



HEALTHCARE

JUNE 2025

Healthcare M&A Outlook Remains Strong for the Remainder of 2025

As the healthcare sector adapts to evolving market dynamics, mergers and acquisitions are expected to remain robust and strategically driven throughout 2025. Buyers are increasingly focused on long-term value creation by targeting segments characterized by resilient demand, scalable business models, and alignment with demographic shifts and policy priorities.

Physician services will continue to be a key area of consolidation. Specialties such as dental, dermatology, ENT, and ophthalmology are attracting substantial private equity investment due to their fragmented provider bases and predictable revenue streams. Platform companies are expected to pursue strategic add-on acquisitions, enhance operational integration, and accelerate the adoption of technology-enabled care in preparation for exits amid stabilizing capital markets.

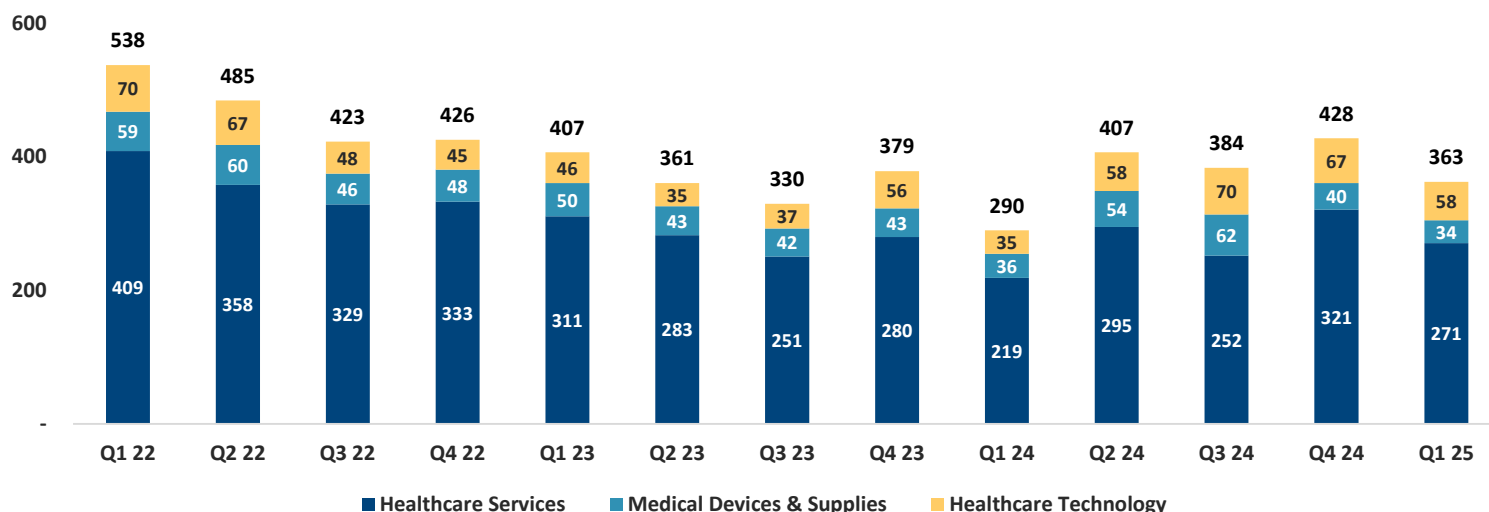
The behavioral health segment remains a long-term growth driver, supported by persistent unmet needs and heightened societal

awareness of mental health. Demand is expected to grow for services addressing substance use disorders, autism spectrum disorders, and general mental wellness. Investors are actively seeking platforms that offer scalable models, high workforce retention, and differentiated access, particularly those that are in-network with payers and leverage hybrid or community-based delivery models.

Despite ongoing headwinds, including reimbursement pressures and staffing challenges, healthcare services are demonstrating resilience. Investors are increasingly focused on enhancing operational efficiency, advancing digital enablement, and scaling patient-centered models.










As interest rates gradually decline and capital markets stabilize, an uptick in exit activity and combined with significant dry powder on the sidelines is expected to support a healthy M&A pipeline through 2025 and into 2026.

Healthcare M&A Transactions by Sector, by Quarter



Sources: Pitchbook

Noteworthy Transactions

Date: January 2025		Overview / Strategic Rationale:	Behavioral Health
Target:		<p>Sevita, a national provider of home and community-based care, has acquired the Intellectual and Developmental Disabilities (IDD) divisions of BrightSpring Health Services.</p> <ul style="list-style-type: none"> <i>Louisville, Kentucky-based BrightSpring, offers care both in home and community based for a variety of physical and behavioral health conditions.</i> <i>This acquisition adds 14,000 patients and 13,500 employees across 2,000 residential homes, significantly expanding Sevita's scale and capacity in behavioral health.</i> 	
Acquirer:			
Date: March 2025		Overview / Strategic Rationale:	Physician & Dental
Target:		<p>Smile Doctors, a portfolio company of THL and Linden Capital Partners, has acquired myOrthos.</p> <ul style="list-style-type: none"> <i>myOrthos is an operator of an Orthodontics Services Organization (OSO) intended for orthodontists and supporting teams. The company provides essential back-office support functions to 73 orthodontists across 13 states.</i> <i>The acquisition significantly expands Smile Doctors operations positioning them to be the leading Orthodontics Services Organization (OSO) while expanding their geographic footprint to four additional states.</i> 	
Acquirer:	  LINDEN ⁷		
Date: February 2025		Overview / Strategic Rationale:	Health & Wellness
Target:		<p>Teladoc Health, a provider of telehealth consultation services, has acquired Catapult Health</p> <ul style="list-style-type: none"> <i>Catapult Health provides at-home wellness exams, allowing users to monitor their blood pressure, collect blood samples, and meet virtually with nurse practitioners.</i> <i>The addition of Catapult Health aims to strengthen Teladoc's preventative care services and expand its integrated care segment.</i> 	
Acquirer:			
Date: March 2024		Overview / Strategic Rationale:	Healthcare IT
Target:		<p>Roper Technologies, operator of a diversified technology company serving niche markets, has acquired CentralReach.</p> <ul style="list-style-type: none"> <i>CentralReach is a provider of electronic health records, EMR, practice management, and clinical software focused on applied behavioral analysis (ABA).</i> <i>The acquisition of CentralReach will continue to enhance Roper Technologies diversified technology company focused on engineered products and software by expanding more into the Healthcare sector.</i> 	
Acquirer:			

Sources: CapIQ, Company Filings, Pitchbook, News Releases

Sector Profile | Behavioral Health

The behavioral health sector is experiencing accelerated growth driven by increased awareness, reduced stigma, and broader insurance coverage for mental health and developmental conditions. Demand for general mental health services, including therapy, psychiatry, and outpatient counseling, is high across all age groups.

The autism and intellectual/developmental disabilities (IDD) segment is expanding rapidly, supported by early diagnosis trends, rising prevalence rates, and strong payer support for Applied Behavior Analysis (ABA) therapy and related interventions.

This sector's needs-based, recurring demand profile and fragmented provider landscape make it highly attractive for private equity and strategic consolidation. Investors are targeting platforms that integrate clinical excellence with operational scale across outpatient behavioral health, autism services, and IDD care. Preference is given to providers that are in-network with payers and capable of delivering services through hybrid or community-based models.

Looking ahead, favorable demand trends are expected to sustain elevated transaction volumes and strong valuations through the remainder of 2025.

Key Industry Players by Primary Sub-Sector

Substance Use Order



General Mental Health



Autism & IDD



Recent Industry Transactions

Date	Target	Acquirer	Target Description
Behavioral Health			
3/7/2025	Gallagher Pediatric Group	Stepping Stones Group	Gallagher Pediatric Group is a provider of pediatric therapy services
1/20/2025	BrightSpring Health Services (IDD Arm)	Sevita	BrightSpring Health Services (IDD) provides care for people with intellectual and developmental disabilities
1/9/2025	Unison Therapy Services	Ascend	Unison Therapy Services is one of the largest outsourced therapy providers in the CA market
1/2/2025	Haven Behavioral Healthcare	Oceans Healthcare	Haven Behavioral Healthcare is a provider of specialized behavioral health services for patients experiencing acute symptoms of depression, anxiety, psychosis, and other behavioral issues
1/2/2025	Recovery Dynamics	Optimal Investment Group	Recovery Dynamics is a provider of drug and alcohol addiction treatment services offering detox, inpatient rehabilitation, outpatient detox, and outpatient rehabilitation

Sources: Pitchbook

Sector Profile | Physician & Dental

The physician and dental services sector continues to expand rapidly, supported by aging demographics, increasing outpatient volumes, and growing consumer interest in elective procedures.

Specialty physician groups, particularly in dermatology, ophthalmology, and gastroenterology are increasingly being acquired by private equity due to their ancillary revenue potential, scalability, and fragmented market structure. Ophthalmology remains a focal point, benefiting from consistent demand linked to age-related conditions such as cataracts and macular degeneration.

Medical aesthetics is also witnessing substantial growth, driven by rising demand for minimally invasive, cash-pay cosmetic procedures such as Botox and laser therapy. Consolidation allows practices to grow at a rapid pace while improving from an operational perspective.

The dental industry is undergoing consolidation through Dental Support Organizations (DSOs), which provide operational scale and administrative support to practices. Demand remains strong across both medical and cosmetic dental services, with orthodontics and pediatric dentistry emerging as particularly high-growth segments.

Key Industry Players by Primary Sub-Sector

Dental



Eye



Medical Aesthetics



Recent Industry Transactions

Date	Target	Acquirer	Target Description
Physician & Dental Services			
3/20/2025	myOrthos	Smile Doctors	myOrthos is an operator of an orthodontist support platform intended for orthodontists
3/18/2025	Retina Institute of IL	EyeSouth Partners	Retina Institute of IL is a provider of ophthalmology services with a focus on the retina
2/17/2025	Quigley Eye Specialists	Eye Health America	Quigley Eye Specialists is an operator of ophthalmology clinics
1/31/2025	Catholic Medical Center	HCA Healthcare	Catholic Medical Center is an operator of a nonprofit acute-care hospital and regional health system
1/30/2025	GI Alliance	Cardinal Health	GI Alliance is a provider of healthcare services intended to serve patients with digestive problems

Sources: Pitchbook

Sector Profile | Health & Wellness

M&A activity in the health and wellness sector is expected to remain strong in 2025, driven by consumer shifts toward preventive, self-directed, and holistic health solutions.

Strategic and private equity investors are focusing on businesses in fitness, nutrition, supplements, and mental well-being, particularly those with recurring revenue models, high brand equity, and strong digital distribution channels.

As inflation moderates and macroeconomic stability improves, consumer spending is expected to normalize, supporting growth in

the sector. Platforms that combine lifestyle branding with clinical credibility are especially attractive.

Sub-sectors such as connected fitness, personalized nutrition, and digital wellness technology are drawing significant investor attention due to their scalability and ability to integrate with broader health ecosystems.

Bolt-on acquisitions and roll-up strategies will remain prominent through the second-half of 2025.

Key Industry Players by Primary Sub-Sector

Consumer



Fitness



Health Tech



Recent Industry Transactions

Date	Target	Acquirer	Target Description
Health & Wellness			
3/6/2025	Walgreens Boots Alliance	Sycamore Partners	Walgreens is an operator of a retail pharmacy and drug store chain along with providing general wellness consumables
2/19/2025	Trybe Labs	Hims & Hers	Trybe Labs is an operator of at-home blood testing services for health and wellness intended to perform diagnostic tests for a variety of health issues
2/11/2025	Sportstech Brands Holding	FORME Life	Sportstech Brands Holding is a manufacturer and retailer of fitness and lifestyle products
2/5/2025	Catapult Health	Teladoc Health	Catapult Health is a provider of worksite preventive healthcare services intended for lab-accurate diagnostic blood work
1/23/2025	Surgery Hero	Sword Health	Surgery Hero is a developer of a digital care platform designed for surgery preparation

Sources: Pitchbook

Sector Profile | Healthcare IT

The Healthcare IT and Services sector is undergoing rapid expansion as digital transformation reshapes care delivery, administrative operations, and patient engagement across the industry.


Key growth areas include electronic health records (EHR), revenue cycle management, telehealth, patient engagement platforms, and data analytics. As regulatory frameworks evolve and value-based care models gain traction, healthcare organizations are ramping up investments in digital infrastructure to enhance efficiency and outcomes.

Emerging technologies such as artificial intelligence and machine learning are enabling personalized care pathways, predictive analytics, and real-time decision support. This presents significant opportunities to improve operational efficiency while delivering superior patient-centered outcomes.


Private equity and strategic investors are actively consolidating niche IT vendors and services firms to build tech-enabled, end-to-end healthcare platforms that offer end-to-end industry platforms with embedded digital capabilities. This consolidation trend is expected to continue through 2025 as stakeholders seek to drive scale, innovation, and integration across the care continuum.

Key Industry Players by Primary Sub-Sector


Consumer Facing



Payor Solutions



Provider Solutions



Recent Industry Transactions

Date	Target	Acquirer	Target Description
Healthcare IT			
3/24/2025	CentralReach	Roper Technologies	CentralReach is a provider of electronic health records, EMR, practice management, and clinical software focused on applied behavioral analysis (ABA) and other related behavioral practices
2/10/2025	Edifecs	Cotiviti	Edifecs is a developer of a healthcare information management software
1/10/2025	Healthfuse	Intandem Capital Partners	Healthfuse is a provider of revenue cycle vendor management platform for hospitals and health systems
1/8/2025	Accolade	Transcarent	Accolade Inc offers technology-enabled solutions to provide a personalized health and benefits platform
1/3/2025	Nexus (Enterprise Systems)	TA Associates Management	Nexus is a developer of clinical information systems designed to cover the functional requirements of hospitals, psychiatric wards, rehabilitation and diagnostic centers

Sources: Pitchbook

What We Are Reading



“As Consumers Pull Back on Cash-Pay Therapy, More Providers Could Go In-Network”

- Economic headwinds are prompting patients to reduce out-of-pocket spending on therapy, encouraging more mental health providers to consider joining insurance networks for stability.
- In-network providers are proving more resilient during downturns, as patients prioritize covered care over out-of-pocket expenses.
- Platforms like Headway and Alma are gaining traction, helping therapists transition to insurance-based models amid growing payer demand.
- EAPs and B2B behavioral health models may experience pressure as companies trim benefits to manage costs.

Source: [Behavioral Health Business \(May 2025\)](#)



“Private Equity’s New Playbook for Physician Takeovers”

- PE firms are increasingly targeting scalable physician groups with ancillary revenue streams to capitalize on value-based care opportunities and platform arbitrage.
- Segments with lower reimbursement risk, such as medical spas, dental practices, and wellness services are gaining traction, bolstered by growing interest in GLP-1 therapies despite ongoing regulatory and supply chain concerns.
- Emerging state-level regulations on healthcare transactions may constrain traditional MSO models, prompting PE firms to reassess and innovate their deal structures.
- Despite a slight decline in deal volume, PE remains dominant, accounting for nearly 60% of physician group M&A activity in 2024.

Sources [Becker’s ASC Review \(April 2025\)](#)

“Compounding and GLP-1s: Post Shortage Outlook”



- Persistent GLP-1 shortages since 2022 have led to widespread compounding of medications typically restricted under federal law, particularly weight-loss and diabetes management.
- While demand for compounded GLP-1s remains high, the resolution of shortages will render many of these compounded products unapproved, creating complex compliance challenges for the FDA.
- Legal and access disruptions are anticipated, as some compounders may resist withdrawal from the market and patients face potential care interruptions.
- Despite the fluid situation, significant changes to FDA policy on compounding remain unlikely, given longstanding safety concerns and the distinct regulatory landscape surrounding GLP-1 products.

Source: [Lexology \(December 2024\)](#)

Public Company Comparable Index Constituents

Healthcare Providers

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2025E	LTM	2025E	LTM	LTM	3-Yr. CAGR		
Community Health Systems, Inc.	\$ 13,020	41.8%	9.9%	\$ 1,251	\$ 1,519	8.4x	8.6x	\$ 12,653	1.0%	0.5%	\$ 2.70	42.9%
HCA Healthcare, Inc.	131,346	40.9%	19.9%	14,219	14,655	8.8x	9.0x	71,585	7.3%	6.2%	345.55	82.8%
Pediatrix Medical Group, Inc.	1,533	23.4%	11.4%	225	227	6.2x	6.8x	1,976	-1.1%	0.5%	14.49	82.0%
Surgery Partners, Inc.	8,299	23.7%	19.8%	629	560	11.3x	14.8x	3,173	13.5%	11.2%	23.75	69.9%
Tenet Healthcare Corporation	28,478	40.4%	20.4%	4,195	4,078	6.0x	7.0x	20,520	-1.8%	1.8%	134.50	78.6%
UnitedHealth Group Incorporated	541,694	22.0%	8.8%	36,238	42,595	15.0x	12.8x	410,057	8.1%	11.3%	523.75	83.0%
Median		32.0%	15.6%	2,723	2,798	8.6x	8.8x	16,587	4.2%	4.0%	79.13	80.3%
Mean		32.0%	15.0%	9,459	10,606	9.3x	9.8x	86,661	4.5%	5.2%	174.12	73.2%

Medical Equipment & Supplies

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2025E	LTM	2025E	LTM	LTM	3-Yr. CAGR		
Becton, Dickinson and Company	\$ 83,801	46.3%	26.7%	\$ 5,573	\$ 6,635	14.7x	12.6x	\$ 20,867	5.8%	3.3%	\$ 229.06	90.9%
Henry Schein, Inc.	12,700	31.6%	8.1%	1,029	1,115	11.0x	11.4x	12,669	1.8%	0.0%	68.49	83.0%
Masimo Corporation	9,671	48.5%	6.3%	133	470	72.8x	20.6x	2,127	16.7%	19.6%	166.60	85.5%
Medtronic plc	134,162	65.6%	28.3%	9,410	10,053	13.9x	13.3x	33,199	2.7%	1.5%	89.86	93.4%
Stryker Corporation	151,711	64.7%	26.6%	6,177	6,896	24.5x	22.0x	23,218	10.8%	10.0%	372.25	91.6%
Median		48.5%	26.6%	5,573	6,635	14.7x	13.3x	20,867	5.8%	3.3%	166.60	90.9%
Mean		51.3%	19.2%	4,464	5,034	27.4x	16.0x	18,416	7.5%	6.9%	185.25	88.9%

Support Service Providers

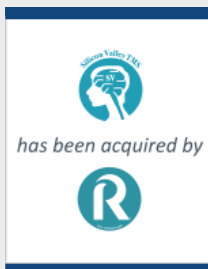
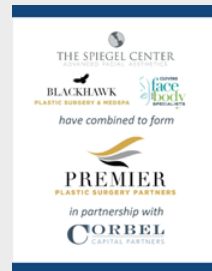
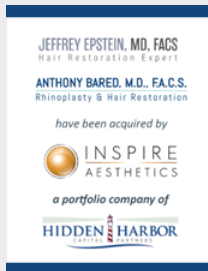
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2025E	LTM	2025E	LTM	LTM	3-Yr. CAGR		
Amedisys, Inc.	\$ 3,241	43.4%	10.3%	\$ 244	\$ 260	11.6x	12.5x	\$ 2,372	5.3%	2.2%	\$ 92.63	93.6%
Astrana Health, Inc.	1,537	11.9%	4.9%	109	181	11.5x	8.5x	2,251	54.8%	37.7%	31.01	49.1%
Cardinal Health, Inc.	36,947	3.5%	1.4%	3,165	3,432	11.8x	10.8x	222,286	0.9%	7.9%	137.77	99.4%
Option Care Health, Inc.	6,575	20.0%	7.6%	397	460	15.5x	14.3x	5,185	17.0%	13.0%	34.95	98.4%
The Pennant Group, Inc.	1,133	20.9%	6.5%	49	65	11.8x	17.4x	748	30.0%	18.6%	25.15	67.7%
Median		20.0%	6.5%	244	260	11.8x	12.5x	2,372	17.0%	13.0%	34.95	93.6%
Mean		19.9%	6.2%	793	880	12.4x	12.7x	46,568	21.6%	15.9%	64.30	81.6%

Behavioral Health

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2025E	LTM	2025E	LTM	LTM	3-Yr. CAGR		
Acadia Healthcare Company, Inc.	\$ 4,954	41.9%	20.0%	\$ 632	\$ 700	6.9x	7.1x	\$ 3,156	5.5%	9.9%	\$ 30.32	36.8%
Universal Health Services, Inc.	17,140	42.7%	14.6%	2,343	2,442	7.1x	7.0x	16,084	9.7%	7.6%	187.90	77.2%
Median		42.3%	17.3%	1,488	1,571	7.0x	7.0x	9,620	7.6%	8.7%	109.11	57.0%
Mean		42.3%	17.3%	1,488	1,571	7.0x	7.0x	9,620	7.6%	8.7%	109.11	57.0%

Source: CapIQ, public trading data as of March 31, 2025

Representative EdgePoint Healthcare Transactions



For more information and insights, please contact us:



Matt Bodensstedt
Managing Director
Healthcare Group

Phone: (216) 342-5748
Email: mbodensstedt@edgepoint.com