin profile and resilience
 - Scalability and potential
 - Perception of exit optionality

Valuation Outcomes Are Closely Tied to Asset Quality and Positioning

William Blair Company Score vs. Valuation Multiple



This dynamic is driving wide dispersion in valuation outcomes

What We're Seeing at William Blair

- Wider dispersion between top-tier and average outcomes
- Successful processes combine targeted, high-touch engagement with broad outreach

Implications for Transactions

- Though lower volumes, well-positioned assets continue to clear at strong valuations
 - Achieving premium outcomes requires clear differentiation and positioning
 - Broad processes remain important – but precision engagement drives outcomes

Buyer Behavior Has Reset

Greater selectivity, deeper diligence, and more targeted engagement

How Buyers Are Operating Today

- Buyers are engaging more selectively with higher conviction thresholds
- Engagement often occurs later, with deeper upfront underwriting
- Investment committees are applying heightened scrutiny and discipline

Where Diligence Is Focused

- AI, AI, AI
- Earnings quality and durability
- Customer health and revenue visibility
- Downside protection and stress-case performance
- Clear value creation path and scalability

Resulting Outcomes

- Fewer – but more committed – bidders in processes
- Greater emphasis on fit and conviction over optionality

Investment Committee Focus Areas

Growth Visibility

Earnings Durability

AI Risk (Today and Tomorrow)

Customer Concentration and Quality

Downside Protection

Buyer discipline is reshaping how processes unfold

What We're Seeing at William Blair

- Buyers asking more detailed, “threshold” questions earlier
- Increased focus on downside scenarios and risk mitigation

Implications for Transactions

- Success requires early buyer alignment and tailored engagement
- Outcomes are driven by matching the right buyers to the right story

Healthcare Landscape: What's Driving Investors

Three themes many investors are focused on

AI Adoption in Healthcare

Adoption rates in HC outpace the broader economy by >2x

- Powerful tool to address administrative burdens and operation inefficiencies
 - Use cases shifting from pilots to embedded workflow
 - Administrative use cases leading but clinical applications will follow
- Meaningful value creation opportunity
 - Live deployments, measured outcomes, and proof points are critical
 - Investors struggling with companies that can't present AI as a moat and opportunity to fuel growth

Return to Normalcy in Biotech

Positive downstream impacts

- Large pharma M&A catalyzing public market resurgence
 - Q1 2026 biotech IPO issuance exceeds any quarter since 2021
 - FO market very active since late Q3 2025
- Increased funding will drive downstream demand
 - Global clinical trial starts to increase
 - Patient enrollment in trials growing due to AI-powered patient matching
 - Risk remain around NIH-funded trials and FDA bandwidth

Rapid Growth in Pharmacy Spend

HC orgs looking for solutions to address proactively

- Specialty drugs and GLP-1s reshaping the economics of drug spend
 - Specialty drugs serve 2% of the population but account for over half of spend
 - GLP-1s already account for 14% of spend
- Pharmacy becoming a strategic battleground
 - Increased interest in ambulatory infusion and physician models that control drug spend
 - Payers and employers considering changes to benefit design and other solutions to contain costs
 - Ongoing potential for PBM reform

How Should a Health System View Private Equity?

Funds can serve a variety of roles

PE as a Competitor

- Fast, aggressive operators that attempt to channel patients, physicians, and revenue outside the local health system
- Designed to compete for the most profitable, scalable, lowest-acuity slices of healthcare

PE as a Partner

- Increasingly becoming sought out amongst private equity firms, as many seek to collaborate, rather than compete, against entities with structural advantages
- While powerful when they work right, these often take considerable time to master the model and sell the concept to health systems

PE as an Investment

- Can take many different forms – from LP investment into fund, co-investment alongside fund or into CV vehicles
- Some have brought direct investment in-house by forming their own groups (mix of venture, co-investment, etc. that leverage existing knowledge, brand, relationships)

Private Equity as a Competitor

Estimates place private equity investments into healthcare at \$1T+ over the past decade

Notable Advantages for Private Equity

Speed and Capital Deployment

Funds and their portfolio companies move fast and often have deep pockets to invest, particularly on growth initiatives

Free of Cross-Subsidy Obligations

Private equity has self-selected into the most profitable, scalable, lowest-acuity slices of healthcare where they are able to

Premium Compensation (Doctors and Operators)

For physicians, this can mean lucrative acquisition prices and (potentially) attractive rollover economics; for executives, this equates to hefty comp packages and deep option pools that incentivize growth

Consumer Experience

Given their narrower service focus, lower acuity sectors, and more manageable IT infrastructure, private equity can innovate and be flexible to appeal to consumers

Health System Advantages

Trusted and Critical Community Partners

Health systems have often been the reliable setting for care for decades in the communities they serve

Full Continuum of Care

High acuity care, trauma, inpatient services are critical parts of the care continuum that cannot be disintermediated without substantial investment

Commercial Contracting at Scale

Due to the sheer size and necessity of health systems, commercial payors must negotiate and cooperate in a different manner than with single specialty operators

Mission Alignment with Other Constituents

Although research is disjointed on the topic, some studies point to higher costs and mixed quality in private equity owned platforms

Private Equity as a Partner

Combining advantages to create mutually beneficial agreements

- Increasingly more common as private equity seeks to collaborate rather than compete to maximize EBITDA
 - Health systems use private equity partners to access capabilities and operators they cannot easily replicate internally; additionally, this can be a source for high value referrals
 - Private equity benefits from system brand, payer contracts, and patient awareness
- The most common way private equity and health systems work together (that we have seen) is joint venture arrangements whereby capital investments and cash flows are split equitably between the parties

Notable Examples

ASCs (USPI, Surgery Partners, Regent Surgical, etc.)

Inpatient Rehab Hospitals (Lifepoint, Encompass, Select)

Behavioral Health (Acadia, Springstone, Discovery Behavioral)

Urgent Care (Intuitive Health, WellStreet, CRH Healthcare)

Home Health (Compassus, BrightSpring Health)

Private Equity as an Investment Opportunity

Health systems can deploy capital alongside private equity — direct, fund, or co-invest

Increasingly Common to Build GP/LP Relationships

- Many health systems actively invest into private equity funds today
 - Direct minority investment in PE-backed healthcare platforms (strategic + financial returns)
 - LP commitments to healthcare-focused PE funds (e.g., Welsh Carson, GTCR, TPG, Heritage Fund, Cressey, Vistria)
 - Co-investment sleeves alongside platform sponsors — lower fees, targeted exposure
 - GP-led continuation vehicles in healthcare assets — access to scaled, de-risked operating businesses
- Some have built venture / growth platforms incubated by the system (e.g., Atrium, Providence, Cleveland Clinic-style models)
- Like many LPs, liquidity has been lacking over the past few years and some have rebalanced their exposure via selling stakes in the secondary market



Thank You

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