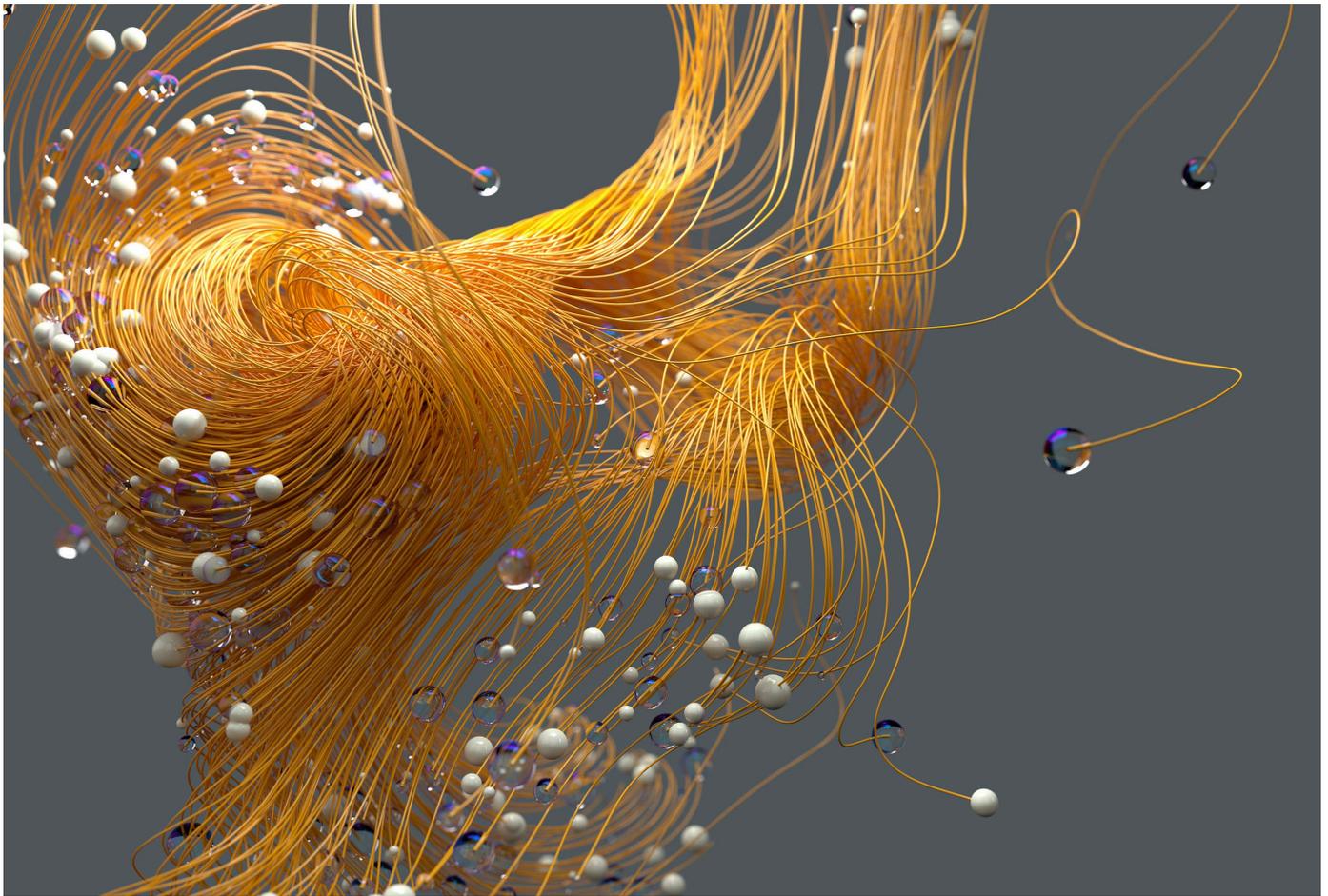


January 8, 2026

Industry Insights

Healthcare Market Report



Banker Commentary:

A Year in Review and the Year Ahead

Contents

- Banker Commentary
- M&A Activity
- Private Placements
- Equity Capital Markets
- Public Equity Indices
- High Grade, High Yield & Leveraged Loans
- Public Finance Market
- Relevant News
- Recent Cain Brothers Transactions



A Year in Review and the Year Ahead

Banker Commentary by Wyatt Ritchie

2025 saw an improved market for capital raising and strategic transactions. Optimism going into the year was quite high, bolstered by an almost 25% gain in the S&P 500 during 2024 and a stabilized interest rate environment.

But a new Administration with broad ambitions generated a significant amount of uncertainty and M&A activity did not materialize as anticipated in the first half of the year. Nevertheless, since the market downturn in April, the S&P was up 36% through the end of 2025, 10-year Treasury yields are down to 4.1%, and M&A activity, particularly for large cap transactions, was up year over year.

As we enter 2026, the markets continue to support investment and transactions, and current consensus is the backlog of long-held PE investments should manifest in more M&A activity, particularly in the middle market as success with larger cap transactions percolates throughout the rest of the market. Despite a fertile environment, buyers have a high hurdle and lower tolerance for risk as compared to the market euphoria of a few years ago. Transactions are getting done but taking more time due to more thorough diligence and negotiation.

Healthcare transacting was particularly impacted by the new administration focused on government efficiency, entitlement spending, healthcare policy, and trade. The uncertainty and rapidity of change created by DOGE, the Big Beautiful Bill, new leadership at HHS, immigration enforcement, and the aggressive use of trade policy as a tool to impact geopolitical priorities impacted healthcare transacting. M&A volumes were down in 2025 and while we are still discovering the impact of the administration's policies, the pressure to find more efficiency, most likely through investment and scale, continues.

Despite continued uncertainty, healthcare remains an area of opportunity for investment. Recent increases in capital raising for biopharma should translate into more activity for pharma services, and scale and capital continues to drive strategic activity for payers, yet a large customer segment (i.e. employers) looks for alternatives to effectively address unsustainable health benefit costs relative to wages. Technology should generate efficiency and expand capacity, and the large data sets generated by healthcare are ripe for insights for AI should uncover. Provider consolidation has yielded mixed results, yet scale remains a necessary attribute for long-term success, and the challenge of bringing to bear the benefits of scale to an intimate and highly individualized provider/patient encounter is difficult. The issues encountered in provider consolidation do not negate the investment premise – they only underscore the need for time and financial leeway to navigate the unforeseen issues that inevitably arise when taking on challenging endeavors like provider group mergers.

Cain Brothers continues to lean into healthcare and broaden our areas of expertise. We have added new senior bankers to our ranks, including Thad Davis and Rishi Soni on our healthtech team, Mark Webber and Jason Moran to our growing life sciences practice, Jeff Danesis to our provider team, and Mike Tierney joined the health systems practice. We also welcomed the returns of season

continued...

senior bankers Todd Rudsenske and Zach Kau. Todd continues to focus on behavioral health as well as senior industry relationships, and Zach will co-head healthcare public finance as well as spend more time within our health system M&A practice.

We continue to invest and support innovative opportunities for industry leaders to meet and network. We will see many of you in San Francisco in January, spend time with our life sciences clients in the mountains this Spring, reconvene in June at our Nashville conference with leading health systems and their partners, and continue to support our private company conference in October.

Finally, we are kicking off the new year with the resumption of emailing Cain Brothers' Industry Insights, the leading bi-weekly summary of healthcare commentary and market color. Over the last year, we have continued to publish and post new issues to LinkedIn, but suspended emailing while upgrading our infrastructure and updating our mailing list. Access to our library of prior issues is available on our website.

We look forward to working with you in 2026.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
1/1/2026	FHN*	Mercyhealth	NA	NA	NA	Not-for-profit community healthcare system serving northwest Illinois and southern Wisconsin
12/31/2025	Reliable Medical (Seven Hills Capital)	Gauge Capital*	NA	NA	NA	Provider of complex rehab technology, clinical respiratory products, and durable medical equipment and supplies
12/22/2025	Dentira	Vista Equity Partners	NA	NA	NA	Provider of end-to-end procure-to-pay solution for dental practices, dental service organizations and other multi-site healthcare providers
12/19/2025	Puzzle Healthcare	HCAP Partners	NA	NA	NA	Post-acute care coordination platform delivering psychiatry and care management services in skilled nursing facilities
12/16/2025	OneOncology (TPG) (majority stake)	Cencora	\$7,400	NA	NA	Physician-led national platform empowering independent medical specialty practices rooted in oncology
12/15/2025	Quipt Home Medical	Kingswood Capital Management and Forager Capital Management	\$260	1.2x	6.2x	Home medical equipment provider, focused on end-to-end respiratory care
12/11/2025	Blue Cross and Blue Shield of Kansas City*	Highmark	NA	NA	NA	Largest not-for-profit health insurer in Missouri and the only not-for-profit commercial health insurer in Kansas City serving more than 1 million members
12/10/2025	SenderraRx	Nautic Partners	NA	NA	NA	Specialty pharmacy dedicated to delivering personalized, high-touch care for patients with complex and chronic conditions
12/9/2025	Teleflex's OEM Business	Montagu Private Equity and Kohlberg & Company	\$1,500	0.7x	NA	Designs, manufactures, and delivers medical devices for spinal and orthopedic surgeries
12/9/2025	Teleflex's Acute Care and Interventional Urology Business	Intersurgical	\$530	NA	NA	Health improvement solutions and offer urological products, including anesthesia, respiratory, and intra-aortic balloon pumps
12/8/2025	Stellus Rx	WindRose Health Investors	NA	NA	NA	Technology-enabled, value-based pharmacy care management platform
12/4/2025	Syntax Health	Lightbeam Health Solutions (Primus)	NA	NA	NA	Enterprise SaaS VBC-focused contract modeling platform
12/3/2025	Axiom Medical (Serent Capital)	NMS Capital	NA	NA	NA	Tech-enabled workplace incident case management solutions
12/2/2025	The Phia Group	InTandem Capital Partners	NA	NA	NA	Healthcare cost containment company
11/28/2025	Tonic Health (R1)	Luma Health	NA	NA	NA	Provider in dynamic intake, e-consents, and patient-reported outcomes
11/26/2025	Family Care Visiting Nurses	Honor Health Network (Webster Equity Partners)	NA	NA	NA	Medicare and Medicaid certified home health agency
11/25/2025	US Fertility (Amulet Capital Partners)	L Catterton and Amulet Capital Partners	NA	NA	NA	Physician-owned and physician-led fertility practices and IVF laboratories
11/13/2025	Parkview Health Laboratory Outreach Assets	Labcorp	NA	NA	NA	Outreach laboratory services that provides high-quality testing across Indiana and northwest Ohio
11/12/2025	CareAcademy (Goldman Sachs, MM Catalyst Fund and others)	Activated Insights (Cressey & Company)	NA	NA	NA	Care enablement platform for caregiver education and compliance automation

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
12/23/2026	Truemed	Andreessen Horowitz, Bessemer Venture Partners, Long Journey Ventures, BoxGroup, and Trust Ventures	Series A	\$34	HSA/FSA marketplace for top preventive health products
12/16/2025	Curalta Foot & Ankle	SharpVue Capital (lead), NewSpring Capital, BPEA Private Equity, North Haven Capital, and Bluwave Capital	Undisclosed	Undisclosed	Network of foot and ankle care providers
12/15/2025	ContinuEM	Undisclosed	Undisclosed	\$30	Provider of emergent and urgent care through ER-level physicians and technology
12/11/2025	SafeinHome	SEMCAAP Health	Series D	\$25	Remote supports for individuals with intellectual and developmental disabilities
12/11/2025	Ritten	Five Elms Capital (lead), Threshold Ventures, 8VC, Bienville Capital, and others	Series B	\$35	AI-powered behavioral health platform
12/4/2025	Paradigm Health	ARCH Venture Partners (lead), DFJ Growth and existing investors F-Prime, General Catalyst, GV, Lux Capital, Mubadala Capital, BrightEdge Fund	Series B	\$78	Technology platform to broaden access to clinical trials
12/3/2025	Angle Health	Portage (lead), Blumberg Capital, Mighty Capital, PruVen Capital, SixThirty Ventures, TSVC, Wing VC, and Y Combinator	Series B	\$134	Vertically-integrated health benefits platform
12/3/2025	Artera.io	Lead Edge Capital (lead), Jackson Square Ventures, Health Velocity Capital, Heritage Medical, Summation Health	Growth	\$65	AI-powered patient communications platform
12/2/2025	Curative	Upside Vision Fund (lead), JAM Fund, Galaxy Digital and family offices	Series B	\$150	Tech-enabled health plan start up
11/13/2025	Clairity	ACE Global Equity and Santé Ventures (co-leads)	Series B	\$43	AI Platform for Breast Cancer Risk Prediction
11/12/2025	House Rx	New Enterprise Associates and Town Hall Ventures (co-leads), LRVHealth, First Round Capital, Bessemer Venture Partners, and Silicon Valley Bank	Series B	\$55	Technology-enabled pharmacy services company
11/6/2025	myLaurel	SteelSky Ventures (lead), Deerfield Management and Google Ventures	Undisclosed	Undisclosed	High-acuity, in-home care for complex and medically fragile patients through a hospital-aligned, tech-enabled model.
11/4/2025	Tala Health	Sofreh Capital (lead)	Undisclosed	\$100	AI company built to empower clinicians with AI agents across the full patient journey
11/3/2025	Hippocratic AI	Avenir Growth (lead), CapitalG, General Catalyst, Andreessen Horowitz, Kleiner Perkins, Premji Invest, Universal Health Services, Cincinnati Children's Hospital Medical Center and WellSpan Health	Series C	\$126	Safety-focused generative AI healthcare agents
10/21/2025	Hyro	Healthier Capital (lead), Norwest and Define Ventures, Bon Secours Mercy Health, ServiceNow Ventures	Growth	\$45	Responsible AI Agent Platform for healthcare
10/16/2025	Brook.ai	UMass Memorial Health and Morningside (co-leads)	Series B	\$28	Remote patient care company focused on AI-enabled patient support and care coordination
10/14/2025	MD Integrations	Udata Partners and Denali Growth Partners	Undisclosed	\$77	End-to-end telehealth platform enabling digital health brands
10/14/2025	Onelming	Vy Capital (lead), Aquiline, Sempervirens Venture Capital, XRC Ventures, Dylan Field, Balaji Srinivasan, Jon Oringer and others	Undisclosed	\$38	Tech-enabled radiology platform
10/9/2025	DUOS	FTV Capital (lead) and Forerunner Ventures	Strategic	\$130	AI-enabled digital health platform focused on the senior population
10/9/2025	Sensi.AI	Qumra Capital (lead), Zeev Ventures, Insight Partners, Entrée Capital, Flint Capital, and Jibe Ventures	Series C	\$45	Care intelligence platform that uses audio technology to help older adults age safely at home

Equity Capital Markets

Market Overview

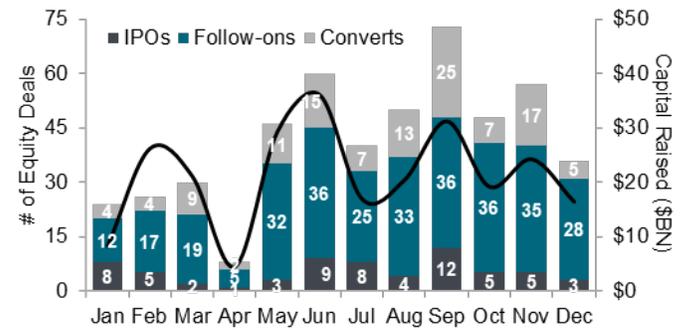
- The winter holiday slowdown for ECM continued last week through the New Year's holiday as issuers gear up for 2026
 - Last week: No transactions priced
- Biotech company, Aktis Oncology was the first IPO issuer to launch their roadshow in what is expected to be a jam-packed 2026 for IPOs with many notable names on public file and rumored to be on confidential file
- In Healthcare, all eyes will be on the JP Morgan Healthcare conference which is scheduled to take place next week, look for both private and public companies to use investor meetings next week as a barometer for investor appetite in potential near-term offerings

ECM Activity (Last 4 Weeks & YoY)

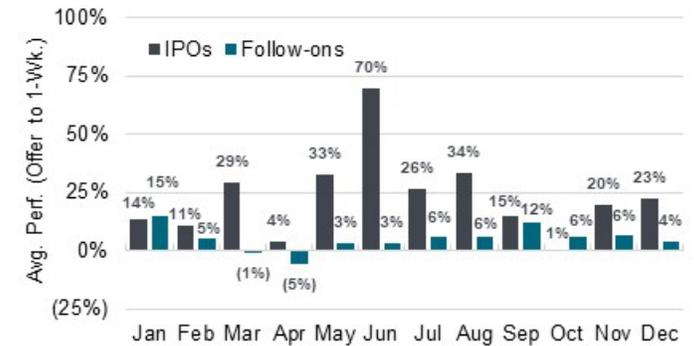
	2025 - Last 4 Weeks			2024 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	8,597	5	42%	719	1	4%
CONV	4,848	4	24%	4,600	7	25%
FO	7,155	22	35%	13,347	24	72%
Total	20,600	31	100%	18,666	32	100%

	2025 YTD			2024 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	40,567	67	15%	26,889	56	11%
CONV	96,654	120	36%	76,060	99	30%
FO	127,733	319	48%	147,747	367	59%
Total	264,954	506	100%	250,696	522	100%

U.S. ECM Offerings (LTM; IPOs, Follow-ons & Converts)



IPO & Follow-on 1-Week Performance (LTM)



Most Recent Healthcare Initial Public Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing		Performance		
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Offer Price	Final Range	1-Day	1-Week
12/16/2025	Medline	Medical Products	MDLN	\$7,204.7	\$38,097.8	18.9%	72.1%	\$29.00	\$26.00 - \$30.00	41.4%	50.5%
12/10/2025	Lumexa Imaging	Services	LMRI	\$462.5	\$1,749.5	26.4%	100.0%	\$18.50	\$17.00 - \$20.00	0.1%	(7.7%)
11/5/2025	BillionToOne	Diagnostics	BLLN	\$314.0	\$2,724.2	11.5%	100.0%	\$60.00	\$49.00 - \$55.00	81.6%	69.7%
8/7/2025	Heartflow	Medical Products	HTFL	\$364.2	\$1,531.7	23.8%	100.0%	\$19.00	\$17.00 - \$18.00	51.3%	77.3%
7/30/2025	Shoulder Innovations	Medical Products	SI	\$75.0	\$303.4	24.7%	100.0%	\$15.00	\$19.00 - \$21.00	0.3%	(12.9%)

Most Recent Healthcare Follow-on Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing		Performance		
Pricing Date	Company	Sector	Deal Type	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Discount to File	1-Day	1-Week
12/2/2025	Kestra Medical Technologies	Medical Products	Marketed	KMTS	\$158.7	\$1,321.9	12.0%	100.0%	(14.8%)	12.3%	7.6%
11/6/2025	Sotera Health	Medical Products	Bought	SHC	\$471.0	\$4,548.3	10.4%	0.0%	(1.9%)	(0.1%)	2.0%
11/4/2025	Guardant Health	Diagnostics	Marketed	GH	\$345.0	\$12,745.9	2.7%	100.0%	(8.3%)	5.6%	8.6%
10/21/2025	Aveanna Healthcare	Services	Marketed	AVAH	\$103.5	\$2,137.2	4.8%	0.0%	(12.0%)	5.3%	9.0%
10/20/2025	Brightspring Health Services	Services	Bought	BTSG	\$435.0	\$5,516.5	7.9%	0.0%	(4.8%)	11.2%	16.7%

Most Recent Healthcare Convertible Debt Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing	
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	Coupon	Premium
11/4/2025	Guardant Health	Diagnostics	GH	\$402.5	\$12,745.9	3.2%	0.00%	35.00%
9/16/2025	Oscar Health	Health Insurance	OSCR	\$410.0	\$4,842.8	8.5%	2.25%	32.50%
8/19/2025	Evolent Health	Services	EVH	\$145.0	\$1,059.9	13.7%	4.50%	50.00%
6/30/2025	Tempus AI	Healthcare Technology	TEM	\$750.0	\$10,999.8	6.8%	0.75%	32.50%
5/8/2025	Hims & Hers Health*	Healthcare Technology	HIMS	\$1,000.0	\$11,504.9	8.7%	0.00%	37.50%

Sources: Bloomberg, Capital IQ, Dealogic, and Press Releases

Note: Transactions include IPOs, follow-ons (including bought deals) and convertible offerings of \$25MM or more priced on a U.S.-based exchange; Price performance includes both marketed and bought deal follow-ons; * denotes Cain Brothers / KBCM transaction; excludes SPACs and fixed price IPOs

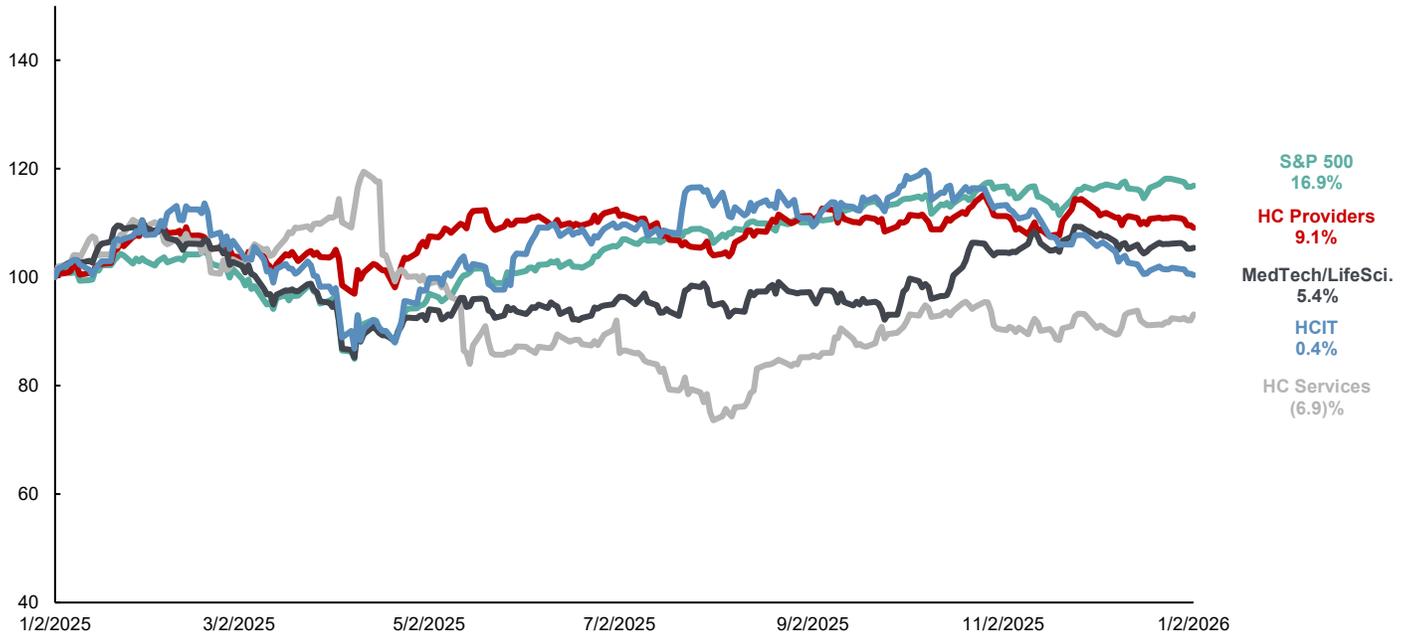
Public Equity Indices

Equity Indices (as of January 2, 2026)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	48,711	48,382	14.1%	(0.7%)
S&P 500	6,930	6,858	16.9%	(1.0%)
NASDAQ	23,593	23,236	20.5%	(1.5%)
Russell 2000	2,534	2,508	12.4%	(1.0%)
NYSE Healthcare	27,081	26,986	10.8%	(0.4%)

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	39.6%	(1.5%)
Alternate Site Services	(14.8%)	(1.9%)
Diagnostics	10.9%	(1.4%)
Distribution	47.3%	(0.7%)
Healthcare IT	0.4%	(1.3%)
Healthcare REITs	52.6%	(0.8%)
Managed Care	(25.6%)	1.5%
Medical Technology	4.8%	(0.9%)
Outsourced Services	(20.6%)	(6.0%)
Pharma Services	10.0%	0.5%
Pharmacy	79.5%	0.6%
Primary Care	(42.4%)	(2.1%)
Post-Acute Care Services	18.7%	(1.1%)
Post-Acute Care Facilities	20.4%	(1.2%)

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- IG bond markets are forecasting a record \$1.8 trillion of supply in 2026 after 2025 saw over \$1.6 trillion, driven by higher M&A issuance and a significant influx of AI capex-related activity.

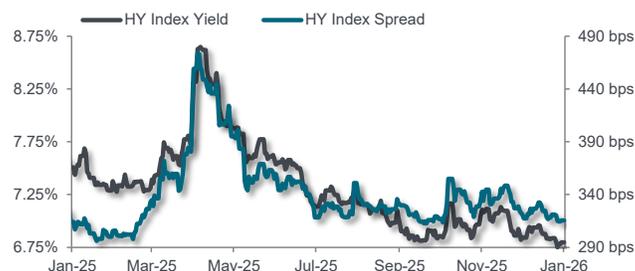
High Yield

- Gross issuance is projected to increase ~13% in 2026, with net issuance forecast to rise ~32% driven by deregulation, easing monetary policy, and additional GCP-related issuance.

Term Loan B Market

- CLO issuance is projected to ease slightly from 2025's record pace amid softer economic growth, an increase in downgrade in collateral assets, and macro uncertainty.

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$BN)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	2Q25	3Q25	30-Day Rolling Average 01/02/26
Ba1	S+265 / 7.1%	S+211 / 6.4%	S+300 / 6.7%
Ba2	S+230 / 6.6%	S+200 / 6.3%	S+175 / 5.5%
Ba3	S+268 / 7.2%	S+241 / 6.7%	S+232 / 6.1%
Single-B Issuers	2Q25	3Q25	30-Day Rolling Average 01/02/26
B1	S+317 / 7.7%	S+280 / 7.1%	S+341 / 7.4%
B2	S+340 / 7.8%	S+311 / 7.5%	S+302 / 6.9%
B3	S+378 / 8.4%	S+352 / 7.9%	S+327 / 7.1%

Most Recent Healthcare High-Grade Issuances (\$MM)

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
12/1/2025	Merck & Co Inc	Sr Notes	\$750	Aa3/A+/-	3.850%	3/15/2029	+35	25 bps
12/1/2025	Merck & Co Inc	Sr Notes	\$500	Aa3/A+/-	FRN	3/15/2029	SOFR+57	25 bps
12/1/2025	Merck & Co Inc	Sr Notes	\$1,000	Aa3/A+/-	4.150%	3/15/2031	+50	25 bps

Most Recent Healthcare High-Yield Issuances (\$MM)

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
12/11/2025	Surgery Center (add-on)	Sr. Notes	\$425	Caa1/CCC+/NR	7.250%	4/15/2032	335 bps	101.00%
12/5/2025	Sevita*	Sr. Sec. Notes	\$1,275	B3/B-/NR	10.500%	12/15/2030	728 bps	11.00% yield
11/18/2025	Genmab Finance	Sr. Sec. Notes	\$1,500	Ba2/BB+/BB+	6.250%	12/15/2032	237 bps	6.375% area

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Jse of Proceeds	Size	Pricing	Yield
12/18/2025	RxBenefits	Advent International; Great Hill	B2 / B	Refinancing	\$450	SOFR+500, 0% @ 98	9.234%
12/12/2025	Lumexa Imaging	Public	B2 / B+	IPO	\$825	SOFR+300, 0% @ 99.75	6.797%
12/11/2025	Bausch + Lomb	Public	NR / B	Repricing	\$2,809	SOFR+375, 0% @ 100	7.500%
12/9/2025	US Fertility*	Amulet Capital & L Catterton	B2 / B-	Recapitalization	\$950	SOFR+350, 0% @ 99.5	7.386%

Most Recent Healthcare Pro Rata Issuances (\$MM)

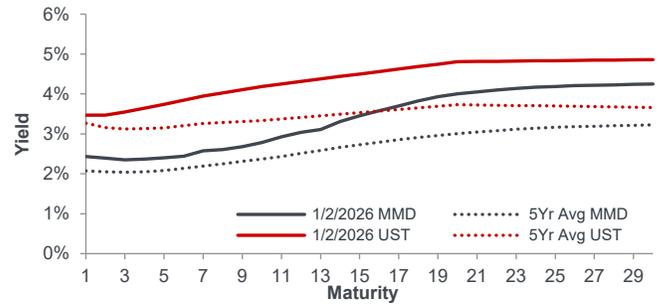
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
12/12/2025	GE Healthcare Technologies	Public	Baa2 / BBB	Acquisition	\$750mm 3-year Term Loan A	Not Available	Max. Net Leverage Ratio: 3.75x
11/25/2025	TruBridge	Public	NR / NR	Refinancing	\$180mm 5-year Revolver \$70mm 5-year Term Loan A	Leverage-based Grid SOFR+150-300 Opens at SOFR+225	Max. Net Leverage Ratio: 3.75x Min. Fixed Charge Coverage Ratio: 1.25x

Public Finance Market

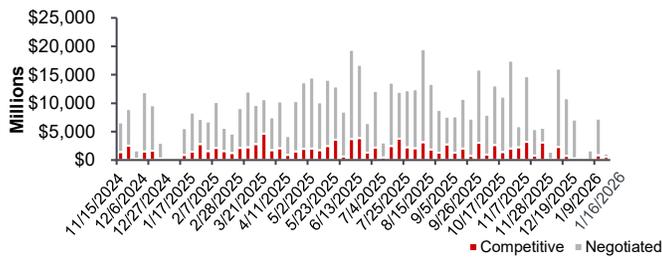
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 5 bps week-over-week, closing at 4.19% on Friday. 10-year MMD increased 2 bps week over week
- Healthcare Public Issuance in 2024 increased 143% vs 2023. 2025 Issuance was 34% higher than 2024
- Muni bond funds gained \$675 MM and high yield funds lost \$232 MM for the week ended January 2nd

MMD & UST Yield Curve



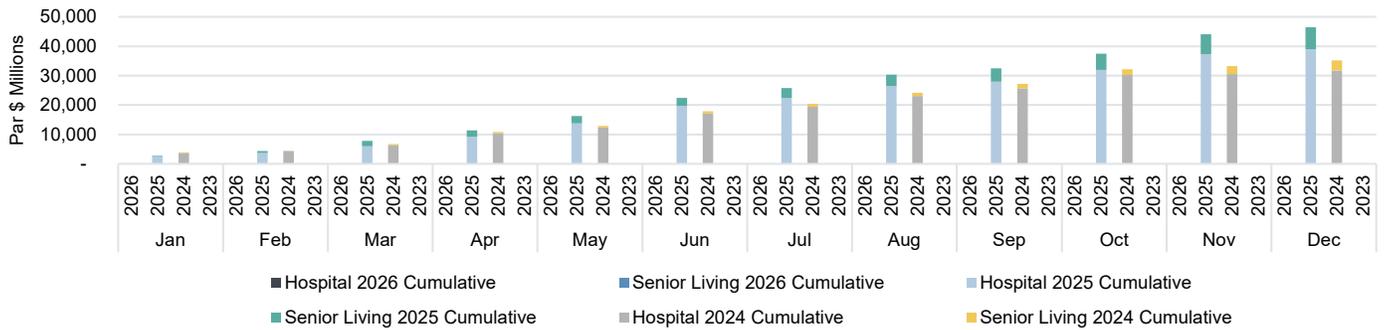
Weekly New Issue Volume (\$MM)



Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	3.47%	1 bps	2	2.39%	(2 bps)	69%
10	4.19%	5 bps	10	2.78%	2 bps	66%
30	4.86%	5 bps	30	4.25%	1 bps	87%

Healthcare Public Issuance Overview



Recent Healthcare Public Issuance

Healthcare Public Issuance										
Borrower/Enhancement	Par (000s)	State	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call, Put or Reprice*	Final Mat. Cpn.	YTW	YTM
Recent Pricings, Week of 12/29										
Mid States Leasing Project	140,435	WI	PFA	TE	NR / NR / NR	2035	2035(C)	5.00%	3.81%	N/A
Mid States Leasing Project	75,395	WI	PFA	TAX	NR / NR / NR	2035	NC	5.68%	5.68%	N/A
QSH St. Augustine, LLC Project	42,830	FL	CTA	TE	NR / NR / NR	2057	2040(C)	8.50%	8.50%	N/A
Life Care ET Project	27,000	FL	FLGFC	TE	NR / NR / NR	2030	2026(C)	11.50%	11.50%	N/A
Exp. Pricings, Week of 1/5										
No Expected Pricings	-	-	-	-	-	-	-	-	-	-

Sources: Bloomberg, TM3

* Denotes Cain Brothers/KeyBanc Capital Markets participation

NC = No Call, MWC = Make Whole Call, (C) = Par Call, (P) = 1st Put, (R) = Reprice Date
Credit products are subject to credit approval. Copyright © 2025 KeyCorp.

Relevant News

CMS Announces Rural Health Transformation Program Awards¹

Healthcare IT News | December 30, 2025

The Centers for Medicare and Medicaid Services this week announced the individual funding awards for the \$50 billion federal Rural Health Transformation Program. Now, dedicated project officers will convene program kickoff meetings with each state and provide ongoing assistance and oversight. States will then submit regular progress updates so CMS can identify proven approaches that streamline rural healthcare operations, empower care and resource coordination, and build partnerships. The \$50 billion initiative, established under the Working Families Tax Cuts legislation, is aimed at modernizing and sustaining rural healthcare – largely with IT projects and technology innovation as many small and rural hospitals face closure. According to the U.S. Department of Agriculture, 146 rural hospitals in the United States closed or stopped providing inpatient services from 2005 to 2023.

Long-Term Care Pharmacy Crisis Could Affect 80% Of Nursing Home Residents²

Skilled Nursing News | December 30, 2025

An imminent long-term care pharmacy crisis could affect more than 80% of nursing home residents by 2026, with about 84% of pharmacies planning to reduce services or stop serving certain facilities or regions. About 78% of long-term care pharmacies expect to lay off staff as well, with layoffs already underway, according to a survey conducted by the American Society of Consultant Pharmacists (ASCP) and Senior Care Pharmacy Coalition (SCPC). The survey respondents represent nearly 20% of closed-door long-term care pharmacies nationwide, serving about 800,000 patients, 300,000 of whom are in rural areas, according to a release issued Tuesday by the ASCP and SCPC. The impact of pharmacy changes are expected to be most severe in rural areas.

Behavioral Health In 2026 Will Transition From Growth To Proof³

Behavioral Health Business | December 31, 2025

An emphasis on measurement-based care, accountability and defending value are the trends that will transcend across mental health, substance use and autism care in 2026 amid forthcoming intensified scrutiny and market pressures. Payer demands and the federal government's crackdown on waste, fraud and abuse will likely drive providers to focus more on proving value via measurements and data, as well as on cost containment, industry insiders told Behavioral Health Business. With the influx of AI tools that can assist with data tracking, trend analysis and efficiency, providers will also face the challenge of vetting and adopting new technologies while weighing their liabilities. Across the board, practitioners say AI should not replace human care but enhance it. It's also one of the areas organizations in every sector of behavioral health told BHB they plan to prioritize investments in for 2026.

1. <https://www.healthcareitnews.com/news/cms-announces-rural-health-transformation-program-awards>

CAIN BROTHERS 2. https://skillednursingnews.com/2025/12/long-term-care-pharmacy-crisis-could-affect-80-of-nursing-home-residents/?itm_source=parsely-api

A division of KeyBank Capital Markets 3. <https://bhbusiness.com/2025/12/31/behavioral-health-in-2026-will-transition-from-growth-to-proof/>

Relevant News

2026 Outlook: The Domino Effect Of Medicaid Cuts And The Hidden Costs For Healthcare¹

Fierce Healthcare | December 23, 2025

In July, the Trump administration passed the One Big Beautiful Bill Act, otherwise known as the budget reconciliation bill. The law, H.R. 1, has made waves for its historic nearly \$1 trillion cut to federal Medicaid spending over 10 years. Healthcare stakeholders have been vocal opponents of the move. H.R. 1 brings the first-ever national work requirements to the Medicaid program, which will kick in at the start of 2027. The number of uninsured Americans is expected to grow by 10 million in 2034 as a result, and another 4 million may become uninsured if the Affordable Care Act subsidies expire. To implement the requirements, state Medicaid agencies will need to make major changes to their eligibility and enrollment systems on a tight timeline. If a person is denied or disenrolled due to work requirements, they will need to file a new application to reapply, triggering a compliance check.

Why Health Systems Are Turning To Cross-Market Mergers²

Becker's Hospital Review | December 30, 2025

Cross-market mergers — transactions between health systems operating in separate geographic regions — are becoming a more prominent trend in hospital consolidation as organizations continue to shift toward multiregion operating models. Over the past year, several large systems have pursued cross-market deals to gain scale, diversify risk and strengthen payer negotiations, often in lieu of same-market mergers that face heightened antitrust scrutiny. While these transactions typically do not eliminate local competition for patients, they are reshaping how health systems think about growth, leverage and long-term sustainability.

HHS Seeks Input On Speeding AI Adoption In Clinical Care³

Medtech Dive | December 22, 2025

The RFI, issued by the HHS' Office of the Deputy Secretary and the Assistant Secretary for Technology Policy and Office of the National Coordinator for Health Information Technology, builds on other actions from the Trump administration to bolster AI implementation across the nation, including the HHS' recently released strategy for deploying the tools within the agency. The Trump administration has largely taken a deregulatory stance toward AI, arguing onerous rules could hamper the development and rollout of the potentially transformative technology. For example, President Donald Trump signed an executive order earlier this month seeking to challenge some state AI laws.

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January 22, 2026

Industry Insights

Healthcare Market Report



Banker Commentary:

Embracing vs. Conquering: Stop Waiting for the New New Thing to Save Healthcare

Banker Commentary

Contents

- Banker Commentary
- M&A Activity
- Private Placements
- Equity Capital Markets
- Public Equity Indices
- High Grade, High Yield & Leveraged Loans
- Public Finance Market
- Relevant News
- Recent Cain Brothers Transactions



Embracing vs. Conquering: Stop Waiting for the New New Thing to Save Healthcare

Banker Commentary by Todd Rudsenske

I was recently introduced to the book *Without Ever Reaching the Summit* by Paolo Cognetti (a note of thanks to Matt Hicks and Justin Unertl at Excellere for making me aware of it). It's a wonderful 135-page read, and I highly recommend it. Why am I mentioning it here? Without giving away anything that the title of the book doesn't already do, Cognetti wrote about a journey that he made to the Himalayas in a region that is very near Tibet, which he wasn't allowed to enter. He shared in the book that "the most important Tibetan pilgrimage consists of going around Mount Kailash" versus trying to summit it. He further noted that while the mountaineers of other religions leave behind flags or other markers at the tops of the mountains that they have climbed, Buddhists (like those in Tibet) circle around them. In essence, they have a desire to embrace versus a desire to conquer.

This concept from the book has been going through my head in relation to healthcare, particularly as I was in route to and from the healthcare conference in San Francisco last week. I have believed for the better part of the past 25 years that the time would come when a Steve Jobs-like entrepreneur would develop a new technology, i.e. a "New New Thing," that would conquer the healthcare summit by bending the cost curve, while, at the same time, achieving better outcomes.

Examples that come to mind are EMRs and value-based care models. While well intentioned, neither has resulted in meaningful cost reductions to the overall system, or better outcomes for the patient. I think that is largely because the cost of the new infrastructure or investment in such models has resulted in more dollars being spent without achieving any meaningful productivity gains. For those that measure it, it is estimated that the productivity gains at private community hospitals had average labor productivity growth of about +0.1% a year from 1993 to 2022. By comparison, the rest of the economy has experienced productivity gains of between 1.5% to 2.3%. As a result, the overall cost of healthcare continues growing at between 5% to 10% annually - much higher than the rate of growth in the overall rate of inflation.

So, my viewpoint has become more like those of the Buddhists, thus requiring me to accept that we don't have to conquer some new summit in healthcare, but instead embrace the system that we have and make it more productive – i.e., achieve more efficient output from the same (or fewer) resources. Because the "New New Thing" has only proven to make healthcare more expensive, it is time to focus instead on increasing the productivity of all existing resources, especially clinicians. Technology should lead to faster diagnoses and optimal care models; but the clinicians need to be taught how to translate that into faster throughput, and patients will also have to accept that they will have less time with that clinician. It also means that it's time to stop building new buildings and to stop spending money on branding. In the back office, where AI can be a disruptor, administrative costs like RCM are projected to be able to be cut by 30% or more. As those costs savings are

continued...

achieved, redeploy such savings into efforts like re-training physicians and other frontline healthcare workers

to increase their productivity. In essence, the time has come when healthcare providers must be operated like widget factories. Surgical procedures in all specialties need to look more like a Ford factory floor. Fortunately, there are some medical specialties where this is being accomplished and can be looked at as examples. Anyone who has had a colonoscopy has likely witnessed the factory floor-like throughput that is achieved at the outpatient facilities where patients are lined up like cars waiting to get their oil changed. Start focusing on how procedure times can be reduced (even if it is only one minute) and further reduce the time for care from there.

Progress and enlightenment will come from accepting and embracing that healthcare can advance to a better place without having to invent something new and revolutionary. It's a scale game. Start doing more time and motion studies and have a renewed focus on being the lowest cost providers with the highest volumes and the quickest throughput. In short, healthcare needs more people like Tim Cook and Andy Jassey, who were the operational experts that scaled Apple and Amazon, respectively, versus the inventors like Steve Jobs and Jeff Bezos. I think that is the future of healthcare, and the providers that embrace it, will be the future leaders of the industry and get there without ever having had to scale to any new heights.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
1/14/2026	PedsOne	Lead Capital Partners	NA	NA	NA	Provider of outsourced RCM and specialized consulting services to independent pediatric practices
1/14/2026	Pillr Health	Water Street Healthcare Partners	NA	NA	NA	Provider of software and tech-enabled services that optimize pharmacy operations for health care delivery organizations
1/14/2026	Spine Diagnostic & Pain Treatment Center	Resolve Pain Solutions (Compass Group Equity Partners)	NA	NA	NA	Pain management platform with clinic locations Louisiana
1/13/2026	StarLIMS (Francisco Partners)	Turn/River Capital	NA	NA	NA	Healthcare services company providing laboratory information management and data solutions
1/13/2026	Torch	OpenAI	~\$100	NA	NA	AI healthcare start up unifying lab results, medications, and recordings from doctor visits
1/13/2026	Autism ETC	Behavioral Framework (Renovus Capital)	NA	NA	NA	Provider of center-based applied behavior analysis therapy and autism diagnostic services
1/13/2026	Core Analytics Lab & Radiology	Integrated Diagnostic Services (HCAP Partners)	NA	NA	NA	Provider of mobile radiology and laboratory services across California
1/12/2026	Rivet	Zelis (Bain and Parthenon Capital)	NA	NA	NA	Revenue cycle management platform
1/12/2026	Avalon Healthcare Solutions (Francisco Partners)	WindRose Health Investors	NA	NA	NA	Healthcare analytics and diagnostics platform
1/12/2026	RxAnte	Primus Capital	NA	NA	NA	Provider of analytics, software, and services for pharmacy care management
1/9/2026	InBloom Autism (Webster Equity Partners)	Elysium Management	\$70 - \$75	NA	14x - 15x	Provider of therapy services for autistic children
1/8/2026	CareRev	IntelyCare	NA	NA	NA	On-demand workforce platform purpose-built for acute care
1/7/2026	3 Comprehensive Eye Care Platforms	Ascend Vision Partners (Chicago Pacific Capital)	NA	NA	NA	Oklahoma Retinal Consultants, Wise Eye Associates, Sylvester Eye Care
1/7/2026	Burlington Medical	TIDI Products (TJC)	NA	NA	NA	Manufacturer of radiation protection apparel and accessories
1/7/2026	PatientCare EMS Solutions	Grant Avenue Capital	NA	NA	NA	Provider of ground-based healthcare transportation services
1/7/2026	Radiology Regional (LucidHealth)	RadNet	NA	NA	NA	Comprehensive multi-modality offering that includes MRI, CT, PET/CT, mammography, ultrasound, X-ray and other related procedures
1/7/2026	Trialbee	Varsity Healthcare Partners	NA	NA	NA	Technology-driven patient recruitment for clinical trials
1/6/2026	Evidinno Outcomes Research	United BioSource (Avista Capital Partners)	NA	NA	NA	Healthcare research consulting firm
1/6/2026	First Choice Wellness Centers	BioMatrix Infusion Pharmacy (Frazier Healthcare Partners)	NA	NA	NA	Provider of ambulatory infusion services

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

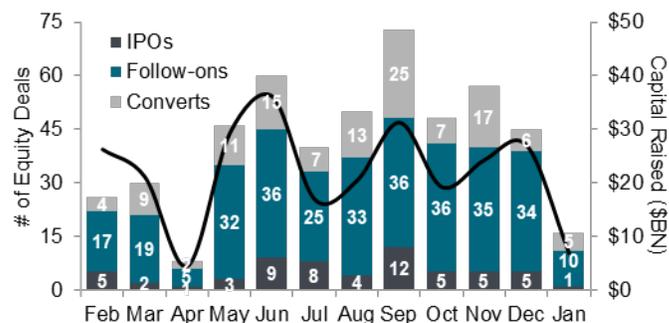
Date	Company	Investor(s)	Type	Amount	Description
1/14/2026	Vista AI	Cedars-Sinai Health System, Intermountain Health, University of Utah Hospital System, Temple University/Fox Chase Cancer Center, Tampa General Hospital, Khosla Ventures and Bold Brain Capital	Series B	\$30	Automated MRI scanning software for hospitals and imaging centers
1/13/2026	HPS/PayMedix	HLM Investment Partners and Escalate Capital Partners	Equity and Debt	\$33	Healthcare financing and payments solution provider
1/8/2026	Pomelo Care	Stripes, Andreessen Horowitz, PLUS Capital, Atomico, BoxGroup, and SV Angel	Series C	\$92 \$1.7bn valuation	Evidence-based healthcare for women and children
12/23/2026	Truemed	Andreessen Horowitz, Bessemer Venture Partners, Long Journey Ventures, BoxGroup, and Trust Ventures	Series A	\$34	HSA/FSA marketplace for top preventive health products
12/16/2025	Curalta Foot & Ankle	SharpVue Capital (lead), NewSpring Capital, BPEA Private Equity, North Haven Capital, and Bluwave Capital	Undisclosed	Undisclosed	Network of foot and ankle care providers
12/15/2025	ContinuEM	Undisclosed	Undisclosed	\$30	Provider of emergent and urgent care through ER-level physicians and technology
12/11/2025	SafeinHome	SEMCAP Health	Series D	\$25	Remote supports for individuals with intellectual and developmental disabilities
12/11/2025	Ritten	Five Elms Capital (lead), Threshold Ventures, 8VC, Bienville Capital, and others	Series B	\$35	AI-powered behavioral health platform
12/4/2025	Paradigm Health	ARCH Venture Partners (lead), DFJ Growth and existing investors F-Prime, General Catalyst, GV, Lux Capital, Mubadala Capital, BrightEdge Fund	Series B	\$78	Technology platform to broaden access to clinical trials
12/3/2025	Angle Health	Portage (lead), Blumberg Capital, Mighty Capital, PruVen Capital, SixThirty Ventures, TSVC, Wing VC, and Y Combinator	Series B	\$134	Vertically-integrated health benefits platform
12/3/2025	Artera.io	Lead Edge Capital (lead), Jackson Square Ventures, Health Velocity Capital, Heritage Medical, Summation Health	Growth	\$65	AI-powered patient communications platform
12/2/2025	Curative	Upside Vision Fund (lead), JAM Fund, Galaxy Digital and family offices	Series B	\$150	Tech-enabled health plan start up
11/13/2025	Clairity	ACE Global Equity and Santé Ventures (co-leads)	Series B	\$43	AI Platform for Breast Cancer Risk Prediction
11/12/2025	House Rx	New Enterprise Associates and Town Hall Ventures (co-leads), LRVHealth, First Round Capital, Bessemer Venture Partners, and Silicon Valley Bank	Series B	\$55	Technology-enabled pharmacy services company
11/6/2025	myLaurel	SteelSky Ventures (lead), Deerfield Management and Google Ventures	Undisclosed	Undisclosed	High-acuity, in-home care for complex and medically fragile patients through a hospital-aligned, tech-enabled model.
11/4/2025	Tala Health	Sofreh Capital (lead)	Undisclosed	\$100	AI company built to empower clinicians with AI agents across the full patient journey
11/3/2025	Hippocratic AI	Avenir Growth (lead), CapitalG, General Catalyst, Andreessen Horowitz, Kleiner Perkins, Premji Invest, Universal Health Services, Cincinnati Children's Hospital Medical Center and WellSpan Health	Series C	\$126	Safety-focused generative AI healthcare agents
10/21/2025	Hyro	Healthier Capital (lead), Norwest and Define Ventures, Bon Secours Mercy Health, ServiceNow Ventures	Growth	\$45	Responsible AI Agent Platform for healthcare
10/16/2025	Brook.ai	UMass Memorial Health and Morningside (co-leads)	Series B	\$28	Remote patient care company focused on AI-enabled patient support and care coordination
10/14/2025	MD Integrations	Udata Partners and Denali Growth Partners	Undisclosed	\$77	End-to-end telehealth platform enabling digital health brands
10/14/2025	Onelming	Vy Capital (lead), Aquiline, Sempervirens Venture Capital, XRC Ventures, Dylan Field, Balaji Srinivasan, Jon Oringer and others	Undisclosed	\$38	Tech-enabled radiology platform

Equity Capital Markets

Market Overview

- Issuance last week was muted as markets struggled to find direction all week and many issuers found themselves in earnings-related blackout periods
 - Last week: 0 IPOs; 2 follow-ons; 1 convert
- Several prospective IPO issuers have flipped registration statements public in recent weeks to target offerings ahead of the upcoming financial staleness deadline on February 18th
- The HC community flocked to San Francisco for the annual JPM HC Conference → we will look for issuers to capitalize on the momentum coming out of the conference as 2026 is expected to start off strong

U.S. ECM Offerings (LTM; IPOs, Follow-ons & Converts)

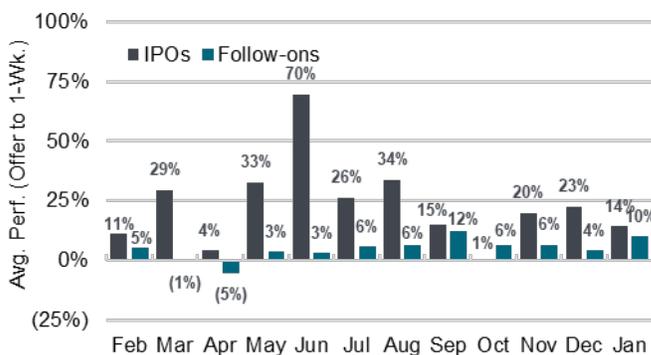


ECM Activity (Last 4 Weeks & YoY)

	2026 - Last 4 Weeks			2025 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	365	1	5%	491	1	60%
CONV	3,446	5	49%	0	0	0%
FO	3,227	11	46%	321	3	40%
Total	7,038	17	100%	812	4	100%

	2026 YTD			2025 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	365	1	5%	491	1	60%
CONV	3,446	5	50%	0	0	0%
FO	3,127	10	45%	321	3	40%
Total	6,938	16	100%	812	4	100%

IPO & Follow-on 1-Week Performance (LTM)



Most Recent Healthcare Initial Public Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing		Performance		
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Offer Price	Final Range	1-Day	1-Week
12/16/2025	Medline	Medical Products	MDLN	\$7,204.7	\$38,097.8	18.9%	72.1%	\$29.00	\$26.00 - \$30.00	41.4%	50.5%
12/10/2025	Lumexa Imaging	Services	LMRI	\$462.5	\$1,749.5	26.4%	100.0%	\$18.50	\$17.00 - \$20.00	0.1%	(7.7%)
11/5/2025	BillionToOne	Diagnostics	BLLN	\$314.0	\$2,724.2	11.5%	100.0%	\$60.00	\$49.00 - \$55.00	81.6%	69.7%
8/7/2025	Heartflow	Medical Products	HTFL	\$364.2	\$1,531.7	23.8%	100.0%	\$19.00	\$17.00 - \$18.00	51.3%	77.3%
7/30/2025	Shoulder Innovations	Medical Products	SI	\$75.0	\$303.4	24.7%	100.0%	\$15.00	\$19.00 - \$21.00	0.3%	(12.9%)

Most Recent Healthcare Follow-on Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing		Performance	
Pricing Date	Company	Sector	Deal Type	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Discount to File	1-Day	1-Week
12/2/2025	Kestra Medical Technologies	Medical Products	Marketed	\$158.7	\$1,321.9	12.0%	100.0%	(14.8%)	12.3%	7.6%
11/6/2025	Sotera Health	Medical Products	Bought	\$471.0	\$4,548.3	10.4%	0.0%	(1.9%)	(0.1%)	2.0%
11/4/2025	Guardant Health	Diagnostics	Marketed	\$345.0	\$12,745.9	2.7%	100.0%	(8.3%)	5.6%	8.6%
10/21/2025	Aveanna Healthcare	Services	Marketed	\$103.5	\$2,137.2	4.8%	0.0%	(12.0%)	5.3%	9.0%
10/20/2025	Brightspring Health Services	Services	Bought	\$435.0	\$5,516.5	7.9%	0.0%	(4.8%)	11.2%	16.7%

Most Recent Healthcare Convertible Debt Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing	
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	Coupon	Premium
11/4/2025	Guardant Health	Diagnostics	GH	\$402.5	\$12,745.9	3.2%	0.00%	35.00%
9/16/2025	Oscar Health	Health Insurance	OSCR	\$410.0	\$4,842.8	8.5%	2.25%	32.50%
8/19/2025	Evolent Health	Services	EVH	\$145.0	\$1,059.9	13.7%	4.50%	50.00%
6/30/2025	Tempus AI	Healthcare Technology	TEM	\$750.0	\$10,999.8	6.8%	0.75%	32.50%
5/8/2025	Hims & Hers Health*	Healthcare Technology	HIMS	\$1,000.0	\$11,504.9	8.7%	0.00%	37.50%

Sources: Bloomberg, Capital IQ, Dealogic, and Press Releases

Note: Transactions include IPOs, follow-ons (including bought deals) and convertible offerings of \$25MM or more priced on a U.S.-based exchange; Price performance includes both marketed and bought deal follow-ons; * denotes Cain Brothers / KBCM transaction; excludes SPACs and fixed price IPOs

Transaction occurred the past week

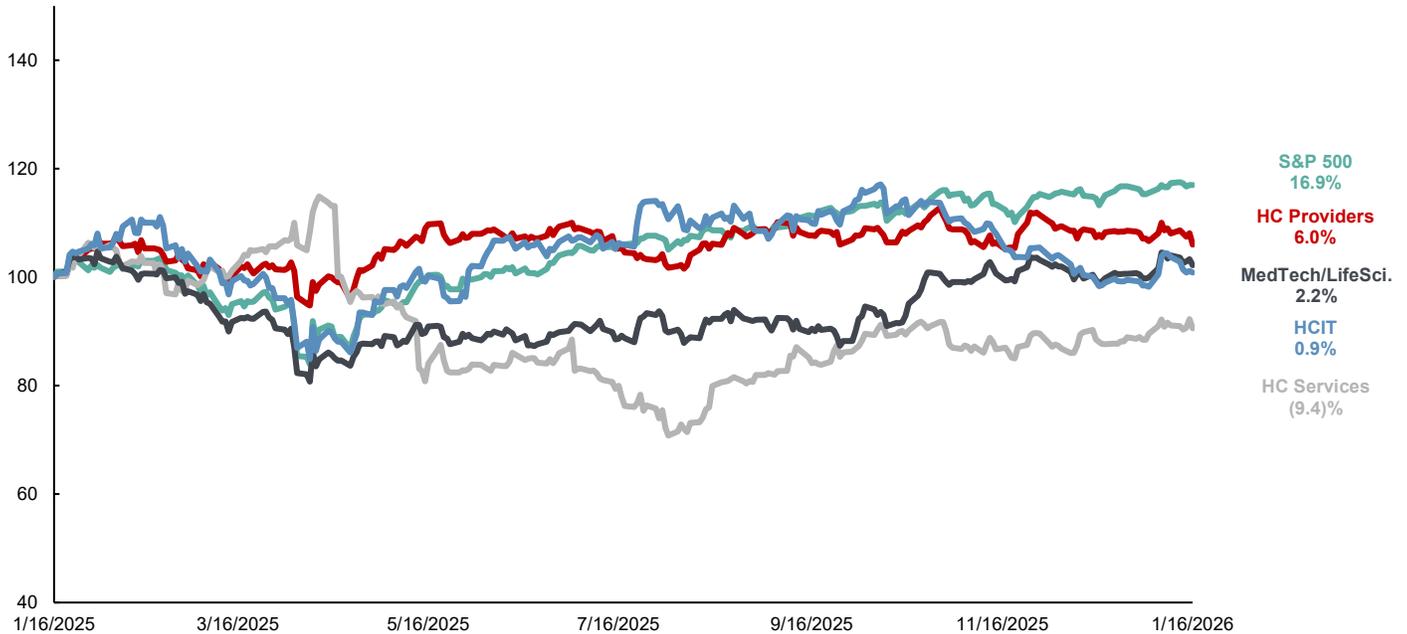
Public Equity Indices

Equity Indices (as of January 16, 2026)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	49,504	49,370	14.4%	(0.3%)
S&P 500	6,966	6,943	16.9%	(0.3%)
NASDAQ	23,671	23,530	21.7%	(0.6%)
Russell 2000	2,624	2,679	18.2%	2.1%
NYSE Healthcare	27,385	27,275	10.2%	(0.4%)

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	32.6%	(1.1%)
Alternate Site Services	(24.8%)	(4.4%)
Diagnostics	14.8%	1.2%
Distribution	43.1%	4.2%
Healthcare IT	0.9%	(2.7%)
Healthcare REITs	52.4%	2.6%
Managed Care	(26.8%)	(2.3%)
Medical Technology	0.7%	(2.1%)
Outsourced Services	(18.0%)	1.3%
Pharma Services	14.7%	0.4%
Pharmacy	49.8%	(1.5%)
Primary Care	(44.0%)	(3.6%)
Post-Acute Care Services	14.5%	1.0%
Post-Acute Care Facilities	18.7%	1.8%

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- IG bond markets beat estimates last week, with 21 issuers printing \$59.2 BN across 47 tranches; issuance was driven by "Big Six" banks, which accounted for 64% of last week's volume.

High Yield

- After a strong opening week, the high yield primary market fell short of expectations, with five issuers pricing only \$2.7 BN in total volume.

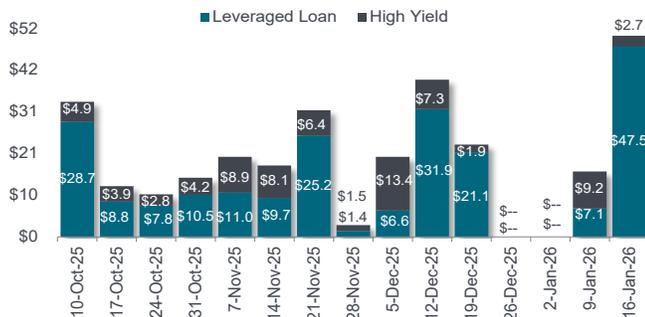
Term Loan B Market

- CLO issuance saw a second consecutive strong year in 2025, although new money issuance has yet to ramp up in 2026.

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$BN)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	2Q25	3Q25	30-Day Rolling Average 01/16/26
Ba1	S+265 / 7.1%	S+211 / 6.4%	S+250 / 6.2%
Ba2	S+230 / 6.6%	S+200 / 6.3%	S+175 / 5.4%
Ba3	S+268 / 7.2%	S+241 / 6.7%	S+185 / 5.5%
Single-B Issuers	2Q25	3Q25	30-Day Rolling Average 01/16/26
B1	S+317 / 7.7%	S+280 / 7.1%	S+281 / 6.6%
B2	S+340 / 7.8%	S+311 / 7.5%	S+318 / 6.9%
B3	S+378 / 8.4%	S+352 / 7.9%	S+314 / 6.8%

Most Recent Healthcare High-Grade Issuances (\$MM)

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
12/1/2025	Merck & Co Inc	Sr Notes	\$750	Aa3/A+/-	3.850%	3/15/2029	+35	25 bps
12/1/2025	Merck & Co Inc	Sr Notes	\$500	Aa3/A+/-	FRN	3/15/2029	SOFR+57	25 bps
12/1/2025	Merck & Co Inc	Sr Notes	\$1,000	Aa3/A+/-	4.150%	3/15/2031	+50	25 bps

Most Recent Healthcare High-Yield Issuances (\$MM)

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
12/11/2025	Surgery Center (add-on)	Sr. Notes	\$425	Caa1/CCC+/NR	7.250%	4/15/2032	335 bps	101.00%
12/5/2025	Sevita*	Sr. Sec. Notes	\$1,275	B3/B-/NR	10.500%	12/15/2030	728 bps	11.00% yield
11/18/2025	Genmab Finance	Sr. Sec. Notes	\$1,500	Ba2/BB+/BB+	6.250%	12/15/2032	237 bps	6.375% area

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
1/14/2026	Hologic	Blackstone; TPG; GIC Capital	B1 / B+	LBO	\$7,250	SOFR+225, 0% @ 99.75	5.990%
1/8/2026	Anneal Pharmaceuticals	Public	B1 / B+	Repricing	\$2,095	SOFR+300, 0.5% @ 100	6.674%
12/18/2025	RxBenefits	Advent International; Great Hill	B2 / B	Refinancing	\$450	SOFR+500, 0% @ 98	9.234%
12/12/2025	Lumexa Imaging	Public	B2 / B+	IPO	\$825	SOFR+300, 0% @ 99.75	6.797%

Most Recent Healthcare Pro Rata Issuances (\$MM)

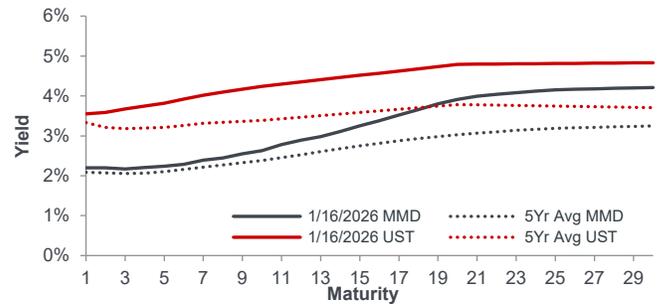
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
1/8/2026	Waters Corp*	Public	NR / NR	Acquisition	\$3,500mm 1-year TLA \$500mm 2-year Term Loan A	Ratings-based Grid TL: SOFR+122.5	Max. Net Leverage Ratio: 3.50x Min. Interest Coverage Ratio: 3.50x
12/29/2025	Sonida Senior Living	Public	NR / NR	Refinancing / Acquisition	\$375mm 4-year Revolver \$525mm 5-year Term Loan A	Leverage-based Grid RC: SOFR+135-200 TL: SOFR+130-195	Max. Debt to Cap: 65% Min. Fixed Charge Coverage Ratio: 1.35x

Public Finance Market

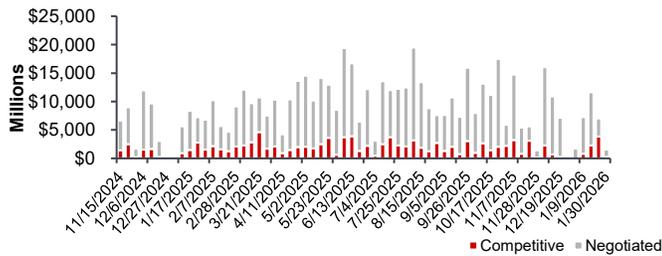
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 6 bps week-over-week, closing at 4.24% on Friday. 10-year MMD decreased 4 bps week over week
- Healthcare Public Issuance in 2024 increased 143% vs 2023. 2025 Issuance was 34% higher than 2024
- Muni bond funds gained \$1.8 BN and high yield funds gained \$347 MM for the week ended January 16th

MMD & UST Yield Curve



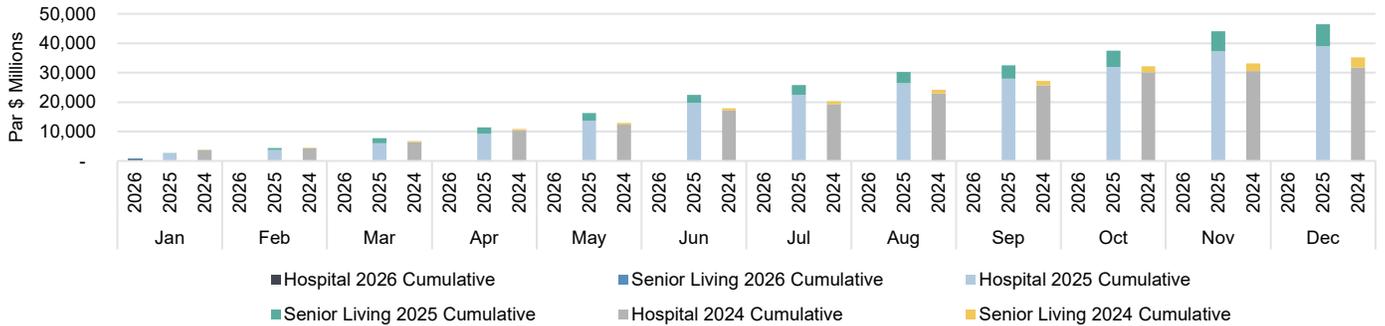
Weekly New Issue Volume (\$MM)



Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	3.59%	5 bps	2	2.20%	(7 bps)	61%
10	4.24%	6 bps	10	2.63%	(4 bps)	62%
30	4.83%	1 bps	30	4.21%	0 bps	87%

Healthcare Public Issuance Overview



Recent Healthcare Public Issuance

Healthcare Public Issuance ⁽¹⁾										
Borrower/Enhancement	Par (000s)	State	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call, Put or Reprice*	Final Mat. Cpn.	YTW	YTM
Recent Pricings, Week of 1/12										
Baylor Scott & White Health Project	314,520	TX	TCCEFFC	TE	Aa2 / AA- / NR	2045	2036(C)	5.00%	4.18%	4.48%
Northshore Edward-El. Cr. Gr.	130,000	IL	ISFA	TE	NR / NR / NR	2057	2027(C)	7.00%	7.00%	N/A
Friendship Village of Kalamazoo Prj	71,960	MI	KEDC	TE	NR / NR / NR	2061	2036(C)	6.25%	6.12%	6.18%
Friendship Village of Kalamazoo Prj	18,575	MI	KEDC	TE	NR / NR / NR	2031	2027(C)	3.00%	3.90%	N/A
Friendship Village of Kalamazoo Prj	3,725	MI	KEDC	TE	NR / NR / NR	2031	2027(C)	4.50%	4.50%	N/A
Terrebonne Gen. Med. Center Prj	80,000	LA	HSDPTSL	TE	NR / A / NR	2055	2036(C)	5.50%	4.88%	5.17%
TriHealth Inc.	50,000	OH	HCOHF	TE	NR / NR / NR	2055	2027(C)	6.88%	6.88%	N/A
Hunt Memorial Hospital District	29,280	TX	HMHD	TE	Ba3 / B+ / NR	2045	2036(C)	6.00%	5.54%	5.70%
Exp. Pricings, Week of 1/19										
MedStar Health Issue	734,715	MD	MHHEFA	TE	A2 / A / NR	-	-	-	-	-
Mass General Brigham	720,780	MA	MDFA	TE	Aa3 / AA- / NR	-	-	-	-	-
Hartford Healthcare	683,265	CT	CHEFA	TE	NR / A / A+	-	-	-	-	-
Christian Care Health System	332,620	DE	DHFA	TE	Aa2 / AA / NR	-	-	-	-	-
Brown University Health OG	126,500	RI	RIHEBC	TE	NR / BBB+ / BBB+	-	-	-	-	-
Brown University Health	101,775	RI	BUH	TAX	NR / AA / BBB+	-	-	-	-	-
Monument Health	121,900	SD	SDHEFA	TE	A1 / NR / AA-	-	-	-	-	-

Sources: Bloomberg, TM3

* Denotes Cain Brothers/KeyBanc Capital Markets participation

NC = No Call, MWC = Make Whole Call, (C) = Par Call, (P) = 1st Put, (R) = Reprice Date

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Relevant News

MedPAC Calls For Halt On Hospice Rate Increases; 'Not Keeping Pace' For Sustainable Future¹

Hospice News | January 16, 2026

The Medicare Payment Advisory Commission (MedPAC) has voted to recommend that Congress eliminate payment updates for hospice care in fiscal year 2027. If Congress adopts the recommendation, it could potentially decrease hospice spending by billions of dollars and leave providers facing significant financial strain, according to industry stakeholders and advocacy groups. MedPAC unveiled its vote on Thursday. If implemented, the recommendations would reduce hospice spending by \$250 million to \$750 million over one year and between \$1 billion and \$5 billion over five years, according to the National Alliance for Care at Home (Alliance).

Health Care Spending Reaches \$5.3 Trillion, Or 18% Of U.S. Economy, In 2024²

Medical Economics | January 15, 2026

Physician and clinical services reached \$1.1 trillion in 2024, or 21% of that year's total spending of \$5.3 trillion toward health care. The 2024 national health expenditure (NHE) tally was published in Health Affairs, with Executive Editor and Interim Editor-in-Chief Donald E. Metz hosting an online briefing with statisticians of the National Health Statistics Group in the Office of the Actuary of the U.S. Centers for Medicare & Medicaid Services. Statistician Micah Hartman presented data with Deputy Director Aaron Catlin and analysts Anne Martin and David Lassman. In 2024, the nation spent the estimated equivalent of \$15,474 per person on health care. Health care spending made up 18% of the U.S. economy, with total spending up 7.2% from 2023. The year before, 2023 expenditures were up 7.4% from 2022.

Trump Takes Aim At Insurance Industry, Drug Prices In Unveiling 'The Great Healthcare Plan'³

Fierce Healthcare | January 15, 2026

President Donald Trump has hinted at "concepts of a plan" for healthcare for months as legislators debate the future of key subsidies under the Affordable Care Act, and on Thursday the White House unveiled a more concrete version of its vision for health policy. Called "The Great Healthcare Plan," Trump's proposal would send the value of the now-lapsed Affordable Care Act (ACA) enhanced subsidies directly to consumers rather than route the tax credits through their insurer to bring down premiums. A fact sheet on the plan offers few details on how this would work, but, in an announcement video, Trump said the funds would be deposited into a health savings account in the individual's name. Generally, individuals cannot apply funds from HSAs toward premiums, and it's unclear whether the White House plan would make changes to enable this.

Relevant News

EBRI Study: Accelerating Healthcare Costs Could Erode Coverage From Small Businesses¹

Fierce Healthcare | January 16, 2026

With the healthcare affordability and insurance premiums in particular in the headlines, a new report finds that while the employer-sponsored space is largely stable, declines continue among smaller firms. The Employee Benefit Research Institute released a report diving into the “shifting landscape” around employer-sponsored health insurance and found that just under half (49%) of employers offered health benefits. The portion of individuals eligible for coverage through their employer was 80.2%, which reflects large employers’ commitment to offering benefits even as smaller players pull back. About two-thirds of workers are employed by large firms, per the report.

HLC Proposes Path To AI Regulation, From Simple To Strenuous²

Fierce Healthcare | January 15, 2026

The Healthcare Leadership Council (HLC) has released an AI policy road map to help guide the administration and Congress toward a long-term solution to ensure AI is safely overseen in healthcare. They promote a risk-based approach, which says AI should be regulated based on its risk to the user, as well as propose intermediate steps to help achieve national AI policy rather than separate state-based approaches. The policy framework was created through a series of interviews with healthcare technologists at HLC’s member organizations, which include hospitals, health systems, payers, pharma and group purchasing organizations. The report was written in collaboration with ZS, a management consulting and technology firm.

Hospital-At-Home Programs Face Uncertainty As Another Deadline Looms³

Healthcare Dive | January 15, 2026

Providers are once again watching a looming deadline at the end of the month when waivers that allow hospitals to deliver acute care in patients’ homes could lapse, creating administrative complexity and uncertainty for providers, experts say. The program is set to expire in just a few weeks absent congressional action. If it does, hospitals may have to physically relocate patients back to facilities, a costly process that experts say could harm both patients and providers. The Acute Hospital Care at Home Program was created by the CMS at the height of the COVID-19 pandemic in 2020 in a bid to help hospitals manage an influx of patients and ease capacity challenges.

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