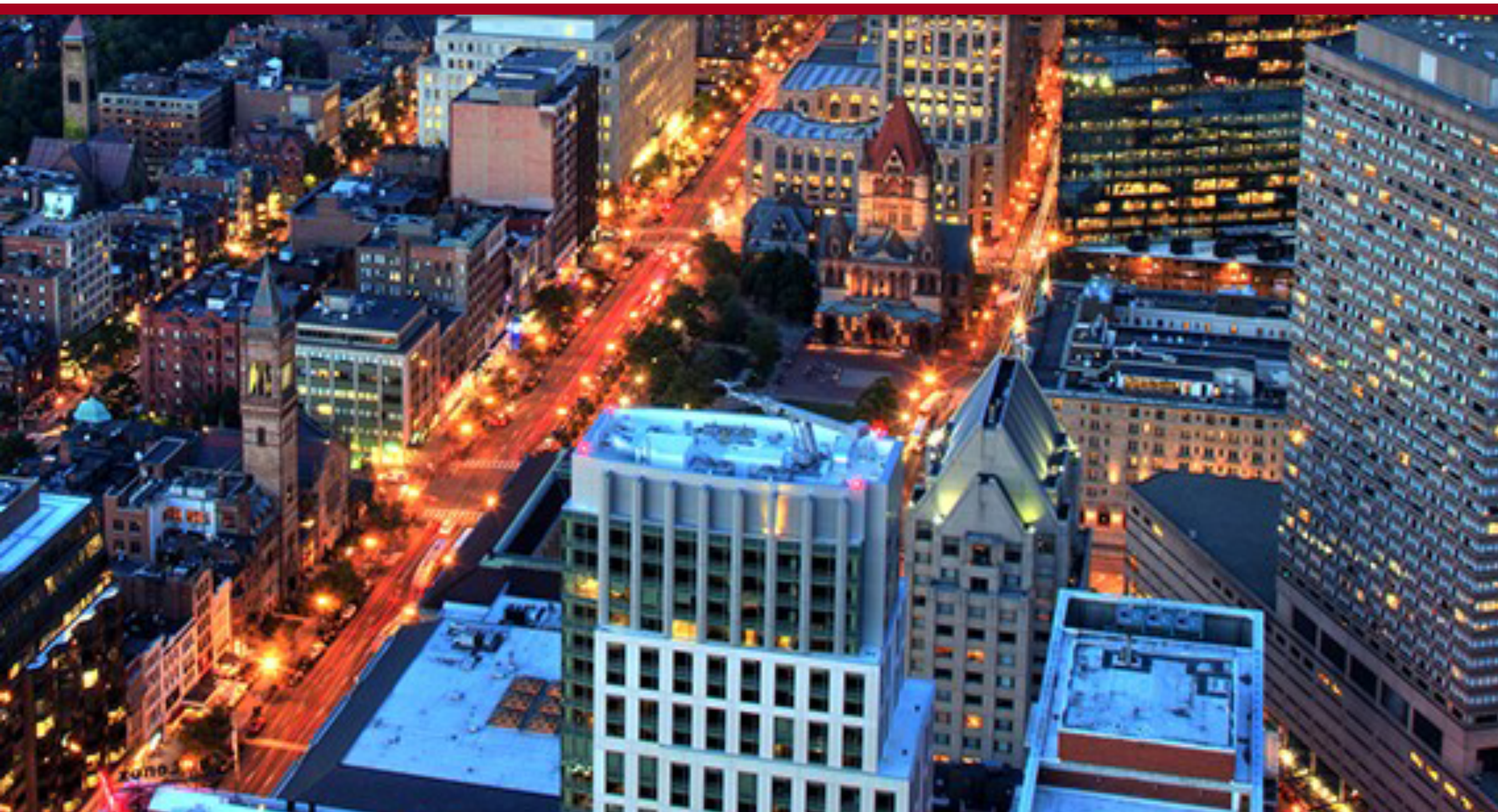
Healthcare Report

Q2 2026

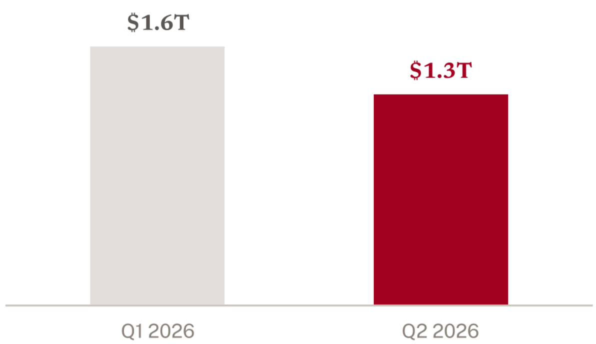


General Market Commentary

Q2 2026 global M&A slowed down after a historic Q1. Deal value totaled an estimated $1.3 trillion in Q2 2026, up 35.3% YoY but down 18.4% from Q1's $1.6 trillion. Deal count held steady at 11,880 transactions, up 3.4% YoY. Strategic acquirers drove the quarter with $892.7 billion in deal value, funding large deals from balance sheets and stock, while sponsor buyout value fell to $287.3 billion. Macro-economic conditions explain the gap between strategic buyer and sponsor group deal flow: the Federal Reserve held rates steady as many speculate future rate hikes, the ECB hiked rates for the first time since 2023, and an energy-driven inflation shock tied to the conflict in Iran raised the cost of debt.

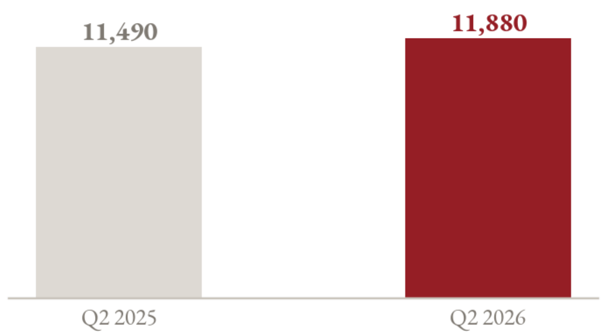
Q2 rewarded quality deals over volume, and the trend is expected to hold through the second half of the year. Buyers with cash and stock are paying full prices for category leaders. Quality consumer brands cleared at premiums (Grüns at 4.0x revenue), while average and/or heavily leveraged assets struggle to find buyers. Corporate portfolio reviews and aging sponsor inventory will keep supply coming in H2. **For owners of differentiated consumer businesses, this is a favorable window to prepare for market.**

GLOBAL M&A VALUE (QoQ)



−18.4% QoQ · +35.3% YoY

GLOBAL DEAL COUNT (YoY)



Deal count held steady, up 3.4% YoY

Financial Sponsors

U.S. sponsor deal volume remains high but skewed down-market: add-ons made up roughly three-quarters of buyouts, entry pricing held at a 12.5x median EV/EBITDA, and equity now funds about two-thirds of purchase price. Venture deployment set an H1 record at $413.8 billion, 86% of it AI-related. For sellers, sponsors remain a selective source of demand, concentrated in add-ons and quality platforms.

Private Equity (US)

$177.3B deal value, 2,384 deals	**12.5x** median 2025 EV/EBITDA at close	**~75%** of buyouts were add-ons

Venture Capital (US)

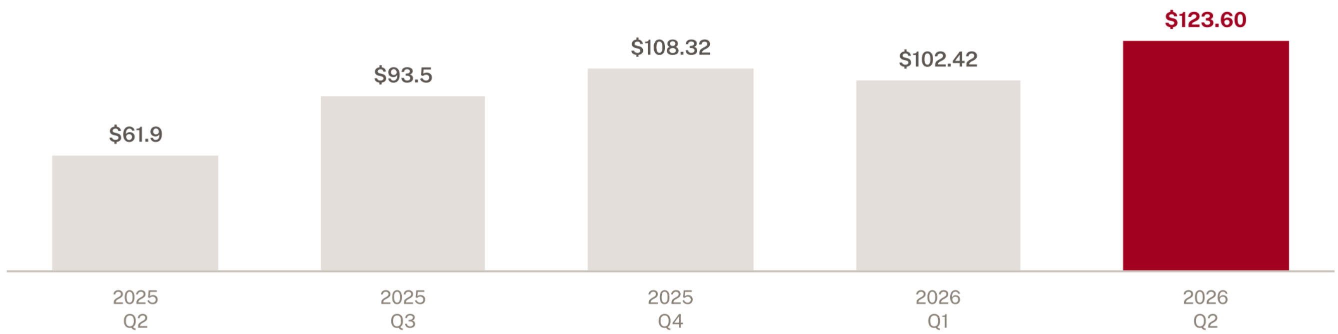
$413.8B H1 2026 deployed — record first half	**86%** of 2026 deal value is AI-related	**$2.19T** H1 exit value, led by SpaceX's IPO

Healthcare Market Overview

Healthcare was one of the quarter's strongest growth areas in deal value. Global healthcare M&A reached $165.0 billion in Q2 2026, up 11.7% QoQ. Corporate M&A value more than doubled QoQ to $114.9 billion while buyout value fell 16.2% to $33.8 billion. North American healthcare deal value rose 80.5% QoQ with four $10 billion-plus transactions: Organon, Bio-Techne ($11.7B), Nuvalent ($10.6B), and Apogee Therapeutics ($10.1B). Capital invested in completed transactions in Tully & Holland's middle market tracked categories rose 20.7% QoQ to $123.6 billion. Pricing reflects a scarcity premium: healthcare carries a 12.6x median and 20.4x average EV/EBITDA multiple (TTM), which is a 20-year high. Tully and Holland tracked-category deals above $250 million cleared at a 20.0x median EBITDA multiple over the trailing twelve months. Strategic buyers continue to be acquisitive: corporate acquirers completed 116 transactions in Q2, up 10% from a year ago, while sponsor buyouts fell to 38 which was the lowest quarterly count in more than two years. Eli Lilly was the most active corporate buyer with ten completed acquisitions, and sponsors, led by Shore Capital Partners, kept middle-market volume up. For owners of differentiated healthcare businesses, premium multiples, active corporate buyers, and durable demand themes make this a favorable window to prepare for market.

Healthcare: Capital Invested

Capital invested in completed transactions, Tully & Holland tracked categories ($B)



Source: PitchBook, Tully & Holland Research.

Consumer Health & Diagnostics

112 deals

112 transactions completed in the quarter, anchored by two large deals in women's health. Blackstone and TPG's take-private of Hologic showed sponsor appetite for large platforms, and Sun Pharma's $12.3 billion acquisition of Organon brings global reach in established women's health brands. Women's health is moving into the mainstream dealflow, and AI-enabled diagnostics is now a core deal thesis (as seen in CareDx's acquisition of Naveris).

Wellness & Lifestyle

20 deals

Q2 2026 wellness M&A was selective, with 20 completed transactions concentrated in categories that focused on measurable outcomes: sleep (Chorus Sleep), maternal and behavioral health (Canopie), longevity (Tally Health), and women’s OTC health (FemiClear). Some companies, like Whoop and Aura, operate at the intersection of tech, wellness, and lifestyle. Buyers want utility, metrics, and recurring engagement, not just lifestyle brands.

Petcare & Technology

22 deals

Q2 2026 petcare M&A was quiet, with 22 completed transactions, but the mix shifted. Veterinary care, largely absent from Q1 activity, returned to the market with Modern Animal and VIP Petcare both transacting. Recurring-consumption and premium pet nutrition brands continued to attract buyers. Technology-enabled diagnostics and monitoring tools remain a future opportunity, and premiumization underpins buyer interest across pet nutrition and services.

Notable Healthcare Transactions

Organon → Sun Pharmaceuticals
Organon is a global pharmaceutical company built around women's health; it was the largest of the quarter's healthcare deals at $12.3 billion. The deal reflects the patent-cliff logic: an acquirer gaining immediate, cash-generative scale in a durable therapeutic franchise without the risk of an early-stage platform.

$12.3B
2.0x Rev | 8.8x EBITDA

Bio-Techne → Merck KGaA
Bio-Techne supplies reagents, instruments, and diagnostic tools to the life-sciences and clinical research markets, a picks-and-shovels position that sells into pharma and biotech. At $11.7 billion, 9.7x revenue and 46.2x EBITDA, the deal extends consolidation in life-science tools and gives Merck a platform in diagnostics and bioprocessing with one of the quarter's steepest multiples.

$11.7B
9.7x Rev | 46.2x EBITDA

Nuvalent → GSK
Nuvalent is a clinical-stage biotech developing inhibitors in precision oncology, designed to target resistance mutations while limiting toxicity. At $10.6 billion for a pre-revenue company, the acquisition echoes the patent-cliff logic, a large drugmaker backfilling future revenue with a late-stage, de-risked oncology asset.

$10.6B
Pre-Revenue

Blackstone

Hologic → Blackstone & TPG
Hologic is a global leader in women's health diagnostics, imaging, and surgical products. Blackstone and TPG, alongside Abu Dhabi Investment Authority and GIC, took the company private at $20.5 billion, approximately 5.0x revenue and 20.4x EBITDA. The largest healthcare take-private of the quarter shows sponsors will still underwrite scale for category-leading assets.

$20.5B
5.0x Rev | 20.4x EBITDA

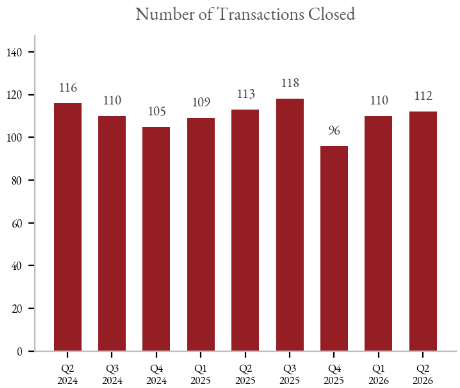
M&A Transaction Multiples (Last Twelve Months; Median)

Deal Size ($mm)	EV/EBITDA	EV/REV
$0 - 50mm	8.6x	1.2x
$50 - 100mm	NM*	1.8x
$100 - 250mm	17.7x	3.4x
> $250mm	20.0x	7.7x

Source: PitchBook, Tully & Holland Research. Median multiples of completed M&A and buyout deals with disclosed terms across the three healthcare categories, Q3 2025 through Q2 2026. *NM: not meaningful — no disclosed multiples in the period.

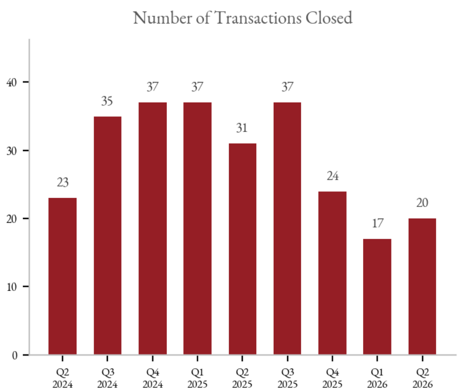
Tracked Healthcare Verticals

Consumer Health & Diagnostics - US & Canada



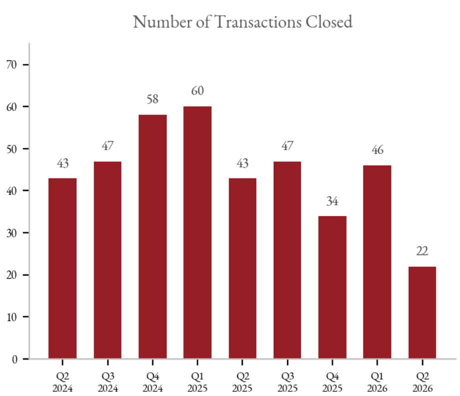
Transaction Value	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Not Disclosed	78	72	69	83	78	76	66	80	75
< $10 mm	6	3	6	5	7	3	7	3	2
$10 - 25 mm	5	7	3	6	5	5	1	2	2
$25 - 50 mm	5	4	5	3	2	4	1	4	2
$50 - 100 mm	3	2	6	0	2	4	3	3	1
$100 - 500 mm	10	12	6	3	8	14	8	7	9
> $500 mm	9	10	10	9	11	12	10	11	21
Total # Transactions	**116**	**110**	**105**	**109**	**113**	**118**	**96**	**110**	**112**
% Change vs. Prior Year	--	--	--	--	-2.6%	7.3%	-8.6%	0.9%	-0.9%

Wellness & Lifestyle - US & Canada



Transaction Value	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Not Disclosed	20	29	31	30	24	32	20	13	16
< $10 mm	1	5	2	2	4	2	0	0	0
$10 - 25 mm	1	0	1	1	1	0	1	1	1
$25 - 50 mm	0	0	0	0	0	1	0	0	1
$50 - 100 mm	0	0	0	0	0	0	2	1	0
$100 - 500 mm	1	1	1	3	1	0	1	2	1
> $500 mm	0	0	2	1	1	2	0	0	1
Total # Transactions	**23**	**35**	**37**	**37**	**31**	**37**	**24**	**17**	**20**
% Change vs. Prior Year	--	--	--	--	34.8%	5.7%	-35.1%	-54.1%	-35.5%

Petcare & Technology - US & Canada



Transaction Value	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Not Disclosed	39	41	55	58	39	43	33	42	20
< $10 mm	2	3	0	2	3	1	0	1	0
$10 - 25 mm	0	1	0	0	0	2	0	1	1
$25 - 50 mm	1	1	0	0	0	1	1	0	0
$50 - 100 mm	0	0	0	0	0	0	0	0	1
$100 - 500 mm	1	1	1	0	1	0	0	1	0
> $500 mm	0	0	2	0	0	0	0	1	0
Total # Transactions	**43**	**47**	**58**	**60**	**43**	**47**	**34**	**46**	**22**
% Change vs. Prior Year	--	--	--	--	0.0%	0.0%	-41.4%	-23.3%	-48.8%

Source(s): PitchBook, Tully & Holland Research. Consumer Health & Diagnostics comprises consumer-facing healthcare devices and supplies, life sciences, medical, molecular and consumer diagnostics, at-home testing, diagnostic imaging and services, pharmaceutical and biotechnology manufacturing, telehealth, and wearables. Wellness & Lifestyle comprises beauty, FemTech, nutritional supplements and counseling, sports nutrition, sexual health and wellness, sleep, and women's health. Petcare & Technology comprises pet health, food, care, diagnostics, insurance, treats, supplements, grooming, veterinary services, clinics and hospitals, and pet technology. Transactions classified in more than one category are assigned to a single primary category, so vertical totals are additive across categories. Includes completed M&A, merger of equals, and buyout/LBO transactions.

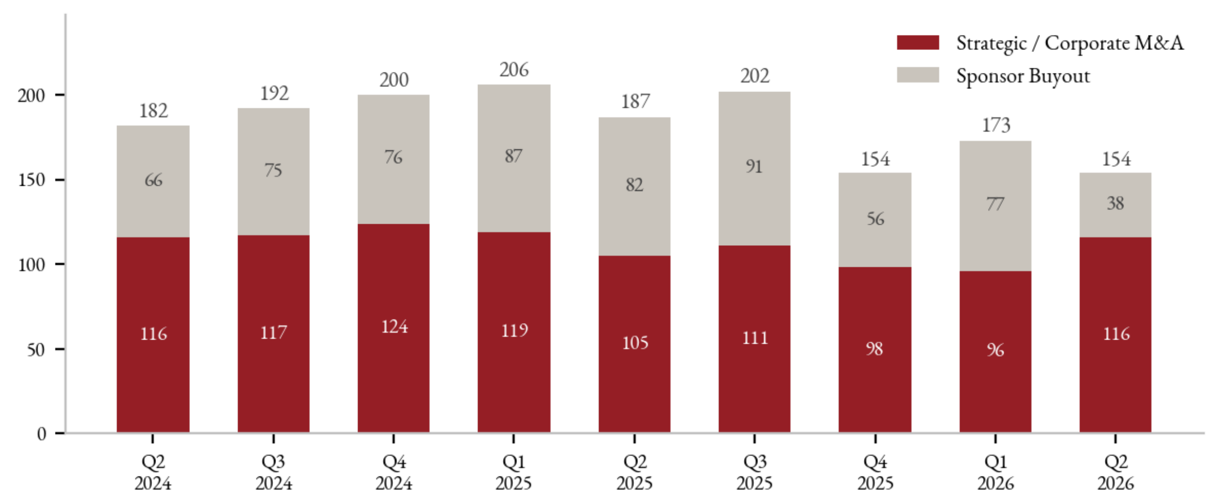
Healthcare Buyer Profiles

Most Active Healthcare Acquirers (Q3 2025- Q2 2026)

Buyer	Deals	Areas of Focus	Recent Healthcare Targets
Shore Capital Partners	31	Multi-site healthcare & services roll-ups	Betzler Life Story Funeral Homes, Reflections Orthodontics, Your Pet Dentist
Audax Private Equity	20	Physician practices & healthcare services	Arcos (Decision/Risk Analysis), North Dallas Otolaryngology Consultants, Warwick Animal Hospital
Veterinary Practice Partners	16	Veterinary practices	Warwick Animal Hospital, Spencer Animal Hospital, University Park Veterinary Hospital
NB Capital Solutions	15	Veterinary practices	Warwick Animal Hospital, Spencer Animal Hospital, University Park Veterinary Hospital
Eli Lilly and Company	10	Drug discovery & biotech	Kelonia, 4E Therapeutics, Ajax Therapeutics
Ares Capital Corporation	9	Healthcare services	Allegiant Experts, University Park Veterinary Hospital, Warsaw Animal Clinic
BDC Capital (with Horizon Capital, Kensington Capital)	8	Sleep health services	Sleep Therapeutics, Sleep Medix, Parkland CPAP Services
Animal Dermatology Group (with Percheron Capital)	8	Specialty veterinary care	Van Lue Veterinary Surgical, OREV Specialty Vet Care, Great Lakes Veterinary Dermatology
Ares Management	7	Healthcare & consumer services	Allegiant Experts, Horse Heaven Hills Pet Urgent Care, Research To Practice
Trivest Partners	6	Pet care services	Top Notch Kennels, Bayside Pet Resort, Dogwatch Doggie Day Care

Trailing twelve months, count of completed M&A and buyout transactions participated in across Consumer Health & Diagnostics, Wellness & Lifestyle, and Petcare & Technology. Includes co-investors on group deals; identical co-investor groups are shown as a single row.

Deal Count - Buyer Mix



Source(s): PitchBook, Tully & Holland Research. Includes completed M&A, merger of equals, and buyout/LBO transactions per PitchBook deal type; strategic and corporate acquirers shown in maroon, financial sponsor buyouts in gray. Quarterly totals tie to the sum of the three vertical overview tables.

Recently Completed T&H Transactions

This announcement appears as a matter of record only

Cygnus Medical LLC
has been acquired by
Aspen Surgical,
a portfolio company of
Audax Private Equity

Financial Advisor to Seller

This announcement appears as a matter of record only

A.S.K. Foods, Inc.
has been acquired by
Mrs. Gerry's Kitchen,
a portfolio company of
Sequel Holdings

Financial Advisor to Seller

This announcement appears as a matter of record only

Mass. Bay Brewing Co., Inc.
has merged with
Finestkind Brewing LLC

Financial Advisor to MBBC

This announcement appears as a matter of record only

Avonix Imaging, LLC.
has been acquired by
Nikon Americas, Inc.

Financial Advisor to Acquirer

This announcement appears as a matter of record only

Indie Lee the brand has been acquired by
American Exchange Group
Financial Advisor to Seller

This announcement appears as a matter of record only

Mariner Seafood LLC
has been acquired by
True North Seafood, Inc a part of **Cooke Inc.**

Financial Advisor to Seller

This announcement appears as a matter of record only

Aqua Leisure Industries, Inc.
has been acquired by
Blackford Capital
Financial Advisor to Seller

This announcement appears as a matter of record only

Rocket Innovations, Inc.
has been acquired by
Société Bic S.A.

Financial Advisor to Seller

Considering a sale, acquisition, or capital raise?

To discuss what this quarter's activity means for your business, contact Timothy Tully, President, at (617) 320-6816 or ttully@tullyandholland.com. To receive this report each quarter, visit www.tullyandholland.com.

"Over the years, we've worked on two acquisitions and the sale of two businesses. Tully & Holland was on top of the process from the beginning to the end and supplied great advice and council as we pursued these projects."

President & CEO

"We needed an advisor that would keep the deal moving while they looked out for our interests. Tully & Holland did a great job for us. We interviewed several banks and Tully & Holland was the best fit. They knew our industry, and had experience with the buyers."

President & CEO

TULLY & HOLLAND

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AREAS OF FOCUS

Food & Beverage

Food Manufacturing & Distribution
Functional Food & Beverage
Specialty Foods
Frozen Foods
Beverages Manufacturers

Retail & E-Commerce

E-commerce
Multi-Channel Merchants
Catalogers
Specialty Retailers
Direct Marketers

Consumer Discretionary

Home Décor
Sports & Leisure
Toys, Gifts & Collectibles
Fitness & Recovery
Arts & Crafts

Pet Care

Food & Supplements
Preventative Health
Diagnostics & Tech
Vet Clinics & Hospitals
Pet Insurance

Wellness & Lifestyle

Mental Health & Emotional Wellness
Clean Beauty
Personalized Nutrition & Supplements
Sexual Wellness Products
Aging & Longevity Consumer Products

Consumer Health & Diagnostics

Life Sciences
Clinical Diagnostics
Consumer Diagnostics & At-Home Testing
Medtech & Connected Devices
Healthcare Communications & Consulting

SERVICE CAPABILITIES

Sales & Divestitures

Sales
Mergers
Recapitalizations
Divestitures

Financings

Equity Growth Capital
Senior Debt Financing
Bridge Financing
Mezzanine Financing

Valuations

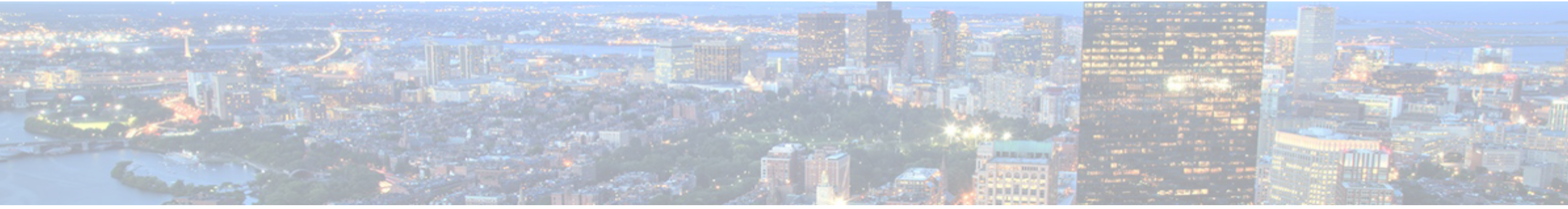
Business Valuation
Strategic Consulting
Related to Growth and Capital Planning

Acquisition Advisory

Strategic Planning
Prospect Search
Valuation
Negotiation

PAST CLIENTS & BUYERS

Grupo nutresa	HEINEKEN	Chiquita	C&S wholesale grocers
Coast of Maine	STONEWALL KITCHEN FAMILY of BRANDS	HARPOON	CUDDLEDOWN® WHOLESALE
VERMONT COFFEE COMPANY	Brigham's ICE CREAM	VeggieLand™	INDIE LEE
ROCKETBOOK	CAINS	CYGNUS MEDICAL	Nikon



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