

Public Market Commentary

2025 was an exciting year for healthcare and the broader markets, with continued deal activity, technology adoption, and innovation driving growth.

- Markets experienced significant volatility in Q2 2025 in response to trade tensions and tariff policies, rebounding steadily in the months that followed supported by cooling inflation concerns, increasing comfort with general economic conditions, and three interest rate cuts from the United States Federal Reserve.
- Major U.S. stock indexes across the board delivered strong double-digit growth in 2025, with the S&P 500, NASDAQ, and Dow Jones Industrial Average seeing gains of 16%, 20%, and 13% respectively, signaling strong market sentiment and optimism.
- The HCIT Index outperformed the S&P 500 for much of 2025, underscoring the strong performance of publicly traded healthcare technology companies and robust investor interest in the space amid rapid innovation being delivered by some of these companies that will continue to reshape the sector.
- With equity markets at or near record highs, the IPO market has continued to gain momentum, particularly within healthcare. In 2025, several high-profile healthcare technology companies completed public offerings, including Hinge Health (\$410 million), Kestra Medical Technologies (\$188 million), and Omada Health (\$140 million), highlighting strong demand for healthcare technology and tech-enabled services companies that help improve care delivery, patient outcomes, manage chronic conditions, and integrate with wearable technologies.
- IPO activity was even more pronounced across the broader medical technology sector, with eight offerings closing for aggregate net proceeds of approximately \$8.2 billion, including the \$7.2 billion Medline transaction in October. As a whole, when compared to 2024, healthcare IPO activity grew in both deal count and aggregate proceeds, underscoring strong investor interest and healthy access to capital.

HCIT vs S&P 500¹



HCIT & Technology-enabled Services M&A

In 2025, HCIT & Technology-enabled Services M&A activity remained robust, with 325 transactions announced or closed, representing roughly \$26 billion in aggregate disclosed transaction value.

- This strong pace reflects continued enthusiasm from both strategic and financial buyers and builds on the momentum from 2024, which saw 222 completed deals.
- Revenue Cycle Management (“RCM”) emerged as the most active subsector by deal volume, with 67 transactions announced or completed during the year and roughly \$5.8 billion in disclosed transaction value. This represents a meaningful increase compared to the 41 RCM transactions completed in 2024 highlighting continued demand for solutions that improve reimbursement accuracy, automate complex workflows across the revenue cycle, and enhance provider and payer financial performance. We continue to see the rapid adoption of AI across all areas of the revenue cycle to fully-automate certain administrative tasks and optimize workflows that still require human touch.

HCIT & Technology-enabled Services M&A

- Notable RCM transactions in 2025 include the creation of Smarter Technologies by New Mountain Capital through the acquisitions and merger of SmarterDx, Thoughtful.ai, and Access Healthcare, Waystar's acquisition of Iodine Software for \$1.3 billion, H.I.G Capital's acquisition of GetixHealth, Phreesia's acquisition of AccessOne for \$160 million, Blackstone's acquisition of AGS Health for over \$1.1 billion, and New Mountain Capital's acquisition of Machinify (followed by Machinify's \$670 million acquisition of Performant Healthcare).
- Behavioral Health was a major focus in 2025, with more than 20 companies acquired that deliver technology and tech-enabled services tailored to the sector. These transactions encompassed a wide range of therapeutic areas and capabilities, including practice management and EHR platforms, virtual care solutions, AI-driven automation, virtual reality therapies, psychological assessment tools, provider marketplaces, and scheduling systems. The breadth of activity reflects rising recognition of behavioral health as a growing and attractive specialty market. Roper Technologies' \$1.9 billion acquisition of CentralReach highlights a continued interest in autism, intellectual and developmental disabilities, and the software and services that enable their treatment.
- Over 30 deals closed focused on Life Sciences automation with \$10.1 billion in disclosed transaction value. Thermo Fisher Scientific's \$9.4 billion acquisition of Clario represented the lion's share of deal value. Clario's solutions provide patient safety and efficacy endpoint data collection capabilities used in clinical drug development and clinical research needs relating to medical imaging, cardiac safety, precision motion, respiratory solutions, trial enablement, and decentralized trials. Vitruvian Partners LLP acquired Deepintent, Inc., for approximately \$640 million. Deepintent's software and services helps pharmaceutical marketers to plan, activate, and measure digital advertising campaigns among other capabilities.
- Beyond RCM, Behavioral Health, and Life Sciences, deal activity also spanned payer workflow automation, patient engagement, compliance technologies, AI-enabled clinical and administrative platforms, and imaging management software. This highlights a market increasingly focused on efficiency, data-driven decision-making, and end-to-end solutions across healthcare. In image management, GE HealthCare Technologies Inc., acquired Intelrad Medical Systems Incorporated for \$2.3 billion. In practice management / EHR capabilities for payers and providers, Bain Capital Private Equity acquired HealthEdge Software for \$2.6 billion. In patient engagement, Health Catalyst, Inc. acquired Upfront Healthcare Services, Inc., for \$112 million.

2026 Outlook

We expect HCIT and technology-enabled services M&A momentum to continue to build throughout 2026, supported by stock market highs, immense amounts of deployable capital as private equity continues to raise funds, recent interest rate cuts from the Federal Reserve, and companies still seeking growth through strategic acquisitions.

- Just a few weeks into 2026, deal activity is starting to pick up with 28 transactions announced, including OpenAI's \$100 million acquisition of Torch Health, emphasizing a continued focus on AI, Veritas Capital Fund Management's acquisition of Global Healthcare Exchange, Envision Radiology's acquisition of Rezolut, and Acuvance's acquisition of Roi Healthcare Solutions.
- We expect continued interest in behavioral health, payer solutions, RCM/payment integrity, AI-enabled clinical workflow tools, cyber security/compliance tools, and value-based care enablement solutions.
- Acquirers will prioritize high-quality assets that fill strategic gaps in their offerings, help them expand into adjacent markets, and deliver clear, demonstrable ROI over deals pursued solely for scale.
- Conversations held at the JP Morgan Conference in San Francisco suggest investors and companies seeking to grow will put a greater emphasis on human capital and services needed to maximize the effectiveness of emerging software capabilities.

HCIT Yearly M&A Volume



Select 2025 and YTD Notable Transactions

Acuvance Acquires ROI Healthcare Solutions

Jan-26

- Acuvance acquires ROI Healthcare Solutions in January 2026 for an undisclosed amount. The acquisition expands Acuvance’s healthcare advisory platform by adding a dedicated ERP practice, strengthening its ability to support hospitals and health systems in modernizing core enterprise functions across finance, supply chain, and workforce management while maintaining operational continuity.

OpenAI Acquires Torch Health

Jan-26

- OpenAI acquires Torch Health in January 2026 for \$100 million. The acquisition advances OpenAI’s healthcare strategy by improving the integration of fragmented patient data, supporting more personalized health management and expanding access to coordinated, patient-centered care through ChatGPT Health.

Envision Radiology Acquires Rezolut

Jan-26

- Envision Radiology acquires Rezolut in January 2026 for an undisclosed amount. The acquisition expands Envision’s national outpatient imaging platform by adding Rezolut’s 42 centers, women’s imaging programs, and equipment services, broadening access to high-quality, patient-centered imaging across more than 20 states.

Veritas Capital Acquires Global Healthcare Exchange

Jan-26

- Veritas Capital acquires Global Healthcare Exchange (“GHX”) in January 2026 for an undisclosed amount. The acquisition strengthens Veritas Capital’s healthcare technology portfolio by partnering with GHX’s cloud-based, AI-enabled supply chain platform, enhancing data-driven connectivity between providers and suppliers.

GE HealthCare (NASDAQ:GEHC) Acquires Intelrad Medical Systems

Nov-25

- GE HealthCare Technologies acquires Intelrad Medical Systems in November 2025 for \$2.3 billion. The acquisition advances GE HealthCare’s cloud-first and AI-enabled imaging strategy by integrating Intelrad’s imaging software, expanding capabilities across outpatient, ambulatory, and hospital settings while accelerating the company’s shift toward a SaaS-based, recurring revenue model.

Phreesia (NYSE:PHR) Acquires AccessOne

Sep-25

- Phreesia (NYSE:PHR) acquires AccessOne for \$160 million in September 2025. The acquisition enhances Phreesia’s patient activation and revenue cycle management portfolio by integrating AccessOne’s market-leading healthcare receivables financing platform, enabling scalable, compliant collections solutions while strengthening patient trust and expanding Phreesia’s addressable market.

Select 2025 and YTD Notable Transactions

Audax and Parthenon Capital Acquires Elevate Patient Financial Solutions

Aug-25

- ✦ Audax Private Equity and Parthenon Capital acquires Elevate Patient Financial Solutions in August 2025 for an undisclosed amount. The acquisition adds comprehensive front-end and back-end capabilities to both firms' healthcare portfolios. Plans include strengthening existing RCM technology and services while adding new complementary solutions that support operating performance of hospitals and health systems.

Machinify Acquires Performant Healthcare (NASDAQS:PHLT)

Aug-25

- ✦ Machinify acquires Performant Healthcare (NASDAQS:PHLT) for \$670 million in August 2025. The acquisition strengthens Machinify's healthcare intelligence and payment integrity portfolio with plans to integrate Performant's technology-enabled analytics and domain expertise, enhancing accuracy, reducing administrative costs, and expanding solutions for payers across government and commercial markets.

Waystar (NASDAQS:WAY) Acquires Iodine Software

Jul-25

- ✦ Waystar (NASDAQS:WAY) acquires Iodine Software for \$1.3 billion in July 2025. The acquisition enhances Waystar's healthcare payment software platform by adding AI-powered clinical intelligence capabilities, with plans to integrate Iodine's clinical data assets to accelerate automation and expand AI applications across prior authorizations, claims processing, and denial prevention.

Knowtion Health Acquires Switch RCM

Jun-25

- ✦ Knowtion Health acquires Switch RCM in June 2025 for an undisclosed amount. The acquisition expands Knowtion's healthcare revenue cycle portfolio by integrating Switch RCM's data and technology-driven solutions, enhancing the company's ability to recover complex reimbursements and accelerate innovation through AI, analytics, and operational expertise.

New Mountain Capital Formed Smarter Technologies

May-25

- ✦ New Mountain Capital merged portfolio companies SmarterDx, Thoughtful.ai, and Access Healthcare to form Smarter Technologies in May 2025 for an undisclosed amount. The merger enhances New Mountain Capital's healthcare portfolio by creating a comprehensive platform, with plans to leverage transformative AI-powered solutions and expand market reach across hospitals and health systems seeking to improve revenue cycle operations. The combined entity generates over \$800 million of revenue.

MDaudit Acquires Streamline Health Solutions (NASDAQCM:STRM)

May-25

- ✦ MDaudit acquires Streamline Health Solutions (NASDAQCM:STRM) for \$37 million in May 2025. MDaudit plans to add Streamline's pre-bill integrity solutions to its billing compliance and revenue integrity platform. The addition will enable MDaudit to accelerate revenue outcomes across the revenue cycle continuum and mitigate risk for healthcare organizations.

Infinx Acquires i3 Verticals' (NASDAQS:IIIV) Healthcare RCM Business

May-25

- ✦ Infinx Healthcare acquires i3 Verticals' (NASDAQS:IIIV) Healthcare RCM business in May 2025 for \$96 million. The acquisition strengthens Infinx's market presence in the healthcare RCM space by expanding its footprint into new customer segments including academic medical centers and large provider groups, with plans to combine i3's expertise with Infinx's AI-powered RCM insights and automation platforms to deliver financial and clinical outcomes nationwide.

Select 2025 and YTD Notable Transactions

H.I.G. Capital Acquires GetixHealth

Apr-25

- ✦ H.I.G. Capital acquires GetixHealth in April 2025 for an undisclosed amount. The investment adds a leading revenue cycle management solutions provider with a comprehensive suite of services to H.I.G.'s healthcare portfolio. H.I.G. plans to leverage its resources and deep RCM expertise to support ongoing growth investments in the GetixHealth platform and continued investments in technology and operational excellence.

Bain Capital Acquires HealthEdge Software

Apr-25

- ✦ Bain Capital acquires HealthEdge Software in April 2025 for \$2.6 billion. The investment positions HealthEdge for its next phase of growth by pairing its next-generation health plan platform with Bain Capital's strategic expertise, enabling continued innovation in claims processing, care management, and member engagement while strengthening its role as a mission-critical technology partner for health plans.

Roper Technologies (NASDAQGS:ROP) Acquires CentralReach

Mar-25

- ✦ Roper Technologies (NASDAQGS:ROP) acquires CentralReach in March 2025 for \$1.85 billion. The acquisition strengthens Roper Technologies' health and education software portfolio by adding CentralReach's comprehensive autism and IDD care platform, supporting improved outcomes for individuals while enabling the company to continue scaling and innovating.

CareCloud (NASDAQGM:CCLD) Acquires MesaBilling

Feb-25

- ✦ CareCloud (NASDAQGM:CCLD) acquires Mesa d/b/a MesaBilling in February 2025 for an undisclosed amount. CareCloud anticipates that the acquisition of MesaBilling will enhance services offerings and introduce AI capabilities to its clients. This acquisition is part of CareCloud's push to more aggressively expand through acquisitions.

Innovaccer Acquires Humbi AI

Jan-25

- ✦ Innovaccer acquires Humbi AI (Actuarial Intelligence) in January 2025 for an undisclosed amount. The acquisition enhances Innovaccer's Healthcare Intelligence Cloud by adding specialized actuarial intelligence and Humbi AI's Medicare and Medicaid data, which spans over 200 million lives. Innovaccer plans to utilize these capabilities to help healthcare organizations improve health outcomes and manage risk more effectively.

Health Catalyst (NASDAQGS:HCAT) Acquires Upfront Healthcare Services

Jan-25

- ✦ Health Catalyst (NASDAQGS:HCAT) acquires Upfront Healthcare Services in January 2025 for approximately \$112 million. The acquisition strengthens Health Catalyst's patient engagement and analytics portfolio by integrating Upfront's advanced patient engagement platform, enhancing personalized care experiences and supporting healthcare organizations in optimizing access and patient care transitions.

New Mountain Capital Acquires Machinify

Jan-25

- ✦ New Mountain Capital acquires Machinify in January 2025 for an undisclosed amount. The acquisition enhances New Mountain Capital's healthcare technology portfolio by addressing the need for efficient and accurate healthcare payment processes, with plans to leverage Machinify's cloud-based data intelligence platform, clinical expertise, and advanced analytics to improve automation and transparency across the healthcare claims lifecycle.

Thermo Fisher Scientific Acquires Clario

Jan-25

- ✦ Thermo Fisher Scientific (NYSE:TMO) acquires Clario in January 2025 for \$9.4 billion. The acquisition strengthens Thermo Fisher's clinical research and data capabilities by integrating Clario's endpoint data platform, enhancing digital evidence generation across clinical trials and supporting faster, more confident drug development decisions for pharma and biotech customers.

Select M&A Transactions¹

Ann. Date	Target	Acquirer	EV (\$M)	EV/Rev.	Sector
01/12/2026	Torch Health Inc.	OpenAI, L.L.C.	100	-	EMR
11/25/2025	Premier, Inc. (NasdaqGS:PINC)	Patient Square Capital, LP	2,600	2.6x	Data Analytics
11/20/2025	Intelrad Medical Systems Incorporated	GE HealthCare Technologies Inc. (NasdaqGS:GEHC)	2,300	-	Imaging Management
09/04/2025	AccessOne Parent Holdings, Inc.	Phreesia, Inc. (NYSE:PHR)	163	-	RCM
08/25/2025	Knack RCM	The Carlyle Group Inc. (NasdaqGS:CG)	500	-	RCM
08/07/2025	Pathway Medical, Inc.	Doximity, Inc. (NYSE:DOCS)	63	-	Care Management
07/25/2025	Performant Healthcare (NasdaqGS:PHLT)	Machinify, Inc.	670	4.9x	RCM
07/23/2025	Iodine Software, LLC	Waystar Holding Corp. (NasdaqGS:WAY)	1,250	-	RCM
07/07/2025	NOVARI HEALTH Inc.	Vitalhub Corp. (TSX:VHI)	36	4.1x	Virtual Care
06/25/2025	Eclipse Insights LLC	Huron Consulting Group	20	-	RCM
05/29/2025	Streamline Health Solutions, Inc. (NasdaqCM: STRM)	Hayes Management Consulting, Inc. (MDaudit)	37	2.0x	RCM
05/25/2025	i3 Verticals, Inc. (NASDAQGS: IIIV) RCM business	Infinx Technology Solutions Private Limited	-	-	RCM
05/25/2025	AGS Health, LLC.	Blackstone Inc. (NYSE:BX)	1,200	-	RCM
05/05/2025	Vidurama, Inc.	Weave Communications, Inc. (NYSE:WEAV)	35	-	RCM
04/30/2025	Uplift Health Technologies, Inc.	Teladoc Health, Inc. (NYSE:TDOC)	45	3.0x	Virtual Care
04/08/2025	HealthEdge Software, Inc.	Bain Capital Private Equity, LP	2,600	-	Payer Technology
03/24/2025	CentralReach, LLC	Roper Technologies, Inc. (NasdaqGS:ROP)	1,850	-	Practice Management/EMR
02/12/2025	Rocket Doctor Inc.	Treatment.com AI Inc. (CSE:TRUE)	15	-	Virtual Care
01/14/2025	Access Healthcare	New Mountain Capital, L.L.C.	2,069	-	RCM
01/13/2025	Upfront Healthcare Services, Inc.	Health Catalyst, Inc. (NasdaqGS:HCAT)	112	-	Patient Engagement

Sherman & Company Team



Laughton Sherman
Founder & CEO
(646) 321-3750
Lsherman@sherman-company.com



Adrian Susmano
Managing Director
(917) 701-7578
Asusmano@sherman-company.com



Josh Mason
Managing Director
(704) 408-9897
Jmason@sherman-company.com



James McLain
Managing Director
(917) 582-5793
Jmclain@sherman-company.com



Matt Hagan
Vice President
(703) 967-5248
Mhagan@sherman-company.com



Cristiana Sauer
Associate
(704) 305-8163
Csauer@sherman-company.com

Sherman & Company is an investment banking firm dedicated to the convergence of the insurance, healthcare, technology, and asset & wealth management industries.