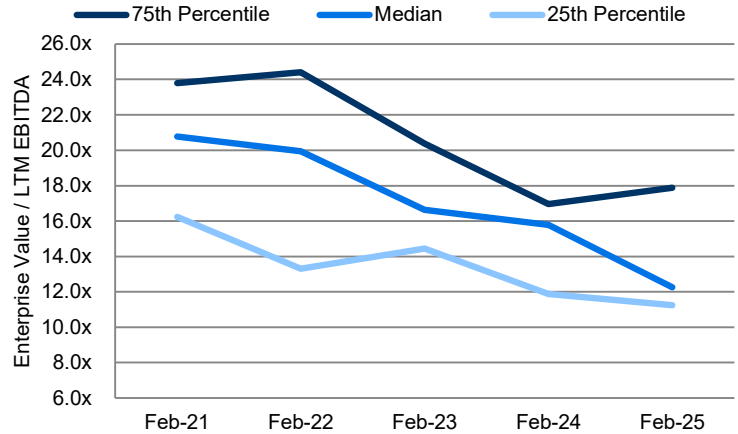


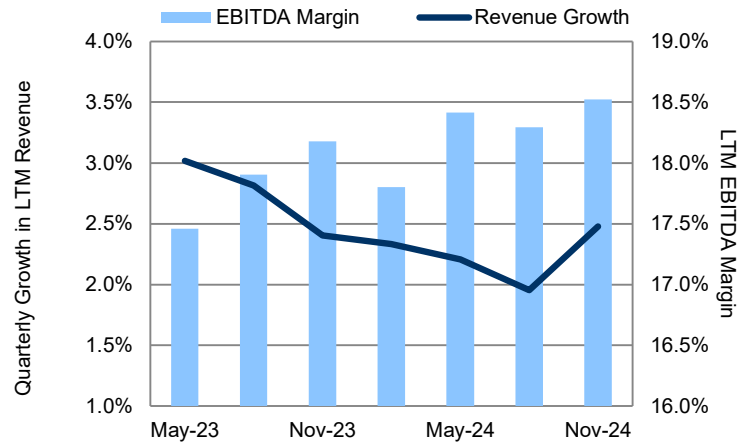
M&A Activity

- The 2024 M&A market wrapped up things nicely as deal makers successfully navigated rate changes, macroeconomic factors, higher financing costs and a major US election. 2024 North American M&A volume increased 10% with value climbing 16% when compared to 2023. In 2024 private equity deal making volume and value in the US grew 13% and 19%, respectively. In North America and Europe, M&A median valuation multiples softened to 8.8x EV / EBITDA for the year. In 2024 private equity median multiples in North America and Europe climbed to 12.2x EV / EBITDA. The outlook for 2025 remains positive as deal makers aim to take advantage of industries such as TMT, IT, healthcare, AI, industrials and energy. Digital transformation, private equity dry powder, regulatory easing, and expected rate cuts could all help spur activity in 2025. 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.
- Throughout the fall of 2024, The Ensign Group, which invests in and provide skilled nursing and senior living services, physical, occupational and speech therapies, other rehabilitative and healthcare services, has continued its acquisitive strategy by expanding its presence in Wisconsin, Oregon, Tennessee, Alabama, Alaska, Nebraska, and Kansas.
- On October 31, 2024, U.S. Physical Therapy, Inc. closed the previously announced acquisition of a 50% equity interest in a management services organization that provides management and administrative services to 50 outpatient physical therapy clinics, the majority of which are in New York, with plans to further expand in New York and adjacent states.
- On September 3, 2024, U.S. Physical Therapy, Inc. announced the acquisition of a physical therapy and hand therapy practice with eight clinic locations located in Pennsylvania which currently generates approximately \$5.5 million in annual revenues. The Company acquired a 70% interest in the Company with the current owners retaining a 30% ownership interest.

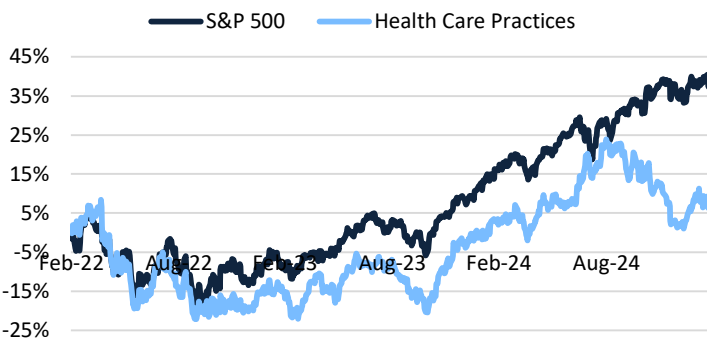
Trend in Industry EBITDA Multiples¹



Trends in Revenue Growth and EBITDA Margins¹

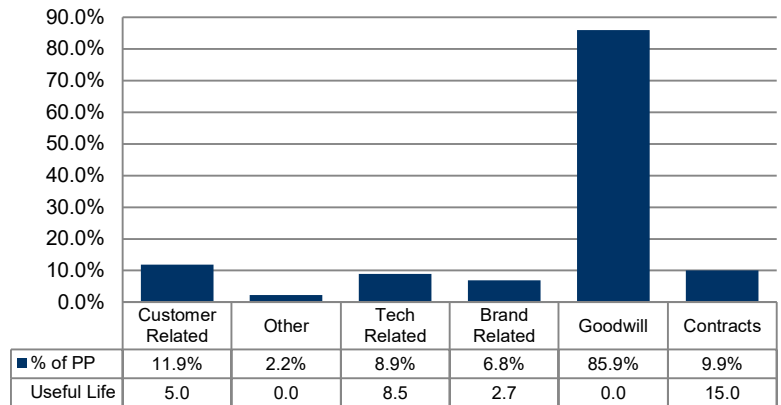


Relative Stock Price Returns²



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



On December 2, 2024, U.S. Physical Therapy, Inc. announced the acquisition of a hand and physical therapy practice with eight clinic locations in Wyoming which currently generates approximately \$6.5 million in annual revenues and 43,000 in annual visits. The Company acquired a 75% interest in the Company with the current owners retaining a 25% ownership interest.



On September 30, 2024, Brookdale entered into agreements with Welltower Inc. to acquire 41 communities (2,789 units) from three current triple-net lease portfolios for a combined purchase price of \$610 million. The communities, held in a triple lease with yearly rent payments of \$22 million, are located in Seattle, Washington, and the Bay Area, California.