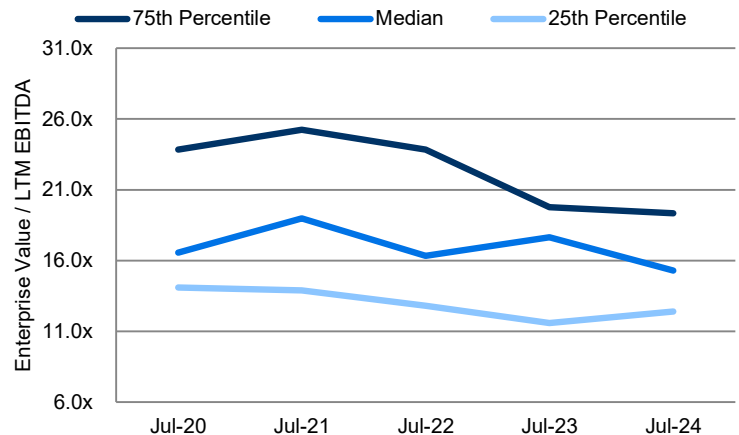


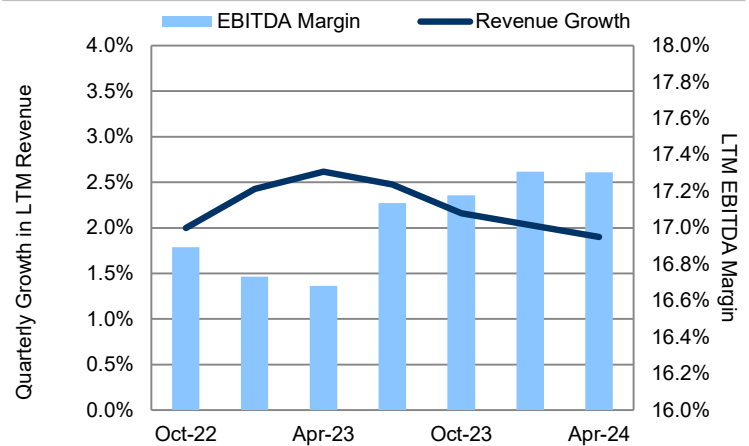
M&A Activity

- 2023's M&A environment has witnessed modest pullback from Q1 2023's peak activity with month-over-month declines during the spring and early summer, though activity remains relatively strong when compared to 2022. Forecasts for the remainder of 2023 suggest cautious optimism despite pressures from equity markets, geopolitical tensions, and questions around interest rates. The United States remains an attractive market with strong consumer spending, low unemployment, and recent GDP growth of 4.9% providing an economic boost. Corporate and private equity buyers are likely to continue their search for deals to deploy their war chests and are expected to continue to target digital transformation and distressed opportunities across North America and Europe.
- Outlook for Health practices remains optimistic as they continue to serve an ageing population of adults over the age of 65. Consolidation in the sector remains present and will allow companies to benefit from shared expenses and economies of scale.
- On April 1, 2024, U.S. Physical Therapy, Inc., a national operator of outpatient physical therapy clinics, announced the acquisition of a physical therapy and hand therapy practice with nine clinic locations. USPH acquired a 50% equity interest in the practice for a purchase price of \$16.4 million, with the current practice owners retaining a 50% interest.

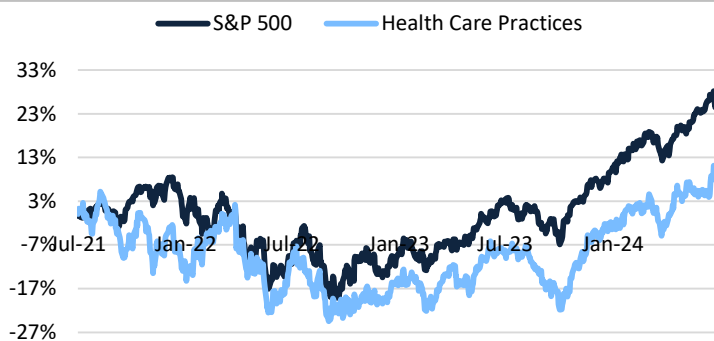
Trend in Industry EBITDA Multiples¹



Trends in Revenue Growth and EBITDA Margins¹



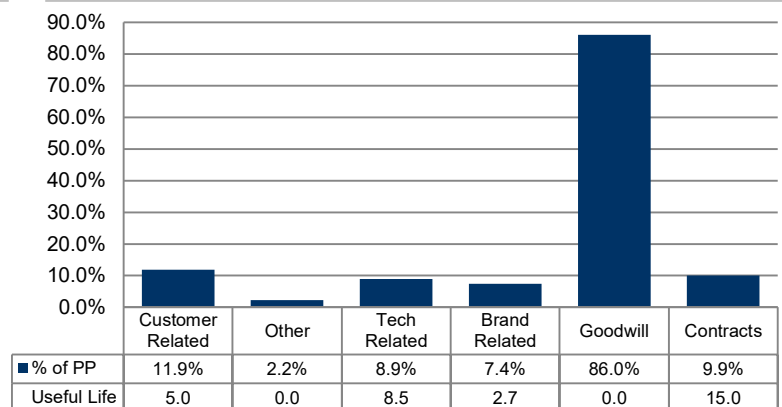
Relative Stock Price Returns²



¹ Calculated using aggregated data for NHC, EHC, GEN, SGRY, USPH, JYNT, LHCG, AMED, HNGR, ENSG.

² Health Care Practices Industry is a custom, equal-weighted index constructed with the aforementioned companies.

Purchase Price Allocation (PPA) % from Recent Transactions



Notable M&A Deals



The Ensign Group has continued its acquisitive strategy during the spring of 2024 with no fewer than 10 separate acquisitions across seven states. These included skilled nursing facilities and healthcare campuses in Kansas, Colorado, Arizona, Texas, Iowa, Tennessee and Utah.



On May 1, 2024, U.S. Physical Therapy, Inc., a national operator of outpatient physical therapy clinics and provider of industrial injury prevention services ("IIP"), announced the acquisition of an IIP services business by one of its primary IIP companies, Briotix Health Limited Partnership. Briotix purchased 100% of the IIP services business for approximately \$24 million. USPH also acquired a two-clinic physical therapy practice with approximately \$1 million in annual revenue, which is being tucked into a larger recently acquired practice.