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CAPITAL *Value. Added.*

Valuation & Financial Advisory | Investment Banking

**INDUSTRY UPDATE  
HEALTHCARE  
Q4 2025**

### Key Trends

- **Labor & Workforce Dynamics:** Workforce challenges persisted in Q4 2025, with ongoing shortages and burnout prompting new staffing models, flexible roles, and tech-enabled workforce support systems. Recruitments in physicians' offices showed improvement, though staffing pressures remain a financial and operational concern for many providers.
- **Value-Based & Precision Medicine:** There's a continued emphasis on value-based care, personalized medicine, and genomics. Precision treatments tailored to genetic profiles and predictive analytics are reshaping clinical strategies, particularly in oncology and chronic disease management.

### Market Overview

- Healthcare stocks outperformed broader markets in late 2025, driven in part by defensive investor positioning and policy optimism around pricing and regulation. Healthcare was among the **top-performing sectors** worldwide in Q4 2025.
- Biopharma and medtech sectors **remained active** with funding, licensing deals, venture interest, and M&A, though overall sector growth was uneven.

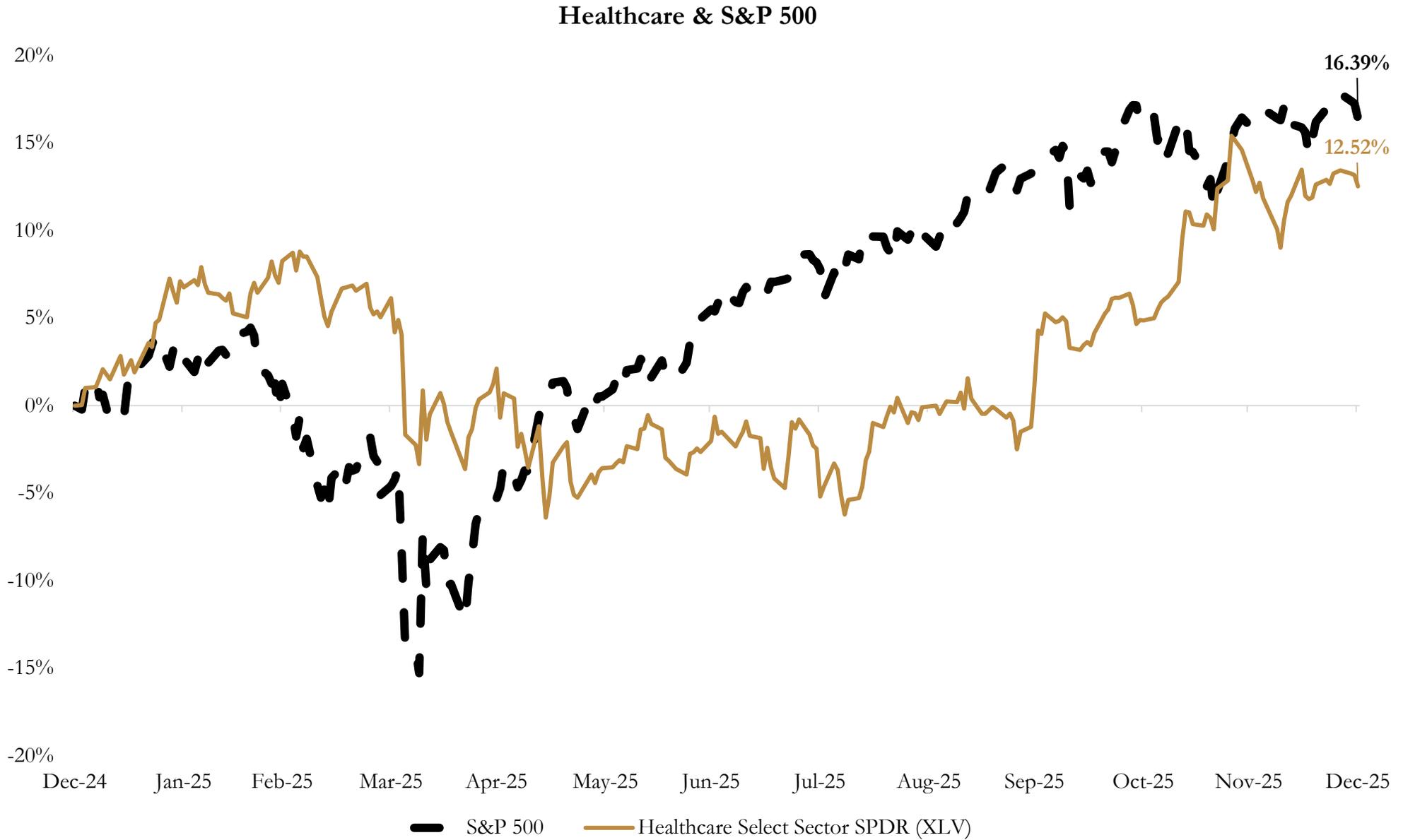
### External Drivers

- Healthcare organizations are increasingly targeted by cyberattacks due to the value of patient data. Regulatory requirements and reputational risk are driving **higher spending on cybersecurity** and compliance infrastructure.
- An aging population is **driving higher demand** for chronic and specialty care alongside growing expectations for convenient, consumer-centric healthcare.

# 2

## Public Market Performance

*Sector ETF vs. S&P 500*



Source: Capital IQ

# 2 Public Market Performance

## Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

Company Name	Ticker	Valuation Metrics					Financial Metrics			
		TEV	Price at 12/31/25	% of 52 Week High	TEV / LTM Revenue	TEV / LTM EBITDA	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin
<b>Biopharmaceutical &amp; Biotechnology</b>										
Eli Lilly and Company	LLY	\$994,649	\$1,074.68	96.6%	16.7x	34.6x	\$59,420	\$28,729	45.4%	48.3%
Johnson & Johnson	JNJ	\$525,837	\$206.95	96.2%	5.7x	16.5x	\$92,149	\$31,922	5.1%	34.6%
AbbVie Inc.	ABBV	\$467,051	\$228.49	93.3%	7.8x	15.8x	\$59,644	\$29,519	7.4%	49.5%
Merck & Co., Inc.	MRK	\$284,475	\$105.26	97.8%	4.4x	9.0x	\$64,235	\$31,523	1.7%	49.1%
Amgen Inc.	AMGN	\$221,392	\$327.31	94.5%	6.2x	13.4x	\$35,971	\$16,481	10.6%	45.8%
Pfizer Inc.	PFE	\$188,821	\$24.90	89.9%	3.0x	7.7x	\$62,785	\$24,459	3.9%	39.0%
Gilead Sciences, Inc.	GILD	\$166,643	\$122.74	95.4%	5.7x	11.8x	\$29,087	\$14,136	2.8%	48.6%
Bristol-Myers Squibb Company	BMJ	\$143,990	\$53.94	85.2%	3.0x	7.5x	\$48,034	\$19,217	1.3%	40.0%
Vertex Pharmaceuticals Incorporated	VRTX	\$104,851	\$453.36	87.2%	8.9x	22.3x	\$11,723	\$4,712	10.3%	40.2%
Regeneron Pharmaceuticals, Inc.	REGN	\$63,170	\$771.87	97.4%	4.4x	14.5x	\$14,248	\$4,348	2.9%	30.5%
<b>Healthcare Providers, Services, &amp; Payers</b>										
UnitedHealth Group Incorporated	UNH	\$367,676	\$330.11	54.4%	0.8x	12.6x	\$435,159	\$29,242	10.5%	6.7%
CVS Health Corporation	CVS	\$172,422	\$79.36	93.2%	0.4x	11.7x	\$391,690	\$14,753	6.7%	3.8%
HCA Healthcare, Inc.	HCA	\$155,774	\$466.86	89.8%	2.1x	10.3x	\$74,372	\$15,101	6.8%	20.3%
McKesson Corporation	MCK	\$108,746	\$820.29	91.6%	0.3x	16.7x	\$387,094	\$6,507	17.2%	1.7%
Elevance Health, Inc.	ELV	\$102,246	\$350.55	76.4%	0.5x	11.5x	\$194,820	\$8,924	12.0%	4.6%
The Cigna Group	CI	\$101,901	\$275.23	78.6%	0.4x	8.7x	\$268,077	\$11,650	15.3%	4.3%
Cencora, Inc.	COR	\$70,953	\$337.75	89.5%	0.2x	14.8x	\$321,333	\$4,805	9.3%	1.5%
Cardinal Health, Inc.	CAH	\$53,465	\$205.50	95.6%	0.2x	15.1x	\$234,310	\$3,544	4.4%	1.5%
Humana Inc.	HUM	\$39,431	\$256.13	81.2%	0.3x	10.2x	\$126,362	\$3,861	9.9%	3.1%
Centene Corporation	CNC	\$21,168	\$41.15	61.6%	0.1x	5.4x	\$167,680	\$3,902	14.6%	2.3%

Source: Capital IQ

# 2 Public Market Performance

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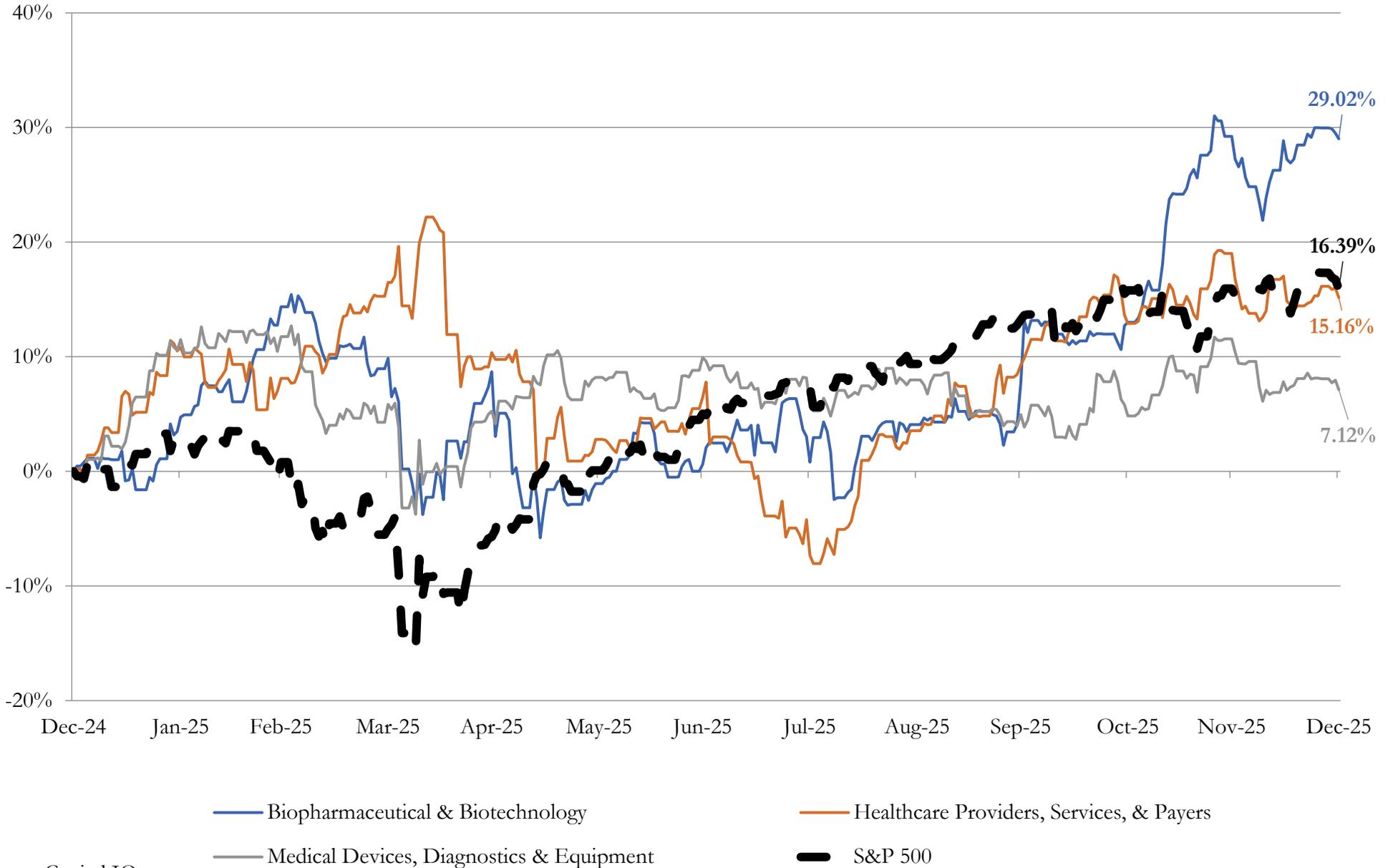
Company Name	Ticker	Valuation Metrics					Financial Metrics			
		TEV	Price at 12/31/25	% of 52 Week High	TEV / LTM Revenue	TEV / LTM EBITDA	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin
<b>Medical Device, Diagnostics &amp; Equipment</b>										
Abbott Laboratories	ABT	\$217,272	\$125.29	88.7%	5.0x	18.5x	\$43,843	\$11,747	6.4%	26.8%
Intuitive Surgical, Inc.	ISRG	\$184,859	\$566.36	91.9%	19.2x	54.2x	\$9,612	\$3,412	22.2%	35.5%
Stryker Corporation	SYK	\$152,908	\$351.47	86.5%	6.3x	23.2x	\$24,381	\$6,592	11.0%	27.0%
Medtronic plc	MDT	\$144,985	\$96.06	90.3%	4.2x	15.1x	\$34,758	\$9,573	5.3%	27.5%
Boston Scientific Corporation	BSX	\$141,616	\$95.35	87.1%	7.3x	27.9x	\$19,349	\$5,071	21.6%	26.2%
Becton, Dickinson and Company	BDX	\$78,378	\$194.07	77.0%	3.6x	12.6x	\$21,840	\$6,222	8.2%	28.5%
Edwards Lifesciences Corporation	EW	\$45,801	\$85.25	97.0%	7.8x	25.6x	\$5,884	\$1,788	10.6%	30.4%
GE HealthCare Technologies Inc.	GEHC	\$44,205	\$82.02	86.5%	2.2x	12.2x	\$20,246	\$3,626	3.5%	17.9%
ResMed Inc.	RMD	\$36,982	\$240.87	82.0%	7.0x	19.1x	\$5,257	\$1,938	9.4%	36.9%
STERIS plc	STE	\$28,120	\$253.52	94.4%	4.9x	18.1x	\$5,702	\$1,553	7.1%	27.2%
DexCom, Inc.	DXCM	\$26,375	\$66.37	71.2%	5.8x	25.8x	\$4,516	\$1,022	14.2%	22.6%
Insulet Corporation	PODD	\$20,557	\$284.24	80.1%	8.2x	40.2x	\$2,522	\$511	27.1%	20.3%
<b>Life Sciences Tools, Diagnostics &amp; Animal Health</b>										
Thermo Fisher Scientific Inc.	TMO	\$264,728	\$579.45	94.8%	6.1x	24.4x	\$43,736	\$10,835	3.2%	24.8%
Danaher Corporation	DHR	\$183,328	\$228.92	88.6%	7.6x	24.0x	\$24,268	\$7,629	2.2%	31.4%
Zoetis Inc.	ZTS	\$60,138	\$125.82	70.9%	6.4x	15.1x	\$9,397	\$3,991	2.7%	42.5%
IDEXX Laboratories, Inc.	IDXX	\$58,028	\$676.53	87.9%	13.9x	40.4x	\$4,167	\$1,437	8.4%	34.5%
IQVIA Holdings Inc.	MRK	\$53,873	\$225.41	96.2%	3.4x	18.4x	\$15,904	\$2,926	1.7%	49.1%
Agilent Technologies, Inc.	A	\$41,342	\$136.07	84.9%	6.0x	21.1x	\$6,948	\$1,956	6.7%	28.2%
Mettler-Toledo International Inc.	MTD	\$32,011	\$1,394.19	91.4%	8.1x	26.7x	\$3,942	\$1,199	4.8%	30.4%
Waters Corporation	WAT	\$24,142	\$379.83	89.7%	7.8x	22.6x	\$3,106	\$1,067	6.9%	34.4%

Source: Capital IQ

# 2

## Public Market Performance

Sub-Industry Performance vs. S&P 500



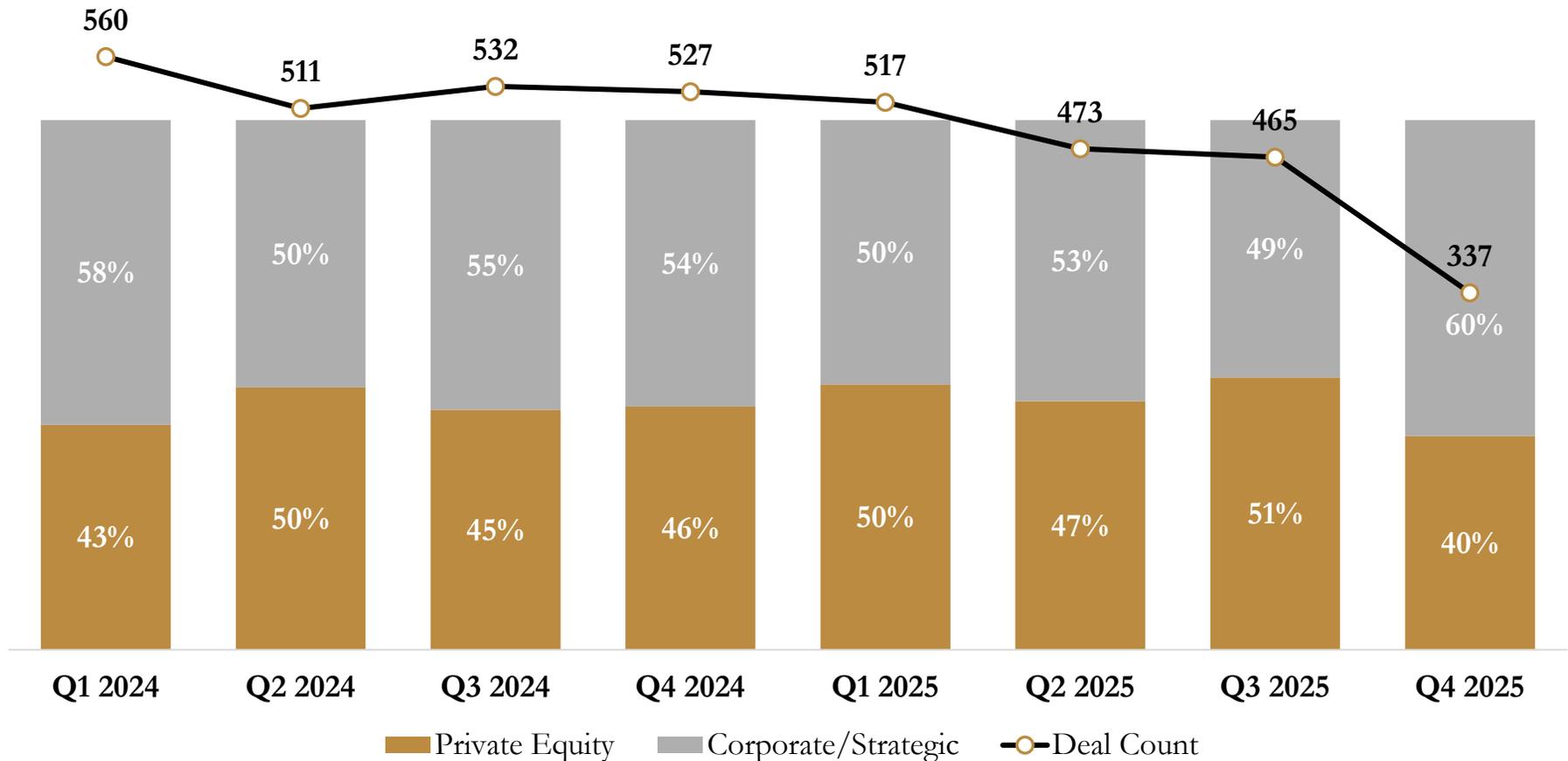
Source: Capital IQ

# 3

## M&A Trends

### Quarterly M&A Volume (Strategic vs. Private Equity)

The Healthcare M&A market continued to cool in Q4 2025, with total transactions declining to 337 – the lowest level in the observed period. Strategic acquirers maintained a majority at 60%, while private equity buyers accounted for 40%, reflecting an unbalanced and slower market. Even amid slower activity, buyers are concentrating on high-growth, scalable healthcare segments such as technology, specialty care, and outsourced services, seeking assets that deliver efficiency, recurring revenue, and resilience in a complex regulatory environment.



Source: PitchBook

Note: Transaction data reflects completed U.S. transactions involving Strategic M&A, PE-backed Companies, and Buyout/LBO platform transactions

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## M&amp;A Trends

## Recent M&amp;A Transactions

(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Nov-25	Metsera, Inc.	Pfizer Inc.	\$9,365
Jul-25	Blueprint Medicines Corporation	Sanofi	\$9,327
Dec-25	Akero Therapeutics, Inc.	Novo Nordisk A/S	\$4,124
Jul-25	Endo, Inc. (nka:Endo LP)	Keenova Therapeutics plc	\$4,049
Sep-25	Purification Business of Solvatum Corporation	Thermo Fisher Scientific Inc.	\$4,000
Aug-25	Amedisys, Inc.	Optum, Inc.	\$3,855
Jul-25	SpringWorks Therapeutics, Inc.	Merck KGaA	\$3,501
Dec-25	Halda Therapeutics Inc.	Johnson & Johnson	\$3,050
Nov-25	Premier, Inc.	Patient Square Capital, LP	\$2,703
Jun-25	HealthEdge Software, Inc.	Bain Capital Private Equity, LP	\$2,600
Oct-25	89bio, Inc.	Roche Holding AG	\$2,517
Jul-25	AmWiner & Raphe Holdings, LLC	Bachem Americas, Inc.	\$2,300
Aug-25	HistoSonics, Inc.	Johnson & Johnson Innovation - JJDC, Inc.; State of Wisconsin Investment	\$2,250
Jul-25	Nova Biomedical Corporation	Advanced Instruments, LLC	\$2,200
Aug-25	Capstan Therapeutics, Inc.	AbbVie Inc.	\$2,100
Jul-25	Efimosfermin alfa drug of Boston Pharmaceuticals	GSK plc	\$2,000
Oct-25	Tourmaline Bio, Inc.	Novartis AG	\$1,142
Oct-25	Iodine Software, LLC	Waystar Holding Corp.	\$1,090
Jul-25	SiteOne Therapeutics, Inc.	Eli Lilly and Company	\$1,000
Nov-25	Elektrofi, Inc.	Halozyme Therapeutics, Inc.	\$900
Jul-25	Verve Therapeutics, Inc.	Ridgeway Acquisition Corporation	\$882
Jun-25	Regulus Therapeutics Inc.	Novartis AG	\$860
Dec-25	Acera Surgical, Inc.	Solvatum Corporation	\$850
Oct-25	ZimVie Inc.	ArchiMed SAS	\$743
Jul-25	Prospect Medical Systems, Inc.	Astrana Health, Inc.	\$708
Oct-25	Monogram Technologies Inc.	Zimmer Biomet Holdings, Inc.	\$678
Oct-25	Performant Healthcare, Inc.	Machinify, Inc.	\$667
Nov-25	Surmodics, Inc.	GTCR LLC	\$616
Jun-25	Cedar Park Health System, L.P.	Ascension Texas	\$545
Aug-25	Vigil Neuroscience, Inc.	Sanofi	\$519

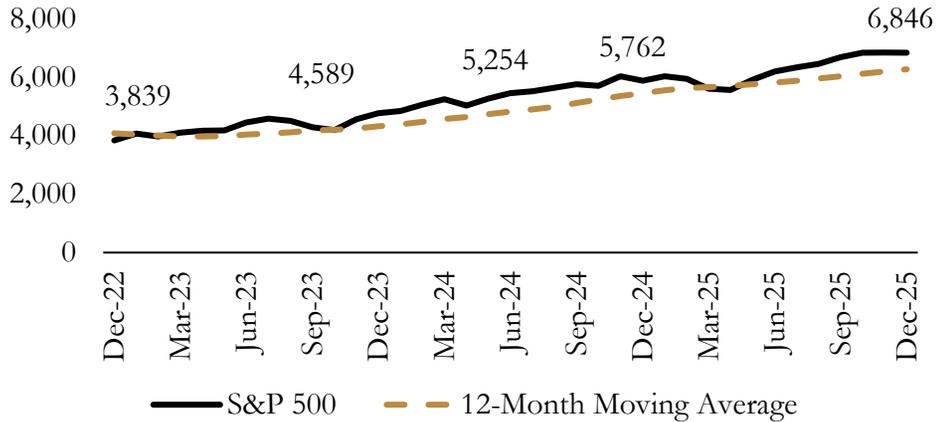
Source: Capital IQ

# 4

## Macroeconomic Environment

### Macroeconomic Indicators

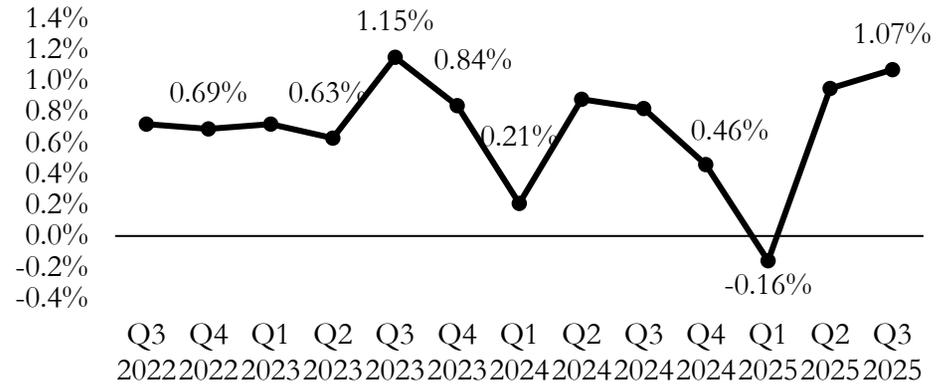
#### S&P 500



A leading equity index tracking the performance of 500 large U.S. companies.

#### Real GDP Growth

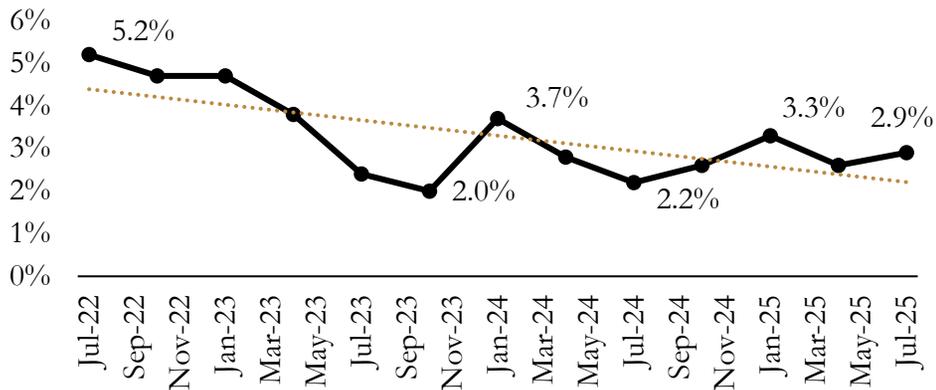
##### Gross Domestic Product



Tracks inflation-adjusted economic output, typically reported quarterly.

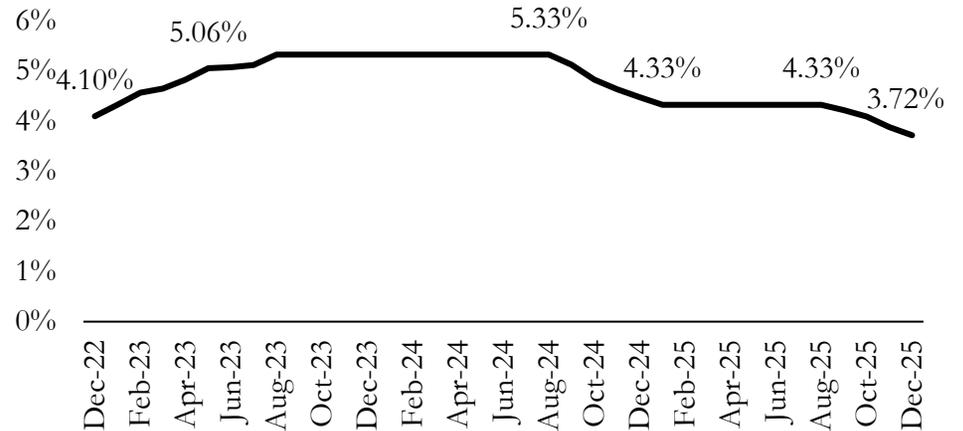
#### Core PCE

##### Personal Consumption Expenditures



A key inflation gauge that tracks consumer spending, excluding volatile food and energy prices.

#### Federal Funds Rate



The Fed's benchmark interest rate that influences borrowing costs throughout the economy.

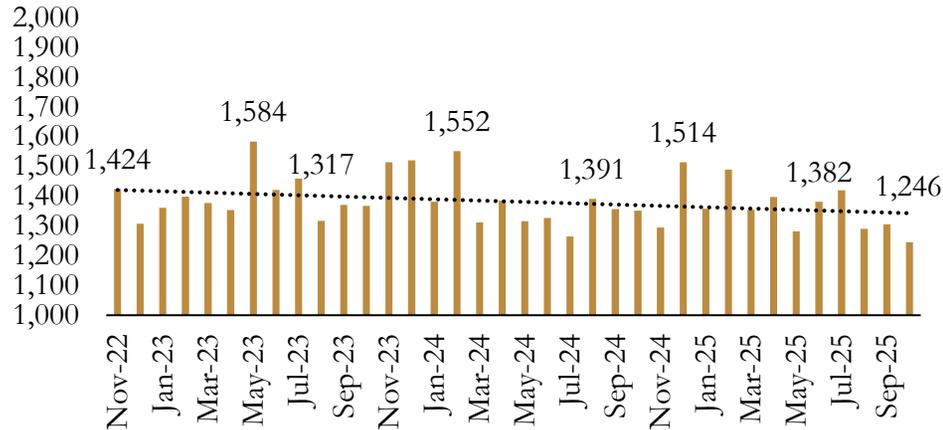
Source: Capital IQ, St. Louis Fed – FRED Economic Data

# 4

## Macroeconomic Environment

### Macroeconomic Indicators (Cont.)

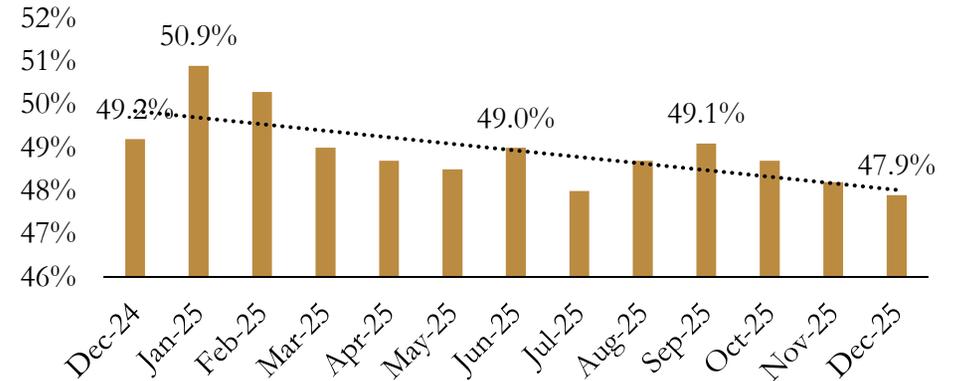
#### New Privately-Owned Housing Units Started<sup>1</sup>



Measures the number of new residential construction projects begun each month.

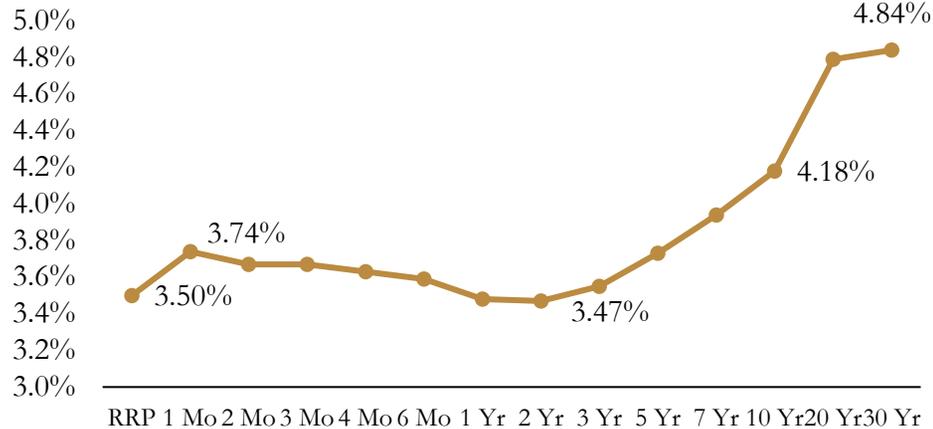
#### Manufacturing PMI

*Purchasing Manager's Index*



A monthly survey signaling manufacturing sector activity; readings above 50 indicate expansion.

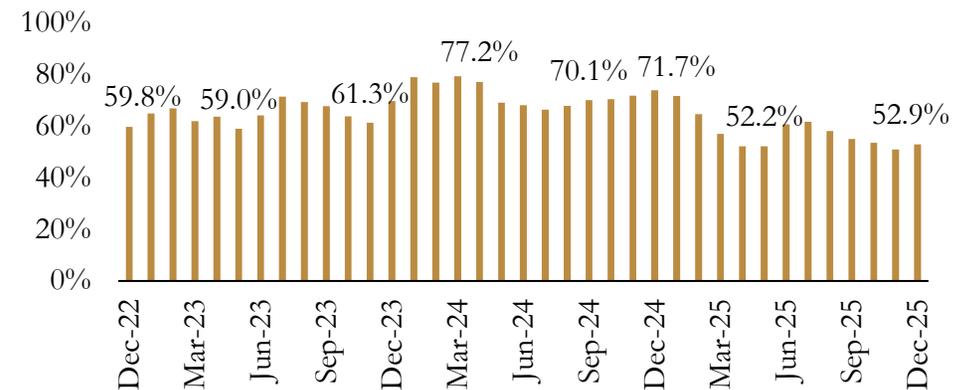
#### Treasury Par Yield Curve Rates



Displays yields across Treasury maturities, reflecting market expectations for future interest rates.

#### Consumer Sentiment

*From the University of Michigan*



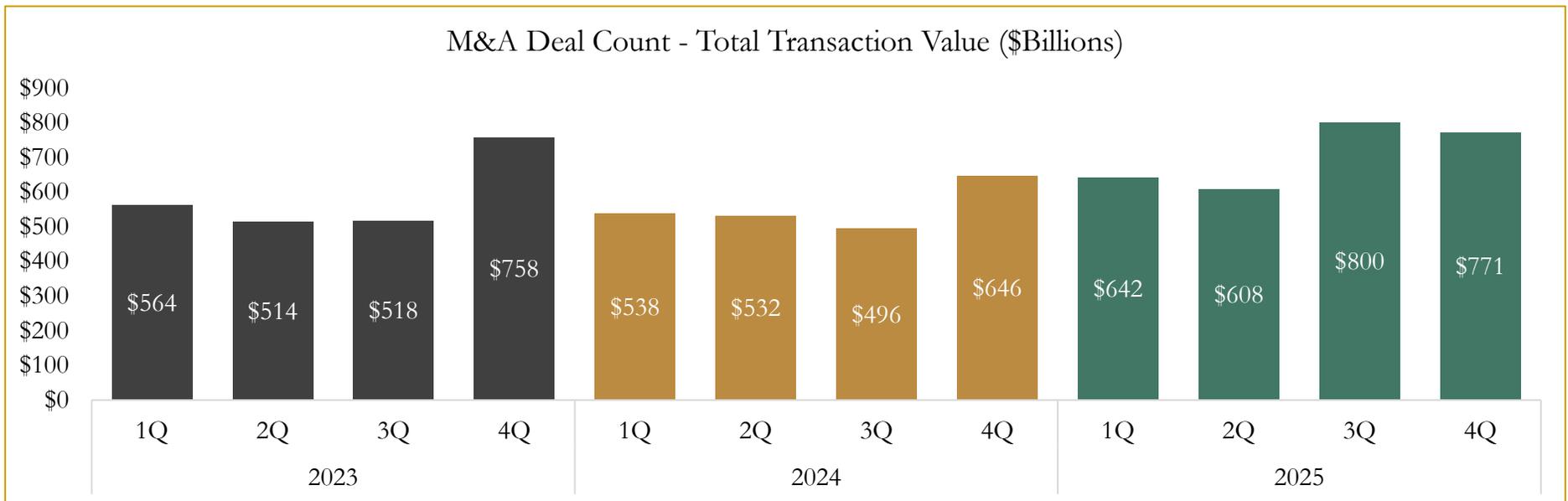
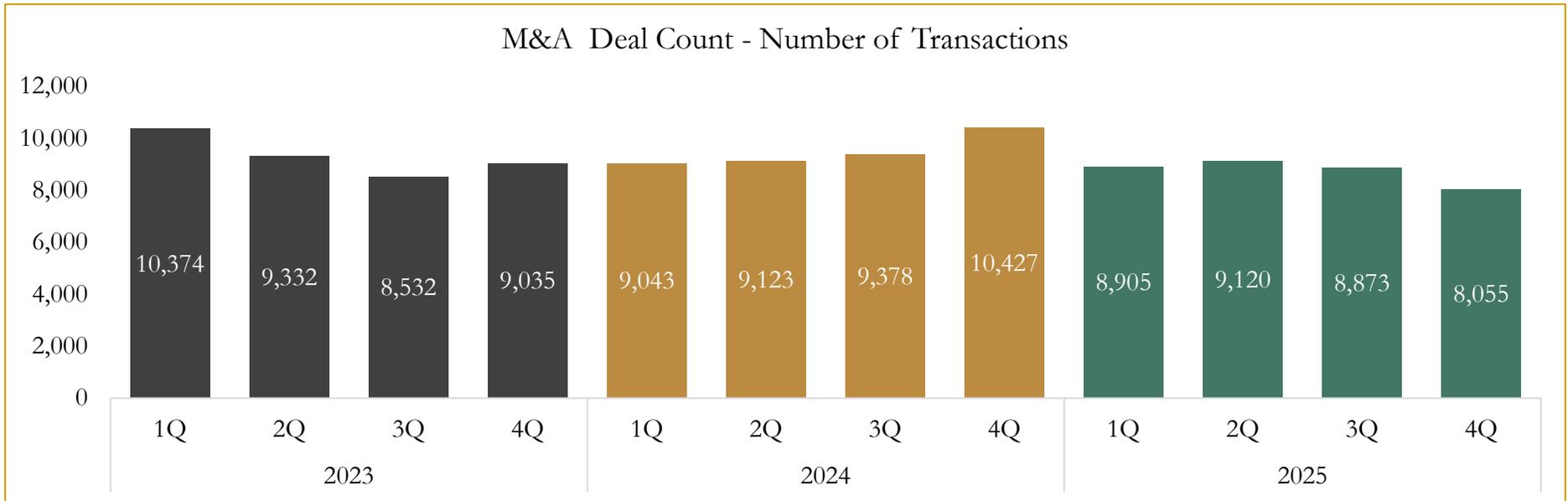
Measures consumer confidence in the economy based on monthly survey data.

Source: St. Louis Fed – FRED Economic Data, Institute for Supply Management, <sup>1</sup>Figures in Thousands

# 4

## Macroeconomic Environment

Total M&A Volume (Past Three (3) Years)



Source: Capital IQ; Data derived from M&A activity over the past three years.

## Company Overview

- Founded in 1996, Houlihan Capital is an employee-owned valuation and investment banking firm
- As a member of FINRA and SIPC, our team of 40+ professionals are committed to the highest levels of quality and professionalism

## Divisions & Core Offerings

- Valuation & Financial Advisory – Portfolio Valuations and Transaction Advisory (i.e., Fairness Opinions) for Funds, with an industry specialization in cryptocurrency
- Investment Banking – M&A Advisory for Founders and Family-Owned businesses in the lower middle market

## Houlihan Capital Locations



**Chicago, IL**

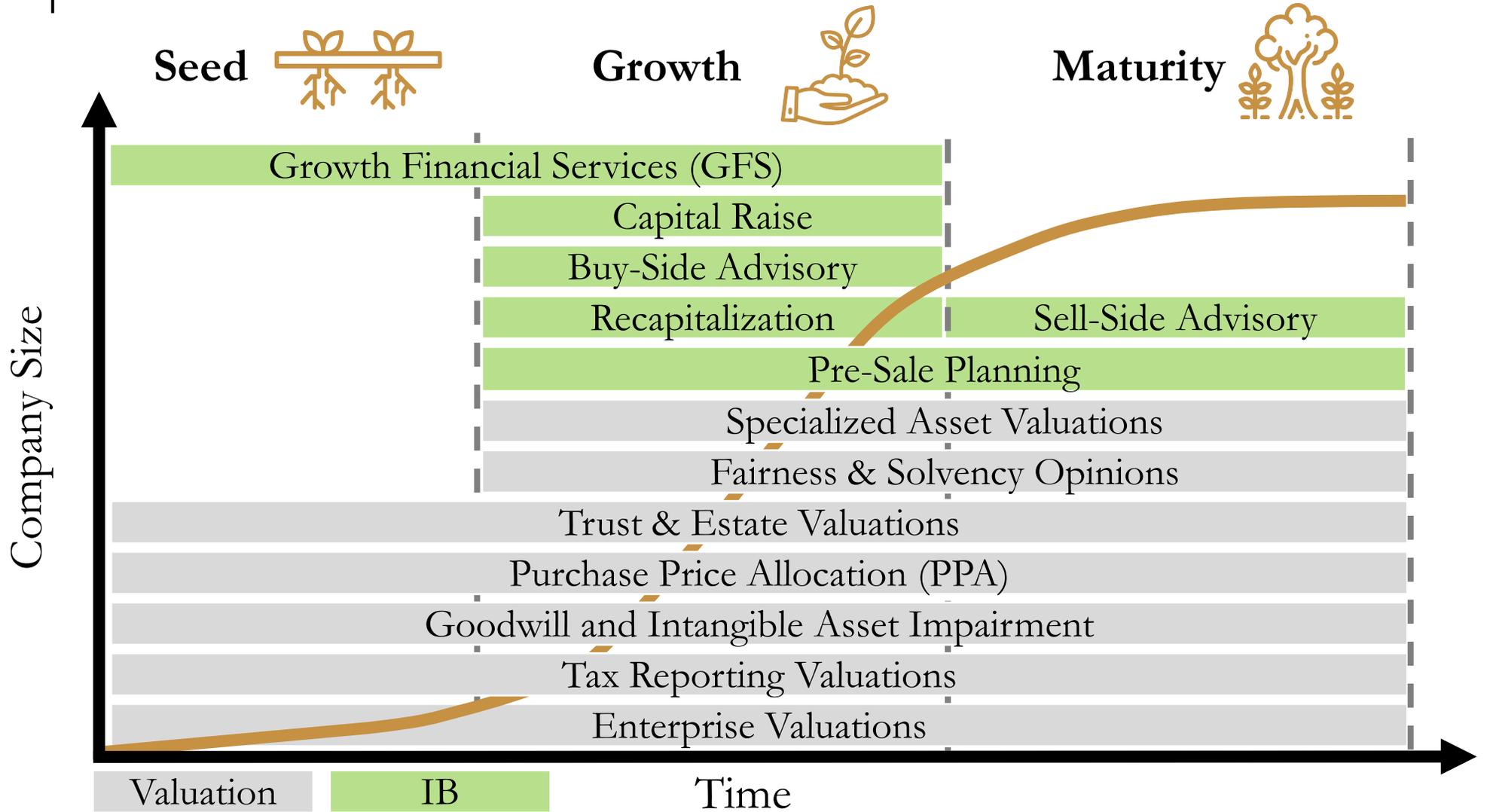


**Cleveland, OH**

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## Houlihan Capital

About Us (Cont.)



For questions or inquiries regarding our services, please contact:

[info@houlihancapital.com](mailto:info@houlihancapital.com)