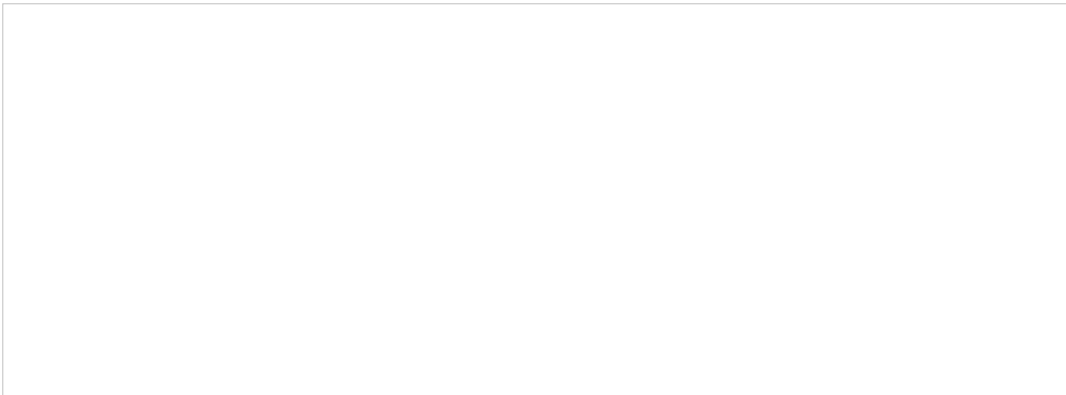


2022 Mid Year Sector Report: Healthcare

2022 Mid-year update

Healthcare Services M&A activity in the first half of 2022 has backed off 2021's torrid pace. This does not come as a surprise given today's landscape compared to the red hot M&A market in 2021 that was fueled by a backlog of delayed transactions created by COVID, a healthy stock market, the availability of cheap debt, low interest rates, upbeat forecasts and dealmakers hurrying to complete transactions before a potential increase in capital gains taxes. We believe the relatively modest number of deals in the first half of 2022 compared to the first half of 2021 is a response to several factors: taking stock after 2021's fervent activity, continued evaluation of COVID and its effect on the marketplace, and concerns about rising inflation/slowing economic growth. Our expectation for mid-market M&A is that conditions will continue to favor consolidation as companies strive to optimize margins, diversify service lines and capture market share.

CHART 1: HEALTHCARE SERVICES M&A ACTIVITY



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