BOURNE PARTNERS

Infusion Therapy Market Update

Perspectives and Research on the Infusion Industry

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Managing Director, Head of Healthcare Services

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- MBA, Washington University in St. Louis; BSBA, University of Missouri

University of Missouri | Washington University in St. Louis

MTS Health Partners | CENTENE Corporation

Pharmacy Services Sector Expertise

Infusion | Specialty Pharmacy | Institutional Pharmacy | 340B | Outsourced Pharmacy Services

Select Transaction Experience

H.I.G. CAPITAL	LINCARE A Linde company	bioscrip Infusion Services	CENTENE Corporation
Growth Recapitalization and Fund-to-Fund transfer of SOLEO HEALTH Simplifying Complex Care	Sale of Home Infusion Assets to KabaFusion Patient-focused Infusion Therapy A portfolio company of PPC Partners	Advisor to Board of Directors on Strategic Alternatives	Acquisition of AcariaHealth Specialty Pharmacy

Select Industry Relationships

AIS Healthcare | aleracare | BrightSpring Health Services | California Specialty Pharmacy

CVS | FlexCare Infusion Centers | InfuCare Rx | KabaFusion

medix infusion | option care health | Optum | Panther RareRx

PharmScript | promptcare | Soleo Health Simplifying Complex Care | Vivo infusion

Executive Summary: Home and Alternate Site Infusion Space

We view home and alternate site infusion therapy as one of the most attractive verticals in healthcare services today based on the primary and secondary research that we have completed in recent months. This includes a series of channel checks with providers as well as vendors of software and services that sell into the space.

Key Takeaways

1. **The home and alternate site infusion therapy space should be able to sustainably generate superior growth** versus the broader healthcare services space. In fact, many providers are generating double digit organic revenue growth coupled with synergies from acquisitions. We see this growth being sustainably driven by patient preferences and the cost advantages of using home-based infusion therapy (for managed care and at-risk provider organizations).

2. **Therapeutic innovation will continue to be a growth driver.** By our analysis, almost half of the new drugs introduced over the past three years require an infusion (or subcutaneous injection) under the supervision of a medical professional. Looking ahead, the infusion providers we spoke with are particularly optimistic for new therapies for neurological diseases, such as Alzheimer’s Disease, Parkinson’s Disease, and/or multiple sclerosis.

3. **We see a stable reimbursement environment for home and alternate site infusion providers.** In fact, we think providers have good reason to be optimistic for a legislative “fix” in how CMS reimburses for home infusion in Medicare Part B. This, in turn, could open-up a sizable new opportunity in the Medicare population.

4. **Labor costs/shortages are an ongoing concern** for many of the infusion providers we spoke with. However, we see opportunities to generate labor efficiencies through the adoption of artificial intelligence and information technology, the deployment of ambulatory infusion centers, and the use of “smart” pumps and devices.

5. **Economies of scale is key in the infusion space**, and we have evaluated a variety of consolidation strategies. All have merit, but we ultimately think staying focused on building a national platform in home and alternate site infusion therapy (with integrated specialty pharmacies) allows for greater operational excellence over time and maximizes the flexibility to work across all managed care networks without channel conflicts.

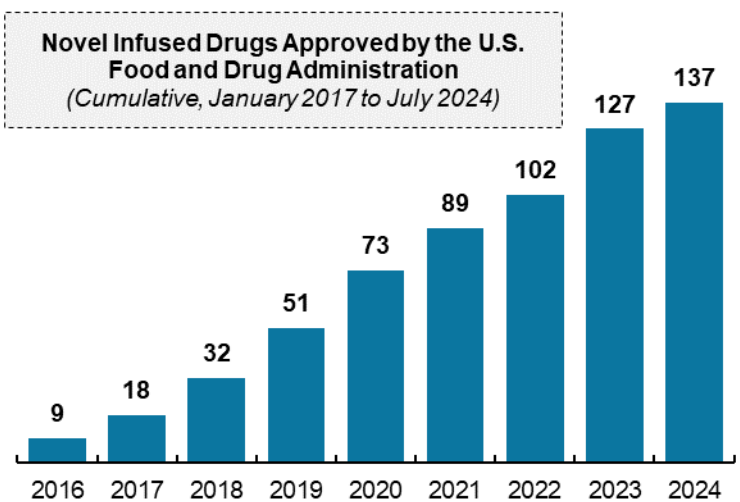
Key Industry Growth Drivers

What is Infusion Therapy?

Infusion therapy (or "IV therapy") involves administering medicines through a needle or catheter, intravenously or subcutaneously. This is often used to treat patients with chronic, complex, and rare diseases and in situations when an oral medication or a transdermal patch or cream is not possible. Many different medicines are delivered by infusion therapy with some common examples including chemotherapy drugs for cancer, enteral nutrition, antibiotics, antifungal drugs, pain management medications, and immunoglobulin medications (IVIG), as well as a variety of specialty drugs.

The advantage of infusion therapy is that the drug is delivered directly into the patient's bloodstream, resulting in greater precision, and with the potential, as needed, to simultaneously deliver complementary drugs. Also, some drugs cannot be taken orally because they lose their effectiveness when exposed to the digestive system. Finally, infusion therapy may be the only alternative for an elderly or particularly frail patient who is unable to take an oral medication.

The disadvantage of infusion therapy is that, because medications are directly delivered into the bloodstream, the impact can be very rapid, including potentially mild and dangerous side effects. Example side effects can include infections, damage to veins, air embolisms, and blood clots. Because of this, infusion therapy often requires supervision of (and/or training by) a medical professional.



All of the Top Medicare Part B Drugs Involve Infusions

	Medicare Part B Drugs (Spending, $ in Billions)				
Rank	Drug	2020	2021	2022	Injectable?
1	Keytruda	$3.5	$4.0	$4.9	Yes
2	Eylea	3.0	3.4	3.5	Yes
3	Prolia	1.6	1.8	2.0	Yes
4	Opdivo	1.6	1.6	1.8	Yes
5	Darzalex Faspro	0.0	1.0	1.6	Yes
6	Orencia	1.0	1.0	0.9	Yes
7	Lucentis	1.1	1.0	0.8	Yes
8	Tecentriq	0.6	0.7	0.8	Yes
9	Ocrevus	0.6	0.6	0.7	Yes
10	Entyvio	0.4	0.5	0.7	Yes
11	Gammagard Liquid	0.4	0.5	0.6	Yes
12	Soliris	0.6	0.6	0.6	Yes

Source: U.S. Food and Drug Administration and the U.S. Centers for Medicare and Medicaid Services

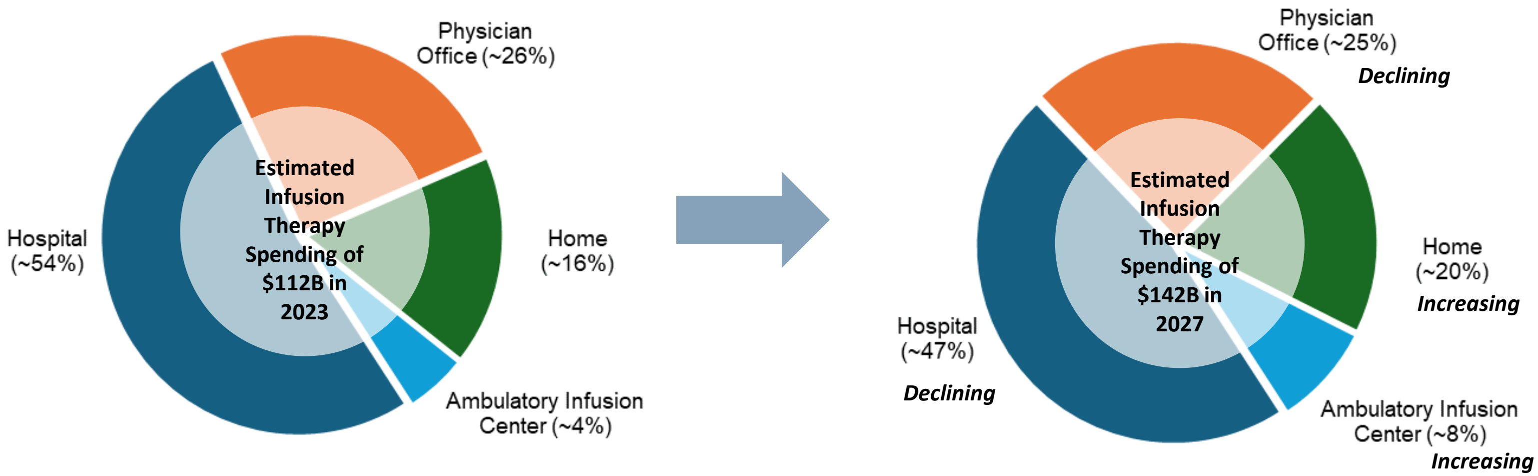
Home and Alternate Site Infusion Marketplace Overview

Today, there are **3.2M+ Americans who receive infusion therapy**, of some kind, per year. This translates to **$110B+ of annual spending, growing by 5%-7% annually**, driven by an increasing prevalence of chronic and rare diseases and a rising number of complex therapies that require intravenous delivery under the supervision of a medical professional.

We expect an ongoing, steady "mix shift" of infusion therapy away from hospital settings to home and/or alternate site settings. Today, most of the spending on infusion therapy still occurs in hospitals (we estimate: ~54% share) and/or in physician offices (we estimate: ~26% share) where there is an ability to provide greater oversight for elderly and/or frail patients with complicated medical profiles. However, an increasing percentage of infusions are now occurring at the patient's home (~16% share) and/or at an alternate site setting (~4% share), such as an ambulatory infusion center.

Home and alternate site infusion therapy spending now totals ~$25B annually with low double digit growth rates, by our assumptions. Patient (and physician) awareness of home infusion grew substantially during the COVID-19 pandemic when non-acute care was diverted away from facilities. We expect this shift towards home-based infusions will continue for the foreseeable future driven by patient preferences and the need for lower cost healthcare.

Steady Mix Shift Towards Home and Alternate Site Infusions



Source: National Home Infusion Association (NHIA) and Bourne Partners

5 Drivers of Growth for Home and Alternate Site Infusion

In our view, **providers of home and alternate site infusion therapy should be able to sustainably generate superior growth rates** versus the broader healthcare services space. Our conversations with providers and industry relationships have centered around **FIVE (5) key drivers of growth** in the coming three to five years.

1 **Therapeutic Innovation.** Unlike other healthcare services verticals, the home and alternate site infusion therapy space has the unique benefit of *therapeutic innovation*. Much of the drug development pipeline today consists of complex molecules that require intravenous delivery by a healthcare professional. As such, we expect a growing volume of drugs for infusion providers to service. We are particularly watchful for therapeutic innovation in neurological diseases such as Alzheimer's Disease, Parkinson's Disease, and multiple sclerosis.

2 **Relatively Low Cost.** The relatively low cost of home and alternate site infusion therapy makes it financially preferable for health plans and at-risk providers in value based (capitated) reimbursement models. Often, infusion therapy done at a patient's home is half the cost of the same therapy in a hospital inpatient setting. Adding to this, home and alternate site infusion can often result in higher quality and personalized care as well.

3 **Patient Preferences.** Patients overwhelmingly prefer to receive medical care at home -- or at a convenient local ambulatory infusion center. This is true for all forms of healthcare, and infusion therapy is no exception.

4 **Shared Services.** Infusion therapy is a necessary method of drug delivery for many patients. However, it requires significant nurse labor, which is in short supply. As such, infusion therapy maps well to shared services business models that allow for better economies of scale on limited human resources and digital technologies.

5 **Positive Reset in Medicare Reimbursement.** Providers of home and alternate site infusion therapy may see a step-up in Medicare patient volumes if Congress is able to "fix" the currently flawed CMS home infusion rules in the coming years. This appears to be unlikely in the current election year, but we see opportunities in 2025.

Source: McKinsey & Company (December 2022) and Bourne Partners

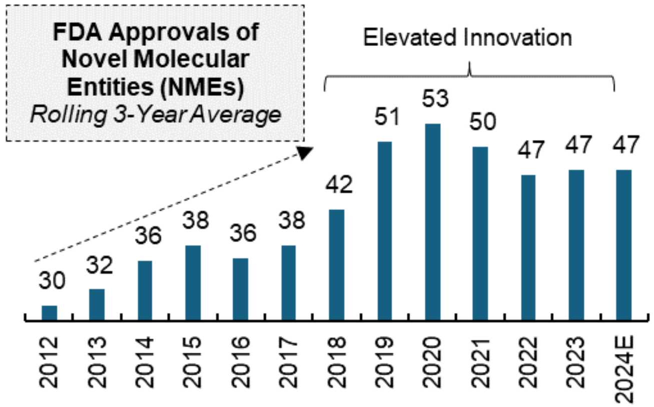
Therapeutic Innovation as a Growth Driver

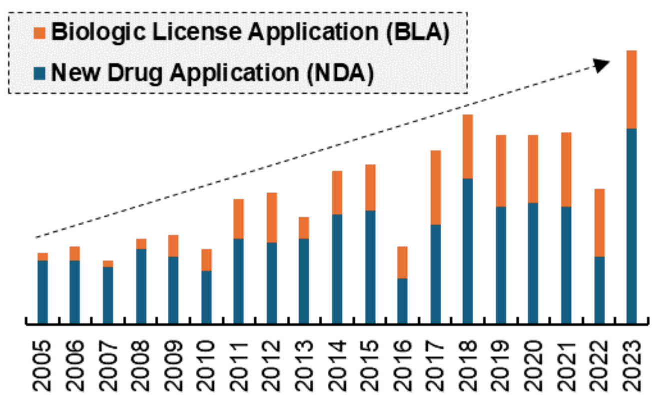
The home and alternate site infusion therapy space has the unique benefit of *therapeutic innovation*. Much of the current drug development pipeline consists of complex molecules that require intravenous delivery by a medical professional. As such, we expect a growing volume of drugs for home and alternate site infusion providers to service.

Large molecule biologic medications, most of which require infusions, are approaching 50% of total U.S. drug spending, and, today, all 10 of the highest-expenditure drugs in Medicare Part B are biologics. This mix is expected to continue to grow steadily in the coming years given that we believe almost two-thirds of new drugs in development are large molecule biologics.

In particular, **we see very significant upside -- over time -- for the home and alternate site infusion space in Alzheimer's Disease.** Nearly 7M Americans are living with Alzheimer's Disease and this is projected to increase to 13M by 2050. Prior to 2023, there had been limited pharmacologic treatments for these patients. However, in mid-2023, a new drug, Lequembi (Biogen and Eisai), was approved for a subset of the Alzheimer's patient population, and this was followed by the approval of a second novel drug called Kisunla (Eli Lilly) that could expand this population in the near-term. Both of these new drugs require infusions.

There is typically a multi-year lag from when a new drug is approved to when it financially impacts home and alternate site infusion therapy providers. Initially, new infusion treatments tend to be delivered at academic medical centers. As follow-on drugs come to market and as confidence in a therapy increases, there tends to be a relaxing of the monitoring requirements and a greater willingness by clinicians to administer these infusions outside of highly supervised inpatient settings.





Source: U.S. FDA, the IQVIA Institute, and Bourne Partners

Almost Half of New Drugs Introduced Are Injectables

Almost half of recent drug approvals by the FDA consist of injectables, by our analysis. Specifically, since January 2021, 77 of the 164 (or 47.0%) new molecular entity (NME) approvals by the U.S. Food and Drug Administration (FDA) were for drugs that require an intravenous, intramuscular, and/or subcutaneous injection.

New Molecular Entity (NME) Approvals By the U.S. Food and Drug Administration (FDA)

Total Drugs Approved: 50 *Injectables: 24 (48.0%)*			Total Drugs Approved: 37 *Injectables: 18 (48.6%)*		Total Drugs Approved: 55 *Injectables: 25 (45.5%)*			Total Drugs Approved: 22 *Injectables: 10 (45.5%)*	
NME Approvals: 2021 *January to December*			**NME Approvals: 2022** *January to December*		**NME Approvals: 2023** *January to December*			**NME Approvals: 2024** *January to July*	
Adbry	Bylvay	Fotivda	NexoBrid	Spevigo	Wainua	Aphexda	Miebo	Kisunla	Letybo
Leqvio	Rezurock	Azstarys	Briumvi	Xenpozyme	Filsuvez	Veopoz	Veozah	Ohtuvayre	Exblifep
Vyvgart	Fexinidazole	Pepaxto	Xenoview	Amvuttra	Fabhalta	Sohonos	Elfabrio	Piasky	Zelsuvmi
Tezspire	Kerendia	Nulibry	Lunsumio	Vtama	Ogsiveo	Elrexfio	Qalsody	Sofdra	
Cytalux	Rylaze	Amondys 45	Sunlenca	Mounjaro	Truqap	Talvey	Joenja	Iqirvo	
Livtencity	Aduhelm	Cosela	Krazati	Voquezna	Ryzneuta	Izervay	Rezzayo	Rytelo	
Voxzogo	Brexafemme	Evkeeza	Rezlidhia	Camzyos	Augtyro	Zurzuvae	Zynyz	Imdelltra	
Besremi	Lybalvi	Ukoniq	Tzield	Vivjoa	Defencath	Xdemvy	Daybue	Xolremdi	
Scemblix	Truseltiq	Tepmetko	Elahere	Pluvicto	Fruzaqla	Vanflyta	Zavzpret	Ojemda	
Tavneos	Lumakras	Lupkynis	Tecvayli	Opdualag	Loqtorzi	Beyfortus	Skyclarys	Anktiva	
Livmarli	Pylarify	Cabenuva	Imjudo	Ztalmy	Omvoh	Ngenla	Filspari	Lumisight	
Qulipta	Rybrevant	Verquvo	Lytgobi	Vonjo	Agamree	Rystiggo	Lamzede	Zevtera	
Tivdak	Empaveli		Relyvrio	Pyrukynd	Bimzelx	Litfulo	Jesduvroq	Voydeya	
Exkivity	Zynlonta		Omlonti	Enjaymo	Zilbrysq	Columvi	Orserdu	Vafseo	
Skytrofa	Jemperli		Elucirem	Vabysmo	Velsipity	Inpefa	Jaypirca	Winrevair	
Korsuva	Nextstellis		Terlivaz	Kimmtrak	Rivfloza	Posluma	Brenzavvy	Duvyzat	
Welireg	Qelbree		Rolvedon	Cibinqo	Pombiliti	Paxlovid	Leqembi	Tryvio	
Nexviazyme	Zegalogue		Sotyktu	Quviviq	Exxua	Xacduro		Rezdiffra	
Saphnelo	Ponvory		Daxxify		Ojjaara	Epkinly		Tevimbra	

= **Drugs requiring an intravenous, intramuscular, and/or subcutaneous injection**

Source: U.S. Food and Drug Administration (FDA) and Bourne Partners

Thinking Ahead To a Potential Rise of Biosimilars

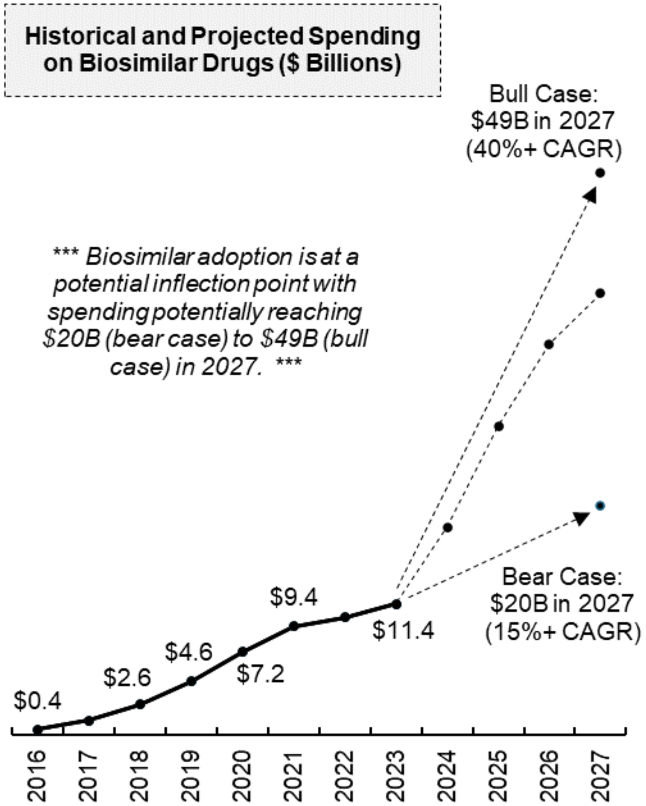
We see an increasing economic impact of biosimilars in the coming years, which should lower drug costs. Opinions on the financial impact on the infusion providers we spoke with vary. However, in our view, biosimilars should help derisk procurement strategies because a provider is not beholden to a single manufacturer. Both the revenue and cost per treatment might decline, but we suspect the profit margin will likely increase modestly.

The home and alternate site infusion space should benefit from a wave of biosimilars, in our opinion. A biosimilar is a biologic medication that is highly clinically similar to an existing FDA-approved biologic medication. Biosimilars are a benefit to infusion providers because they create competition with the original biologic, resulting in material reductions in the cost of the drug (sometimes by 20%+), which, in turn, is typically the largest single cost line item for an infusion provider.

Spending on biosimilars remains stubbornly low in the United States (only ~$11B in 2023). However, under almost every scenario, spending on biosimilars in the United States is expected to grow rapidly – reaching anywhere from $20B in 2027 (15%+ CAGR) to ~$49B in 2027 (40%+ CAGR), per recent estimates by the IQVIA Institute.

To encourage the acceptance and use of biosimilars, the U.S. FDA has funded educational and outreach programs in recent years along with accelerated approval pathways.

Also, **the *Inflation Reduction Act* (IRA) of 2022 is designed to encourage the use of biosimilars** (and lower drug costs more broadly) by setting premium reimbursement on biosimilars at 108% ASP (vs 106% normally) over a 5-year period. The IRA is directed solely at Medicare drug costs (Part B and Part D). However, a resetting of prices in Medicare would likely have a "ripple effect" across other payer categories as well.



Source: Source: U.S. FDA, the IQVIA Institute, and Bourne Partners

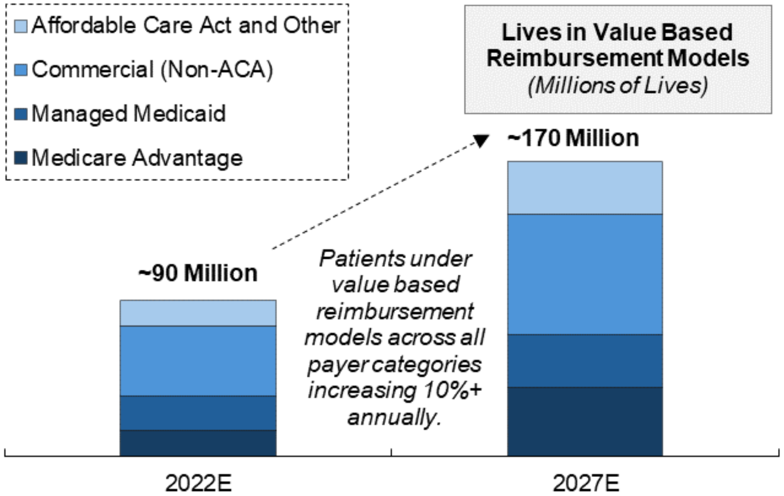
Relatively Low Cost of Home and Alternate Site Infusion

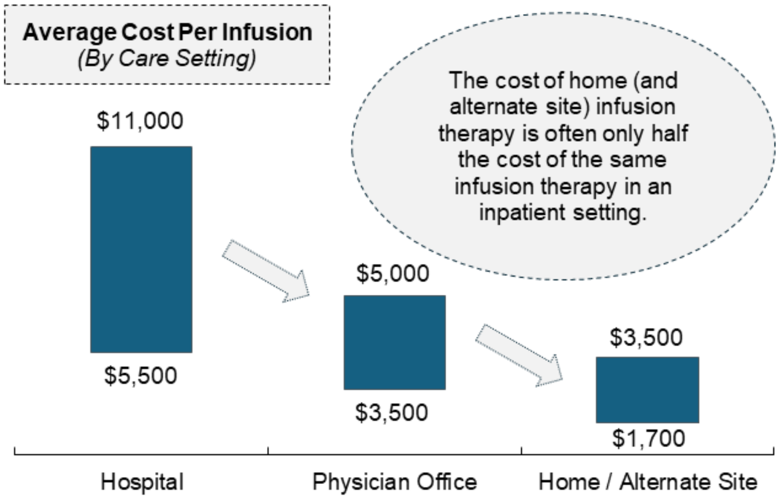
The relatively low cost of home and alternate site infusion therapy makes it financially preferable for managed care organizations and at-risk providers in value based (capitated) reimbursement models. Often, infusion therapy done at a patient's home is half the cost of the same therapy in a hospital inpatient setting.

The impact of value-based reimbursement on the utilization of home and alternate site infusion therapy has yet to be seen, according to the providers we have spoken with. That said, **we see value-based reimbursement as a key long-term driver for the space**, and home infusion providers should consider investments in interoperable information technology systems and digital health software tools to better track and document the care they provide.

In many circumstances, **the cost of home and alternate site infusion therapy is less than half of the cost** of the exact same infusion therapy delivered in a hospital (inpatient) setting.

At the same time, **treating patients at home often results in better outcomes and more personalized care.** In particular, home infusion therapy improves treatment adherence, which is key for patients with chronic diseases. Non-adherence accounts for ~40% of chronic disease treatment failures as well as $100B-$300B of avoidable costs per year. Also, home infusions result in less risk for hospital acquired infections, particularly relevant for patients who are immunocompromised. The CDC has reported that there are ~722k HAIs annually of which ~10% result in death.





Source: McKinsey & Company (December 2022) and Bourne Partners

Patients Overwhelmingly Want Home-Based Care

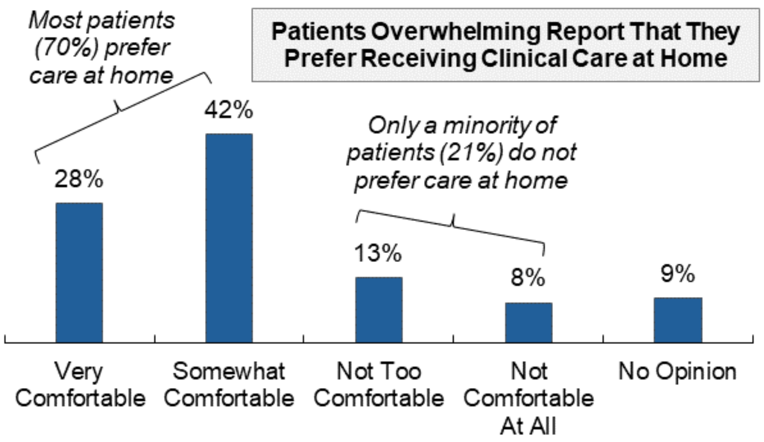
Patients overwhelmingly prefer to receive medical care at their homes -- or at a convenient, comfortable, and local ambulatory location. This is true for all forms of healthcare and infusion therapy is no exception.

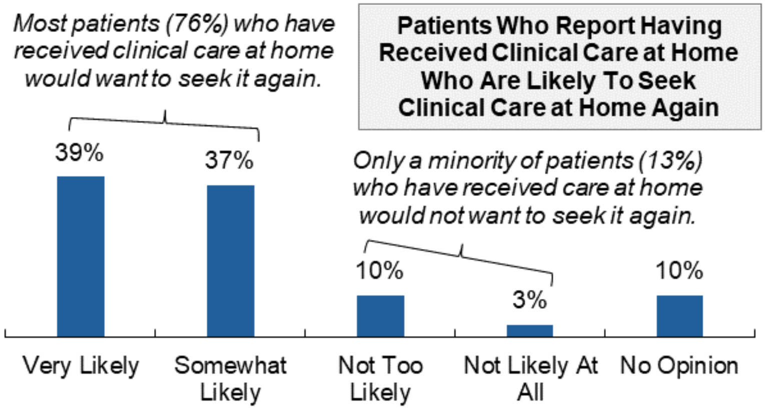
We see patient preferences as a major driver of home and alternate site infusion therapy.

Americans overwhelmingly prefer medical care at home, whenever possible, in almost every survey on the topic across all healthcare verticals and therapeutic areas. This preference accelerated with the COVID-19 pandemic due to the increased use of digital health and virtual care technology by both patients and clinicians. Convenience is of particular importance for geriatric populations who have limited ability to travel and for family members who are often support for patients.

Over the past five years, **infusion therapy providers have been rolling out networks of "ambulatory infusion centers" (AICs)** in highly trafficked and convenient locations for their patients. These AICs help expand a provider's ability to service patients and provide complex therapies when infusion therapy at home is not possible, practical, or economical.

Ambulatory infusion centers (AICs) offer flexible hours and are designed for patient comfort including a variety of home-like amenities such as televisions, wi-fi connections, and snacks and beverages. Also, each AIC is typically staffed with trained infusion nurses, pharmacists, and care coordinators who help verify a patient's insurance, gather necessary prior authorization and related documentation, and schedule treatments.





Source: Morning Consult (September 2021) and Bourne Partners

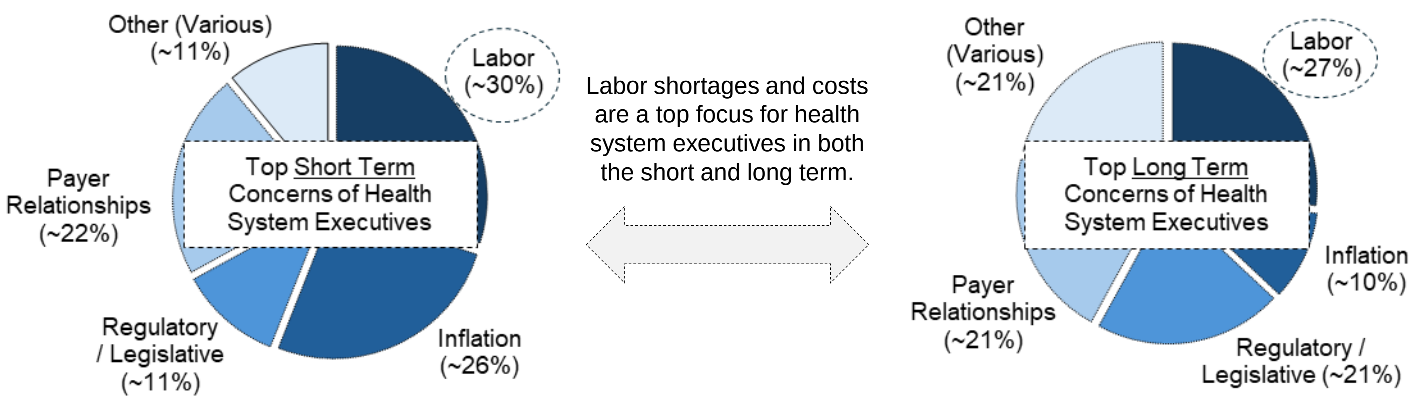
Shared Services Models Help Optimize Labor Resources

Infusion therapy is a necessary method of drug delivery for many patients. However, it requires significant nurse labor, which is in short supply. As such, **infusion therapy maps well to shared services business models that allow for better economies of scale on limited human resources** and digital technologies.

Home and alternate site infusion providers are able to bring economies of scale to the use of nurse staff in ways that individual hospitals and physician groups cannot. The pursuit of economies of scale has led to the rise of "shared services" models across healthcare organizations in a variety of other areas -- e.g., group purchasing, revenue cycle management, facilities management, and information technology.

Post-COVID, **there has been a painful shortage of nurses in U.S. healthcare.** On average, over half (50%+) of RNs leave their jobs in less than two years due to demanding working conditions, long hours, and relatively low compensation. This turnover may worsen in the coming years as the median age of a registered nurse (RN) is now 46 years -- with 25% of nurses reporting that they plan to leave nursing or retire over the next five years.

In almost every survey, health system executives report "labor" as their number one concern. Even long-term, most health system executives recognize that labor challenges will remain a "front-and-center" issue given an aging U.S. population that will likely be increasingly demanding infusion therapies.



Source: 2024 PNC Healthcare Provider Survey, U.S. Bureau of Labor Statistics, and Bourne Partners

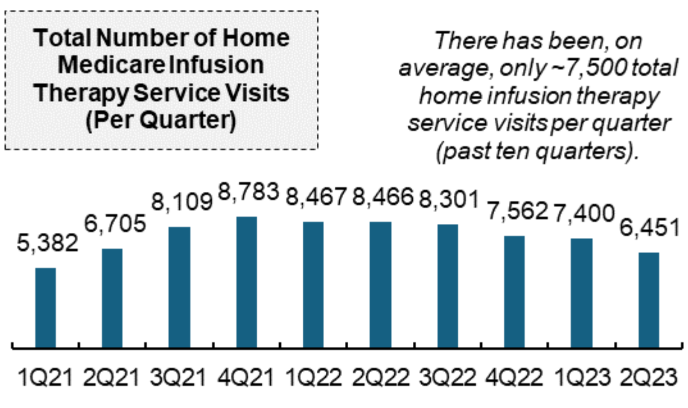
"Fixing" A Broken Medicare Part B Reimbursement Model

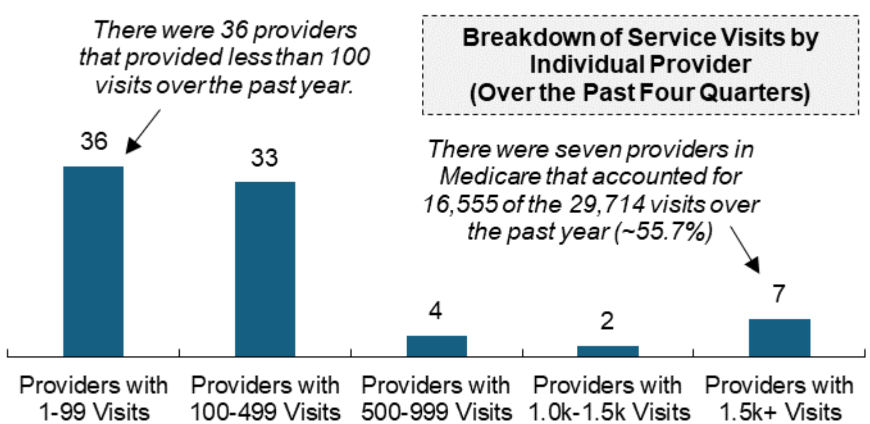
We think home and alternate site infusion providers have good reason to be optimistic for **a step-up in Medicare patient volumes** if Congress is able to "fix" the currently flawed CMS home infusion rules in the coming years.

In our view, **home and alternate site infusion therapy providers stand to benefit from important "fixes" to the current home infusion Medicare reimbursement methodology.** In our view, this could comfortably result in a significant 10%+ industrywide bump to home and alternate site infusion therapy patient volumes in the coming years.

Currently, **the professional services Medicare Part B benefit for home infusion *does not include* reimbursement for the clinical and administrative costs of delivering the therapy** -- thereby, making home infusion uneconomical to provide. This is evidenced by the fact that there are only 82 participating providers providing this benefit to less than 10k patients annually (out of 34M+ traditional Medicare beneficiaries). This is a clear underutilization of home infusion in Medicare -- vs the almost 3.2M patients (outside of Medicare) receiving home infusions annually.

The proposed *Preserving Patient Access to Home Infusion (PPAHI) Act* would expand Medicare reimbursement for *all the* services needed to administer drugs safely and effectively at home. The PPAHI Act has yet to receive an official score from the Congressional Budget Office (CBO). After the bill receives a CBO score, the National Home Infusion Association is hoping to get a vote by year-end.





Source: Analyses of Medicare FFS Part B DME claims (Accessed from CCW VRDC on January 25, 2024)

Provider Competitive Landscape

Our Investment Thesis: "Bigger Is Better"

In our view, **profitability and valuation in the home and alternate site infusion therapy space is a direct function of a provider's "size" as measured across THREE (3) interrelated dimensions -- 1) economies of scale, 2) breadth of therapeutic offerings, and 3) geographic coverage.** In our view, this has been confirmed by take-out valuations in recent months -- e.g., BioMatrix (15x EBITDA), Paragon Healthcare (20x EBITDA), and KabaFusion (20x EBITDA).

1 Economies of Scale

We see scale and breadth of services as critical for sustainable financial success. Size and scale translates to greater leverage on operating expenses and fixed infrastructure as well as purchasing power with suppliers, access to labor resources, and a greater ability to generate synergies from acquisitions. Also, size and scale makes it easier for a provider to incrementally take-on risk in value-based reimbursement scenarios. We expect value-based reimbursement to become increasingly commonplace across all of U.S. healthcare, and infusion therapy should be no exception.

2 Breadth of Therapeutic Offerings

Having breadth of therapeutic offerings helps to "smooth out" one-off events in specific therapeutic categories and periodic supply chain disruptions that can occur with certain drugs and compounding inputs. The infusion therapy business is in a constant state of flux across dozens of different categories, each with varying competitive dynamics, supply chain issues, growth rates, and profit margins. Novel therapies are regularly being discovered, approved, and introduced, displacing existing therapies. Offsetting new therapies coming to market are subcutaneous administration events, the emergence of oral substitutes, and the approval of generics and biosimilars, among others.

3 Geographic Coverage (Breadth and Density)

We view geographic coverage and density as highly relevant for an infusion provider's relationships with i) payers, ii) referring providers, and iii) biopharma manufacturers. i) Managed care is the largest driver of infusion therapy spending and achieving in-network status with major health plans is a must, particularly as narrow and tiered networks have become common strategies to control costs. ii) Also, geographic density is critical to win referrals from local hospitals and physicians, particularly as it relates to patient transitions from an acute care setting to the home. iii) Finally, having national presence positions an infusion provider as a potential commercialization partner for biopharma manufacturers.

Source: Bourne Partners

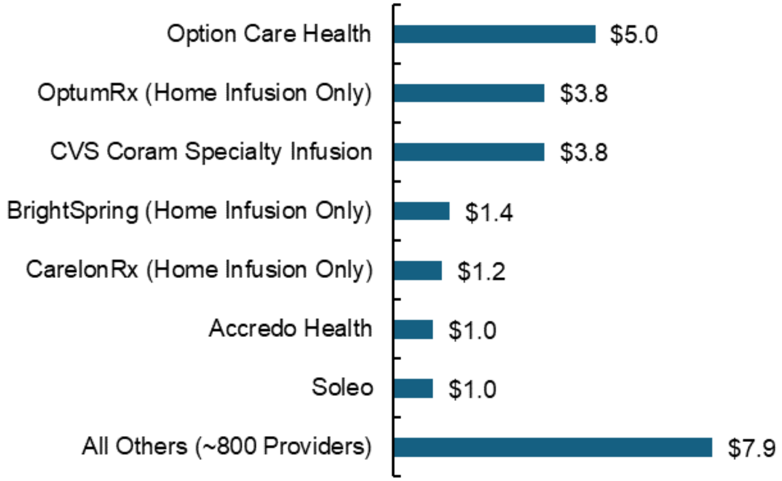
Fragmented Landscape of Infusion Therapy Providers

In our view, **the marketplace for home and alternate site infusion therapy is highly fragmented, resulting in a sub-optimal use of capital and resources.** As such, we expect ongoing consolidation of providers in the coming years.

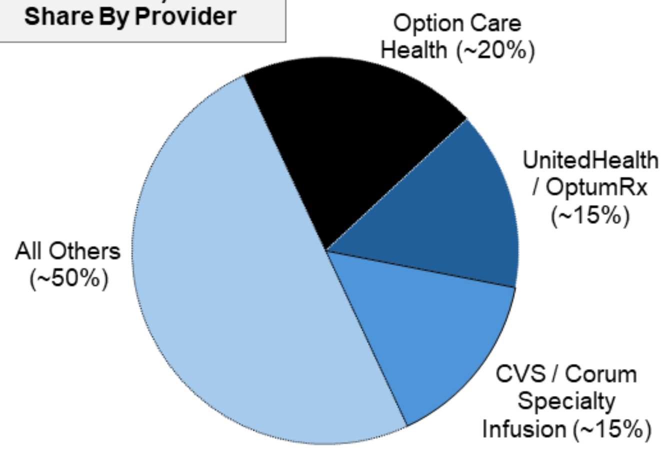
Option Care Health is the largest provider with ~$4.7B of annual revenue (we estimate: 20%+ market share) followed closely by the OptumRx business of UnitedHealth Group (~15%) and the Coram Specialty Infusion business of CVS Health (~15%). Media reports suggest that OptumRx and Coram have recently cut back their home infusion services due to labor and supply cost pressures. Other notable providers include BrightSpring Health (sub-10% market share), the CarelonRx business of Elevance Health (sub-5%), the Accredo Health business of Cigna (sub-5%), and Soleo (sub-5%).

Outside of the top providers, there are many hundreds of smaller providers. These smaller providers are able to compete by having strong relationships with local referral sources in specific geographies. That said, lacking scale and geographic coverage ultimately puts these providers in a weak position to sustainably compete long-term.

Revenue By Home / Alternate Site Infusion Provider
($ in Billions)



Breakdown of Infusion Therapy (Home and Alternate Site) Market Share By Provider



Note: Revenue estimates for the home and alternate site infusion therapy services businesses for OptumRx, Coram, CarelonRx, and Accredo Health are Bourne Partners estimates. These revenue figures are not publicly disclosed by the companies. Source: Company reports and Bourne Partners

Home and Suites-Based Infusion Services Landscape

Outline reflects companies that offer in-office infusion services

ALTUS BIOLOGICS

HEALIX

OI Infusion SERVICES

Select Founder/PE-Backed Infusion Platforms

Home Infusion

AIS HealthCare – Excellere and Vistria, recapitalization 2018

American Outcomes Management – Ridgemont, acquired '22

BIOMATRIX – Frazier Healthcare, acquired '24

California Specialty Pharmacy – Assured, acquired '22

CSI Pharmacy Clinical Specialty Infusions, LLC – Graham Healthcare, acquired '19

InfuCare Rx – One Equity, acquired '22

KabaFusion Patient-focused Infusion Therapy – Novo Holdings, acquired '22

phs pediatric home service thrive – InTandem, acquired '19

pentec Health – Wellspring, acquired '21

promptcare – Waud, acquired '21

Superior Biologics – CIT Group, acquired '22

Diversified

Access Infusion Care – New Harbor, acquired '24

aleracare – Hildred Capital, acquired '23

medix infusion – NMP, acquired '20

Palmetto Infusion | AccuRx Infusion Center – Carousel, acquired '19

vitalcare Infusion Services – Linden, acquired '20

TwelveStone Health Partners – Heritage Group, acquired '22

Soleo Health – H.I.G, acquired '10

Suites

APEX Infusion Pharmacy – FFL, acquired '24

FlexCare Infusion Centers – RC Capital, acquired '21

Horizon Infusions – BroadOak, acquired '19

Beacon Infusion Healthcare Services

Infusion for Health – Oak HC/FT '19

IVX Health – Linden, acquired '24

MIC | Metro Infusion Center

Vivo infusion – InTandem, acquired '22

PURE Infusion Suites – BUILD, acquired '19

Note: Excludes larger scaled platforms i.e., the "big four" (Optum, Coram, Option Care, and PharMerica) and small companies isolated within a single state or with less than five locations

Three Acquisition Strategies

Three Consolidation Strategies for Home Infusion Therapy

Mergers and acquisitions are a key tool for home and alternate site infusion providers to build their economies of scale, broaden their therapeutic offerings, and expand their geographic coverage. The importance of size, scale, and breadth of services has been particularly accentuated in recent years by labor cost pressures and supply chain shortages.

We highlight three (3) consolidation strategies for providers of home and alternate site infusion therapy. All three consolidation strategies have merit, in our view, with advantages and disadvantages for each. However, we think creating a national "centers of excellence" for home and alternate site infusion for may create the most value over time.

1. Centers of Excellence

The "centers of excellence" strategy involves providing *only* home and alternate site therapy services with a focus on having comprehensive therapeutic and geographic coverage.

The advantage of this strategy is that it allows for a razor-focus on operational excellence, and it allows for flexibility to work agnostically with all payers across all referral sources -- i.e., no channel conflicts.

The disadvantage is the potential for suboptimal care coordination.

The primary case study here is Option Care Health (NASDAQ: OPHC).

2. Horizontal Integration

The horizontal integration strategy involves integrating home and alternate site infusion therapy within a broader continuum of complementary healthcare services.

The advantage of this approach is the potential for synergies with respect to referrals and payer negotiations. Also, this allows for more coordinated care, which is advantageous in value-based reimbursement models.

The disadvantage is the potential for a lack of management focus.

The case study here is BrightSpring Health (NASDAQ: BTSG).

3. Vertical Integration

The vertical integration strategy involves integrating home and alternate site infusion services under captive ownership of a health plan.

The advantage of being owned by a health plan is that it results in a captive and directed flow of referrals.

The disadvantage is the potential of creating channel conflicts and the potential for lost organizational focus.

Key case studies include OptumRx (part of UnitedHealth), Coram CVS Specialty Infusion Services (part of CVS Health), and Paragon Health Services (part of Elevance Health).

Source: Bourne Partners

Thoughts on the "Centers of Excellence" Growth Strategy

The "centers of excellence" growth strategy involves focusing only on home and alternate site therapy with a growth and acquisition strategy predicated on developing comprehensive therapeutic and geographic coverage. Based on our industry conversations, we think it is important for a home and alternate site infusion provider to own/operate its own pharmacies to maximize coordination and communication between pharmacy and infusion nurse staff -- as well as coordination with biopharma manufacturers with respect to developing clinical protocols for complex new therapies.

Advantages

The advantages of the "centers of excellence" strategy are a razor-focus on operational excellence, and the flexibility to work agnostically across all managed care networks and referral sources -- i.e., in no channel conflicts. This strategy also makes the home infusion provider more attractive to referral sources since network status becomes less of a consideration (headache) for the referring physician. Finally, this strategy avoids provider-to-provider competitive dynamics since the provider would not be wed to any specific health system.

Disadvantages (and Caveats)

The disadvantage is the potential for suboptimal care coordination. However, we think that the potential for care fragmentation can be mitigated with a modern healthcare IT infrastructure that allows for seamless interoperability of information with third-party software systems. So, as part of this strategy, relationships with information technology and software vendors is key. Historically, interoperability has been a challenge in U.S. healthcare due to "closed" client-server software systems (written in unique programming languages). However, over the past decade, there has been an acceptance and use of cloud computing, which, in turn, has helped to break down the "information siloes" between disparate healthcare organizations. This will be further facilitated by a standardization of APIs as part of the ongoing rollout of the interoperability provisions of the 21st Century Cures Act.

Providing Full Continuum of Infusion Therapies with Pharmacy Support Services -- On a National Basis

"Acute" Infusion Therapies	"Chronic" Infusion Therapies
Length of Treatment: Less Than One Year Typical Gross Margins: 40%-70% Typical Referral Sources: Hospital Discharge Planners and Physician Offices Sample Therapies: Anti-Infectives, Nutritional Support, Inotropic Therapy, Pain Management, and Hydration Therapy	Length of Treatment: More Than One Year Typical Gross Margins: 10%-25% Typical Referral Sources: Physician Specialists Sample Therapies: Immunoglobulin therapies, anti-inflammatory therapies, Crohn's Disease therapies, Multiple Scleroses therapies, and Hemophilia therapies

Source: Bourne Partners

"Centers of Excellence" Profile

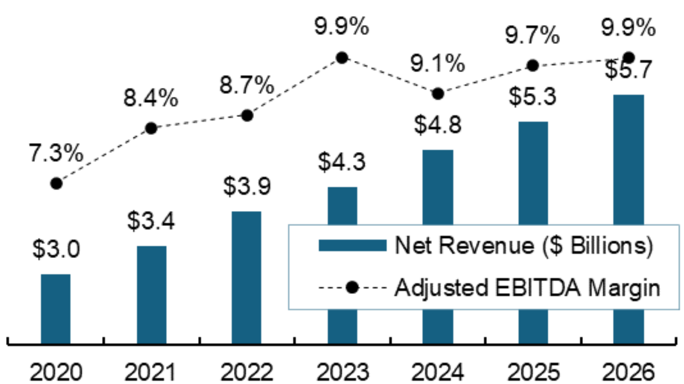
Option Care Health

In our view, **Option Care Health (NASDAQ-OPCH) is a good case study of the "centers of excellence" growth strategy** in home and alternate site infusion. Today, Option Care is the largest pure-play home and alternate site infusion therapy provider in the United States servicing ~270k patients annually, employing 2,500+ infusion nurses, and managing a network of 167 ambulatory infusion suites. We estimate OPCH holds a market share of ~20%.

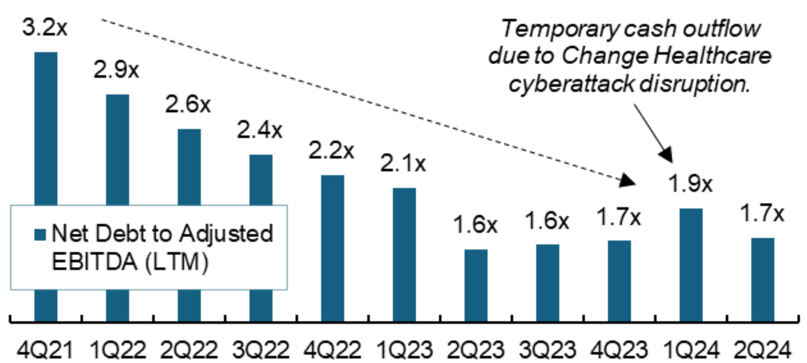
Importantly, **Option Care is "in-network" with all the major national health plans**, making the company easy for referral partners to work with. Also, **Option Care has prioritized investments in information technology** including advanced analytics and revenue cycle management automation. Recently, in January 2024, Option Care announced a partnership with Palantir Technologies (NASDAQ-PLTR) to develop and deploy a unified artificial intelligence platform across nurse scheduling, patient onboarding, purchasing optimization, and supply chain execution, among other areas.

By our models, **OPCH has significant balance sheet "dry powder" for tuck-in acquisitions** to continue to fill-in whitespace across its therapeutic offerings and geographic footprint. Tuck-in acquisitions have been a historical focus of Option Care, and the Company has completed six tuck-in acquisitions (average purchase price of ~$30M) over the past three years. We model OPCH to comfortably be on track to exit 2024 with a net debt ratio of sub-1.0x, below management's stated target net debt ratio of 3.0x-4.0x.

Option Care Health is a case study in the power of size and scale.



In our view, Option Care Health has significant balance sheet "dry powder" to continue to pursue tuck-in acquisitions in the home and alternate site infusion therapy space.



Source: Company filings and Bourne Partners

Thoughts on Horizontal Growth Strategies

The horizontal integration strategy involves integrating home and alternate site infusion therapy within a broader continuum of complementary healthcare services -- such as hospital care, specialty pharmacy, community pharmacy, home-based primary care, home health, rehab, and hospice/palliative care (among others).

Advantages

The advantage of this approach is the potential for revenue synergies with respect to referrals and payer negotiations. As one example, bundled together, infusion therapy with home health and hospice services can be highly synergistic for assisted living and related long-term care facility referrals. Also, this strategy can lead to more coordinated care, and it potentially positions a provider for success in value-based reimbursement models. Moreover, horizontally consolidated provider organizations can be advantageous with respect to negotiating power with managed care organizations. Finally, for investors, diversification of services can be attractive.

Disadvantages

The two major disadvantages of horizontal growth strategies are the potential loss of organizational focus and the potential for channel conflicts with competitive health systems. This is commentary we heard from a variety of industry sources. Also, generally, we find the argument that horizontal integration improves patient care coordination to be less and less relevant in an increasingly cloud and post-Cures Act environment.

Healthcare Continuum (Patient Journey)

"Chronic" Infusion Therapies
Chronic Therapies, e.g., Immunoglobulin, Anti-Inflammatory, Crohn's Disease, Multiple Sclerosis, and Hemophilia (etc.)

"Acute" Infusion Therapies
Acute Therapies, e.g., Anti-Infectives, Nutritional Support, Inotropic Therapy, Pain Management, and Hydration (etc.)

Pre-Hospital

- Personal Health & Wellness
- Primary Care Clinic
- Ambulatory Surgery Center

Acute Care Hospital

Post Acute Care

- In/Outpatient Rehab Care
- Home Care
- Skilled Nursing Facility
- Hospice

Source: Bourne Partners

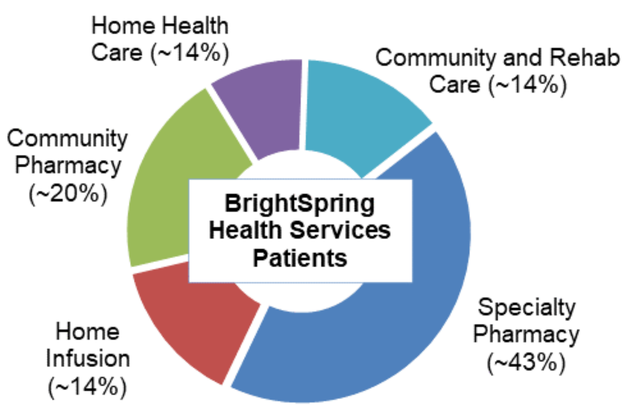
Horizontal Growth Profile

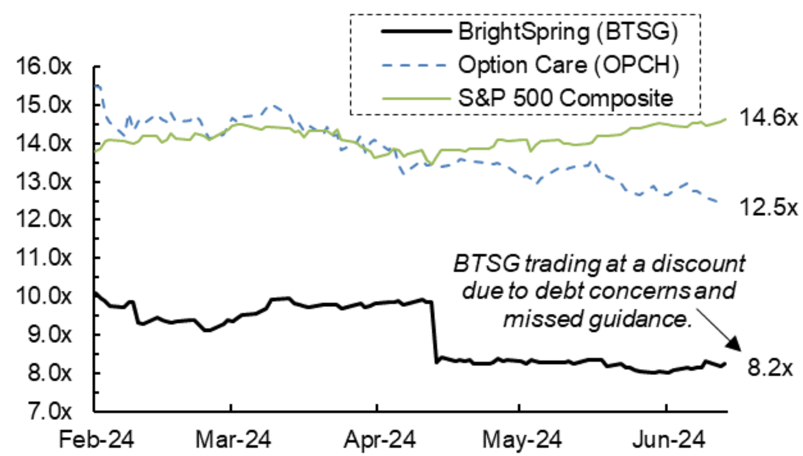
BrightSpring Health Services

In our view, BrightSpring Health (NASDAQ-BTSG) is a good case study of the "horizonal" growth strategy in home and alternate site infusion. BrightSpring offers a continuum of home infusion, specialty pharmacy, home health, and primary care to medically complex patients in home and community settings. The vision is to create an integrated experience for patients and referring providers -- as well as a holistic solution for payers in an increasingly value based reimbursement environment. Today, all BrightSpring patients receiving its provider services are also receiving its pharmacy services. Also, management has reported increasing success in its ability to link nursing home discharges who use BrightSpring for pharmacy services to BrightSpring's various provider services businesses.

Since 2019, **BrightSpring has completed almost 60 tuck-in acquisitions (typically sub-$20M of EBITDA) to "fill out" its service and geographic coverage.** BrightSpring has a track record of being able to cut acquisition multiples by 50% almost immediately/day-one post-acquisition by bringing the acquired company onto its payer and purchasing contracts and by leveraging corporate expenses.

Near-term, **BrightSpring appears focused on reducing balance sheet debt (following its January 2024 IPO)** from a debt ratio of 4.3x exiting 1Q24 to a target ratio of sub-3.0x. Over time, we expect BrightSpring to return to its acquisition growth strategy. In each of its geographies, BrightSpring seeks to have fully integrated home-based primary care, home infusion, home health, rehab, and hospice/palliative care.





Source: Company filings and Bourne Partners

Thoughts on Vertical Growth Strategies

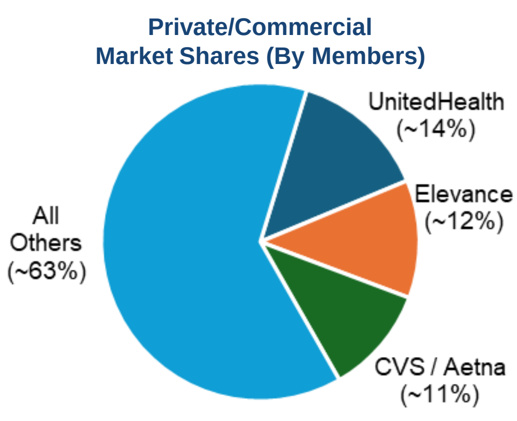
The vertical integration strategy involves integrating home and alternate site infusion services under the captive ownership of a health plan. Consolidation between payers and providers has been a trend throughout U.S. healthcare in recent years, and a handful of large health plans, such as UnitedHealth Group, CVS Health, Elevance Health, and Cigna have built sizeable captive home and alternate site infusion operations through acquisitions.

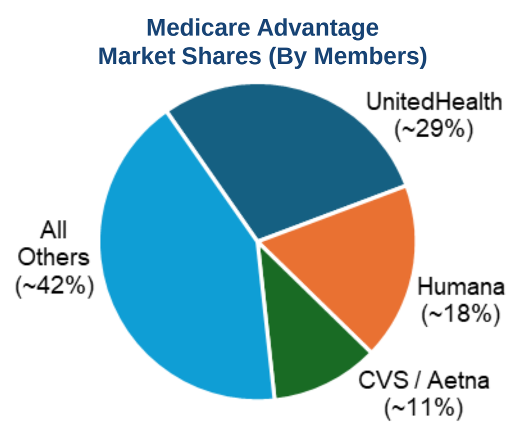
Advantages

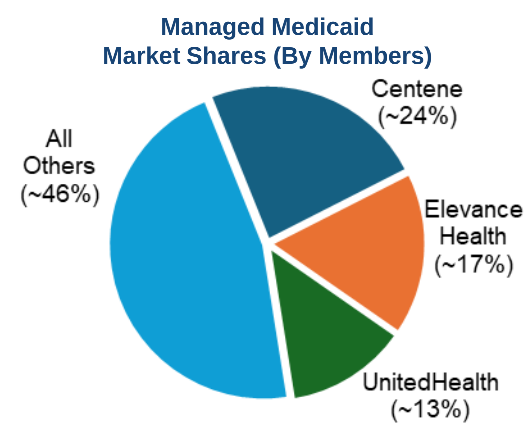
For the home and alternate site infusion therapy provider the advantage of being owned by a health plan is a captive flow of patient referrals to service. Also, health plans see owning home and alternate site infusion providers as a way to improve performance in value-based reimbursement arrangements by being able to direct the flow of patients to lower cost settings, ensure better medication adherence, and improve care coordination.

Disadvantages

The disadvantages of vertical integration are the potential for channel conflicts with other health plan networks and the loss of organizational focus. In particular, the potential loss of access to *other* health plan networks could be very limiting to a payer-owned provider's growth prospects. Moreover, in our view, payer-owned infusion therapy providers still need to be competitive within their own networks. Health plans compete based on network access, including being able to offer members multiple provider options and support their preferences for specific providers. As such, captive home and alternate site infusion providers still must compete based on their cost of care, their ability to generate positive patient experiences, and their ability to document good clinical outcomes. Finally, payers need to be careful to not be perceived as compromising care by internal pressures to save money.







Source: American Medical Association, Kaiser Family Foundation, and Bourne Partners

Multiple Vertical Growth Case Studies

Monitoring the financial success of vertical growth strategies is difficult given the lack of disclosed data. However, **we have not seen/heard any empirical evidence of vertical integration strategies impacting the market shares of the various independent providers** we have spoken with. Altogether, we think independent providers should be able to hold their market share against captive payer businesses by being able to demonstrate and document the value that they bring to payers with respect to cost of care, patient satisfaction, care coordination, and quality of care. In many cases, a third-party independent provider might have the ability to operate more efficiently than a health plan's captive provider.

United Healthcare

UnitedHealth Group (UNH) offers home and alternate site infusion therapy to patients through its OptumRx subsidiary.

UNH does not disclose financial details on a business-by-business basis, but we believe that OptumRx has ~15% market share in home and alternate site infusion.

In February 2023, UNH acquired LHC Group, and in June 2023, UNH announced plans to acquire Amedisys. We estimate LHC Group and Amedisys, together, would add up to a high single digit market share in the home health space and a low single digit market share in the hospice space.

The Amedisys and LHC Group acquisitions would also create meaningful horizontal revenue and cost synergies over time with the OptumRx home and alternate site infusion services business.

CVS Health

CVS Health has offered home and alternate site infusion therapy through its Coram CVS Specialty Infusion Services subsidiary for well over a decade.

CVS Health does not disclose financial details on a business-by-business basis, but we believe that Coram CVS Specialty Infusion Services has a ~15% market share in home and alternate site infusion.

This business originated with CVS Health's January 2014 acquisition of Coram, the specialty infusion services and enteral nutrition business of Apria Healthcare Group.

Following the acquisition of Coram, CVS Health closed the acquisitions of ABD Group and the specialty pharmacy business of Premier (PINC-NASDAQ).

Elevance Health

Elevance Health (ELV) recently made a big move into the home and alternate site infusion therapy space in March 2024 by acquiring Paragon Healthcare.

This acquisition complements ELV's February 2013 acquisition of BioPlus, a specialty pharmacy for patients living with chronic conditions. Paragon Healthcare will be housed in CarelonRx, the pharmacy services business unit of ELV.

Across its providers, ELV spends ~$16B annually on infusion therapy, of which ~50% occurs in hospital settings. Moving ~10% of this spend to lower cost settings could save hundreds of millions per year. To facilitate this, ELV is building out Paragon's existing ambulatory infusion sites in 2024 and 2025. The question is: how effective can ELV be in directing members to lower cost settings.

Source: Company filings and Bourne Partners

Addressing Labor Costs and Shortages

Three Strategies to Address Nursing Labor Shortages

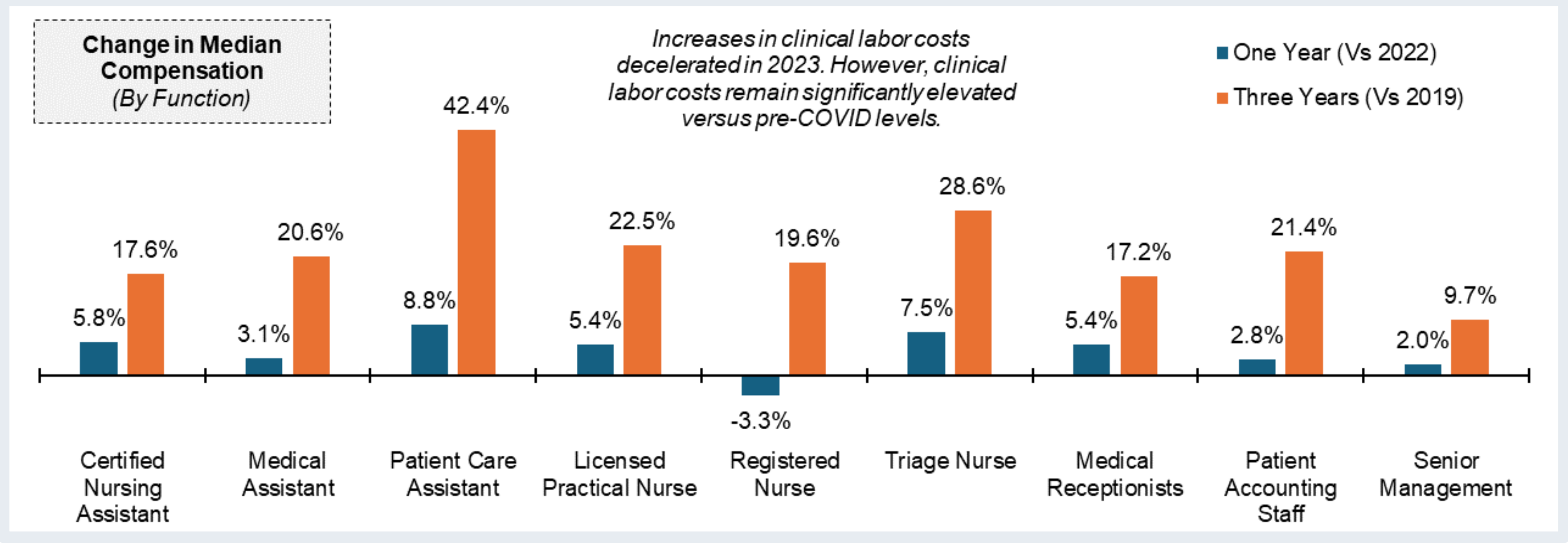
Looking ahead, **the main limiting factor to growth for a home and alternate site infusion therapy provider is *access to (and retention of) labor***.

Home and alternate site infusion therapy is a labor-intensive activity, in some cases requiring a 1-to-1 nurse-to-patient ratio. As such, much of a provider's growth prospects is a direct function of its ability to **optimize labor productivity (and minimize turnover).**

Adding to this, **infusion nurses require specialized training**, and this often results in infusion nurses commanding premium compensation -- of as much as 10%-20% -- versus a generic registered nurse.

Our vertical research suggests THREE (3) "levers" for a home and alternate site infusion provider to fully leverage and retain its existing staff.

1) Providers should invest in the latest in **artificial intelligence software and information technology** to optimize staffing and maximize patient capacity.
2) Providers should collaborate with payers to "steer" patients towards **ambulatory infusion suites** where greater economies of scale can be achieved.
3) Providers should look to **"smart" medical devices and remote monitoring technologies** to get more scale out of their nursing labor.



Source: MGMA Management and Staff Compensation Report (June 2024)

AI and Machine Learning to Optimize Labor

Providers should consider investing in the latest in artificial intelligence software and information technology to optimize limited nurse staffing resource and maximize patient capacity/throughput.

All providers of home and alternate site infusion therapy are bottlenecked, to some degree, by suboptimal use of limited nurse labor as well as by poor interoperability with third-party EHR software systems. Case studies show that the adoption and use of artificial intelligence and machine learning technologies can add 15%+ to run-rate patient volumes, reduce overtime staffing by 50%, and lower patient wait times by as much as 30%.

Today, **many providers of home and alternate site infusion therapy are still operating using manual/legacy processes** (e.g., excel spreadsheets). This is increasingly untenable in the face of double-digit patient volume growth. Adding to this, many capacity expansion plans were paused during the COVID-19 pandemic resulting in many providers still being in “catch up” mode with their expansion plans.

Front-desk staff are often pressured to accommodate patient scheduling preferences in the hope of generating positive experiences. However, in the “real world” of patient cancellations, late arrivals, and medical complications, this can lead to long wait times, frustrated nurses, and dissatisfied patients. Infusion centers can use AI/ML to anticipate patient no-shows, when hot spots are likely to occur, and where to steer add-ons within a network of infusion centers.

Snapshot of Day-to-Day Infusion Center Operations (Survey Data)

40% of infusion centers say **the biggest barrier to days running smoothly is unbalanced schedules** with too many mid-day patients

49% of infusion centers are **pursuing growth and expanding their service lines**, a shift away from pandemic restrictions

51% of **infusion centers experience overbooking** frequently, very frequently or almost always

64% of infusion centers say **staffing shortages are causing higher nurse-to-patient ratios and longer wait times**

40% of infusion centers say the biggest gap in using data for operational decision making is **data being difficult to access**

31% of infusion centers would consider using AI to improve their operations but they do not know of any tools that do so

Source: LeanTaaS (State of Cancer Centers 2023 Report)

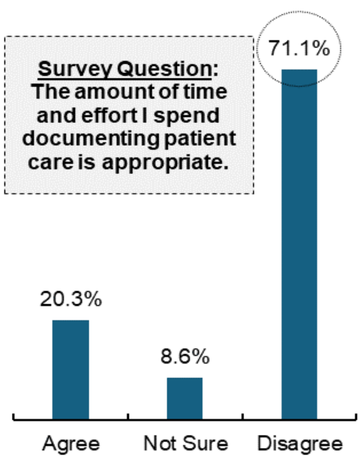
Artificial Intelligence to Increase Staff Retention

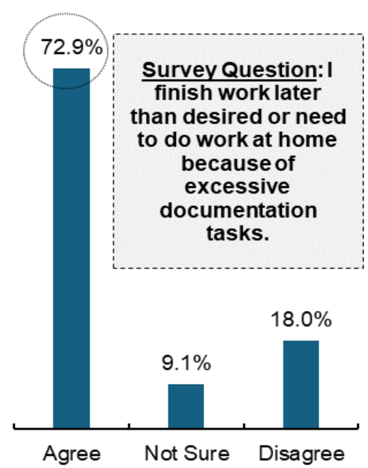
Adoption of modern artificial intelligence software can potentially improve nurse satisfaction -- and retention rates. Surveys show that a major source of nurse/clinician burnout (and turnover) is repetitive administrative workflows.

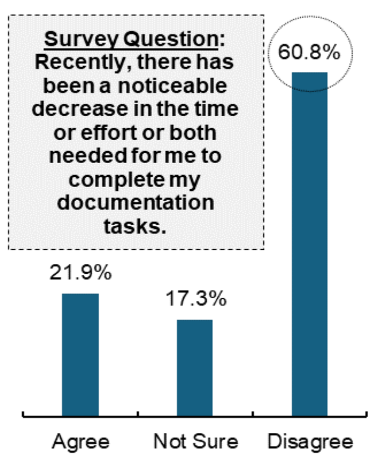
Effective digital automation requires seamless interoperability with third-party EHR software. Many providers we have spoken with have reported significant challenges with respect to accessing the clinical data, necessitating double data entry and repetitive documentation. This can undermine productivity gains from modern information technology.

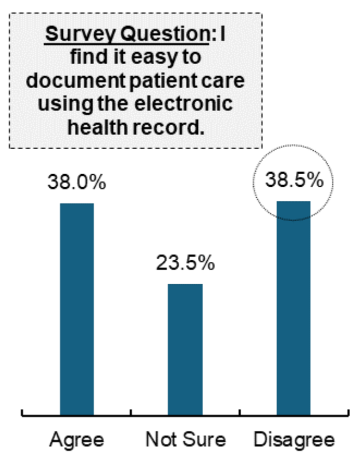
We see revenue cycle and supply chain management as particularly “ripe” for automation. Infusion drugs are relatively expensive, and they often involve more prior authorization documentation than the average script. We see the recent advances in generative AI and large language models having use cases here. Further, providers struggle with manual inventory management and vial scanning. This makes it more difficult to determine which patient received a specific unit of medication on any treatment record. In both cases, legacy processes, including manual communication and paper-based workflows, can result in treatment delays, greater room for error, and poor use of nurse time.

We think that providers should take care to build in some redundancy with their technology platforms to avoid extensive downtime from cybersecurity incidents. This was highlighted by a major cyberattack on Change Healthcare in early/mid 2024. This led to many infusion providers having to revert to manual revenue cycle workflows in patient registration, refill administration, benefit verification, and payer authorization.









Source: AMIA Survey Data (June 2024)

Labor Productivity Gains can Translate to Significant EBITDA

Financially, **modest gains in labor productivity can translate to material increases in operating profits (EBITDA)** and valuation. This is due to the **economies of scale** on the ~25%-35% of a provider's costs and expenses that are often labor and/or fixed in nature. (The largest absolute cost for a provider is the drugs themselves -- a variable cost).

Situations will vary significantly from provider to provider, but **we have seen 20% labor productivity gains, over time, through the optimized use of artificial intelligence software and information technology.** Recent studies on nurse workflow suggest that as much as 40% of a nurse's time is spent on activities that could be automated with information technology. This would include documentation, which often accounts for ~10%-20% of a nurse's workday. Also, surveys suggest that another 5%-10% of a nurse's workday consists of assessments, admissions/intakes, vitals charting, and other manual activities -- many of which can be automated. Finally, running down information on a patient medical profile can account for another ~5%-10% of a nurse's time.

In our view, **providers of infusion should maximize their "speed to value" by procuring from specialized third-party software/data vendors** -- rather than developing in-house. Current electronic health record (EHR) software vendors are helpful aggregating and organizing patient data to create reports on past/present performance. However, their software is not designed to manage the data needed to optimize labor resources and/or make predictions using probability theory or simulation algorithms. This is consistently reported by surveys on the topic.

		Productivity Gain		
Scenario Analysis	**Before**	**+10%**	**+20%**	**+30%**
Net Revenue	100.00	110.00	120.00	130.00
Gross Profit	**$25.00**	**$29.00**	**$33.00**	**$37.00**
Gross Margin	*25.0%*	*26.4%*	*27.5%*	*28.5%*
less: Fixed Overhead Expenses	(15.00)	(15.00)	(15.00)	(15.00)
Operating (EBITDA) Profit	**$10.00**	**$14.00**	**$18.00**	**$22.00**
Operating (EBITDA) Margin	*10.0%*	*12.7%*	*15.0%*	*16.9%*
x Scenario Multiple of EBITDA	13.5x	13.5x	13.5x	13.5x
= Scenario Valuation (Ent Value)	**$135.00**	**$189.00**	**$243.00**	**$297.00**

The use of artificial intelligence software can increase labor productivity, allowing for 10% to 30% higher patient census (without additional headcount).

The economies of scale of a 20% gain in labor productivity can translate to upwards of a 50% increase in EBITDA (and enterprise valuation). This assumes ~25% of direct costs are fixed (labor) and ~100% of operating expenses are fixed.

Source: McKinsey & Company (May 2023; "Reimagining the nursing workload")

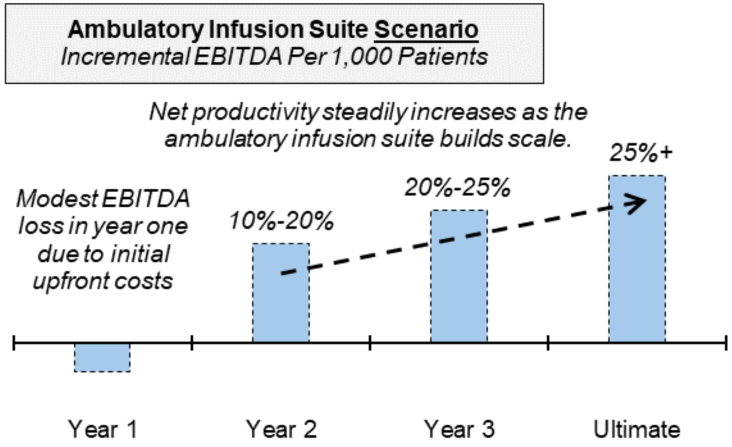
Using Ambulatory Infusion Centers to Better Scale Labor

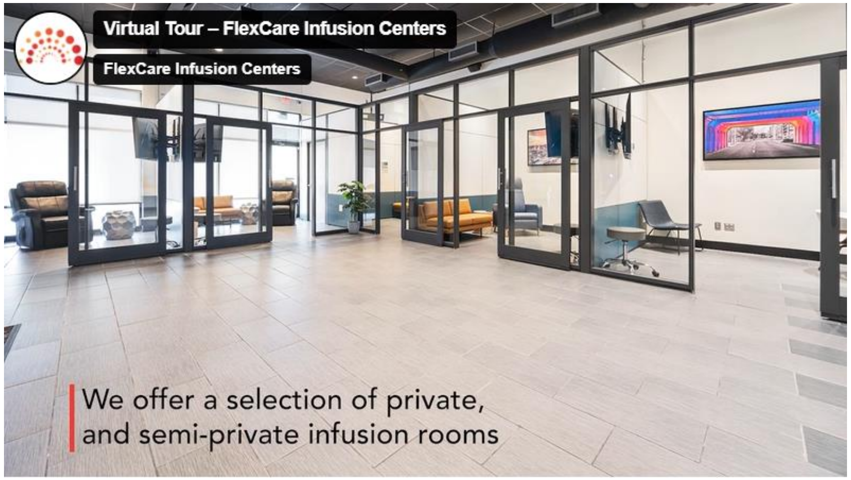
The use of ambulatory infusion centers (AICs) still appears to be in its "early innings" -- according to AIC providers we have spoken with. AIC providers should focus on educating health plans on their cost and quality advantages (vs local physician practices) and collaborate on strategies to appropriately "steer" patients towards their locations.

Ambulatory infusion centers (AICs) generate significant labor efficiencies with upwards of 20%-30% net efficiency gains within 24 months (net of the costs of running the suite -- e.g., rent, utilities, etc) and with reimbursement in line with that for home infusion. Also, these ambulatory infusion centers require only minimal capital to build -- $150k-$350k each.

Also, **providers have highlighted that offering patients the option of being treated at the home or at an AIC results in higher net promoter scores.** Successful case studies, such as FlexCare Infusion Centers, have specifically designed their AICs to be comfortable and personalized with easy parking, short wait times, and flexible schedules. In many cases, we have heard that a significant percent of patients actually prefer to receive their infusions at an AIC (vs at home).

Finally, **ambulatory infusion suites can expand the scope of therapies that a provider can address.** This includes more complex therapies and treatments for frail and elderly patients who require greater supervision. Also, it allows for providers to economically offer low-cost treatments that might not make sense for home care.





Source: FlexCare Infusion Centers, Option Care Health, and Bourne Partners

Smart Infusion Pumps and Cloud Connected Devices

In our view, **home and alternate site infusion therapy providers should look to leverage "smart" medical devices and remote monitoring technologies** to get more economies of scale out of nursing and clinical labor.

Today, **"smart" infusion pumps are standard of care for critical and acute care patients (90%+ adoption)**. These "smart" pumps include pre-programmed libraries of standardized dosing for common therapies, dose error reduction software, and guidance technologies that help guide the nurse to the optimal location to insert a vascular access device. However, we still see innovation with respect to usability, e.g., intuitive programming and interfaces for nurses (who may not be trained with technology), interoperability with electronic health record software, and analytics.

Outside of inpatient settings, **we see opportunities for infusion providers to take advantage of remote monitoring technologies.** The COVID-19 pandemic resulted in more openness and acceptance of virtual care by both physicians and patients. New cloud-connected infusion pumps allow for the extraction of therapy data via a mobile or web app, which, in turn, can be transmitted to nurses to monitor the progress of a patient's therapy. Essentially, providers can remotely view the same data they would have collected in-person and make therapy adjustments faster than before, pre-empting a hospital readmission. This can be further augmented with telehealth, allowing for real-time engagement.

Other areas of recent remote infusion therapy innovation include patient usability and geolocation. There has been focus on patient-friendly interfaces since home infusion equipment can be difficult for patients to operate, leading a patient to become nonadherent to a treatment plan. Also, many remote infusion pumps now include geolocation technology to help providers recover the almost 10% of at-home equipment that is lost each year after treatment.

Select Manufacturers

Baxter
BD
eitan medical
Halyard
Fresenius Kabi
smiths
icumedical
Harvard Apparatus
B|Braun
micrel Medical Devices
enable injections

NHIA INNOVATION 2024 AWARD WINNER

Eitan Medical

Eitan Insights®

Eitan Insights® is a cloud-based digital health software suite that captures and analyzes pump data. Insights can receive data remotely from the Avoset pump or with the Sapphire Infusion pump through Sapphire Connect®, a plug-and-play universal cellular communication accessory.

Valuation Considerations

Impressive Recent Take-Out Valuations for Quality Assets

We have seen FOUR (4) impressive acquisitions in the home and alternate site infusion space over the past 24 months -- each of which was priced in the 14x-20x EBITDA range. This is above the prior five-year average of ~13.7x.

In our view, **these elevated take-out multiples confirm the value of a national, therapeutically diverse home and alternate site infusion business model** -- e.g., the acquisitions of Infusion Associates (14x+ EBITDA), BioMatrix (15x EBITDA), and KabaFusion (20x EBITDA). Also, the acquisition of Paragon Healthcare (20x EBITDA) highlights the **strategic value of home and alternate site infusion platforms to large managed care organizations**.

Finally, more generally, **we think that the relatively strong valuations we have seen post-COVID reflect an increased 'cultural' acceptance of home and community-based care** by both physicians and patients. Patient convenience is particularly relevant for an aging population with a more limited ability to travel.

Date Announced	Acquisition Target	Acquiror	Transaction Value (TV)	EBITDA	Transaction Value / EBITDA
07/09/24	Infusion Associates	Vivo Infusion	$215	$15	14.3x
06/25/24	BioMatrix	Frazier Healthcare Partners	450	30	15.0x
06/10/24	Apex Infusion	FFL Partners	n/a	n/a	n/a
05/28/24	ContinuumRx	California Specialty Pharmacy	n/a	3	n/a
01/04/24	Paragon Healthcare	Elevance Health	1,000	50	20.0x
09/22/22	KabaFusion	Novo Holdings	1,000	57	17.5x
08/15/22	Rochester Home Infusion	Option Care Health	27	2	13.5x
02/24/22	American Outcome Management	Ridgemont Equity Partners	170	18	9.4x
08/25/21	Promptcare	Waud Capital	400	36	11.1x
09/15/20	Paragon Healthcare	Peak Rock Capital	263	25	10.5x
12/09/19	Diplomat Pharmacy	OptumRx	869	97	9.0x
03/15/19	BioScript	Option Care Health	3,682	210	17.5x
01/24/19	KabaFusion	PPC Partners	n/a	n/a	13.0x
04/19/18	Atlus Infusion	Undisclosed	n/a	n/a	9.5x

Average (Arithmetic Mean)	**13.7x**
Average (Median)	**13.5x**

Source: Axios, S&P Global Market Intelligence, and company filings (collected as of August 5, 2024).

Premium Valuations for Home and Community Healthcare

Providers of home and community-based care (e.g., home infusion) tend to trade at a premium to providers of more traditional facilities-based care due to their 1) superior growth prospects and 2) relatively "capital lite" balance sheets.

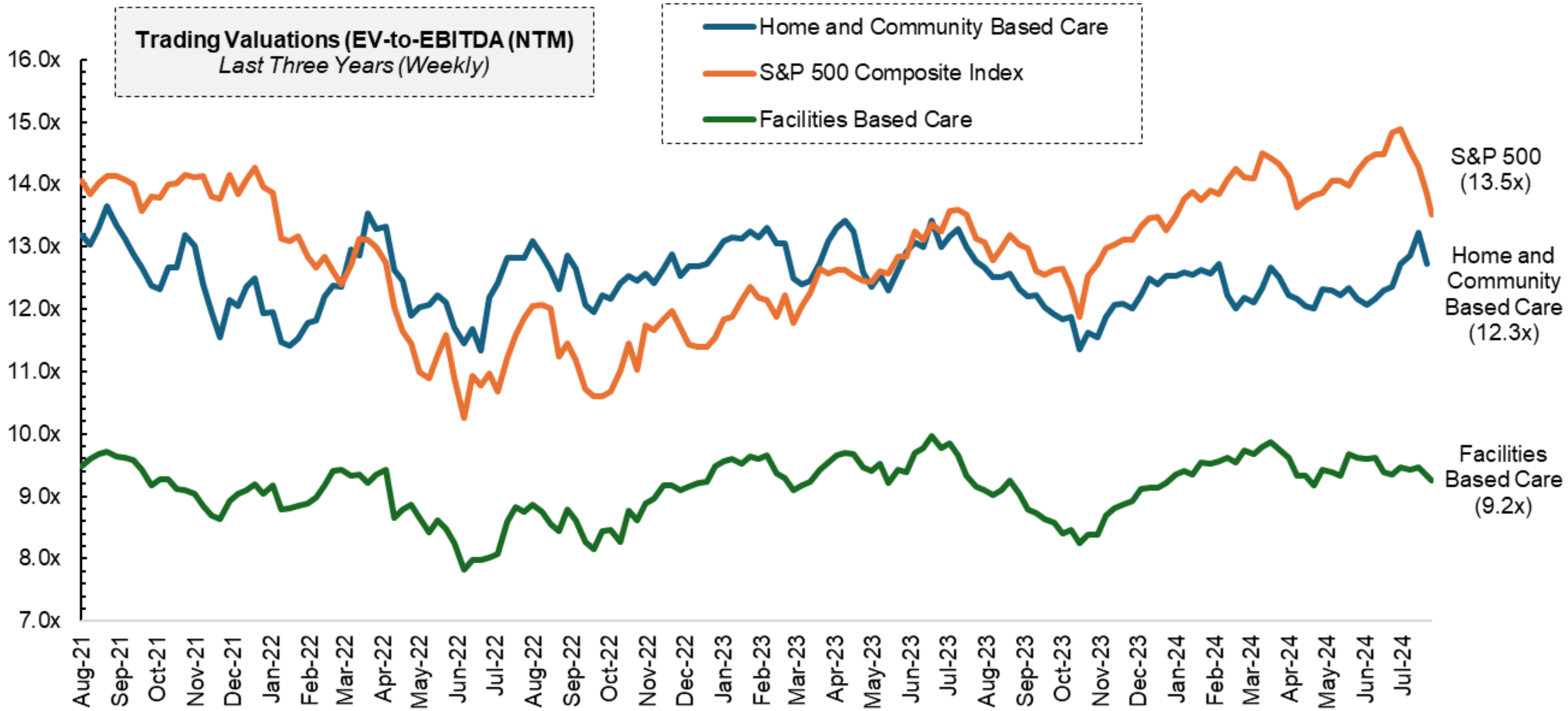
Company Name	Ticker	Enterprise Value	Projected CY2025 Revenue	Projected CY2025 Revenue Growth	Projected CY2025 EBITDA	Projected CY2025 EBITDA Growth	Projected CY2025 EBITDA Multiple	Debt Ratio
Home and Community Based Care								
Addus HomeCare Corporation	ADUS	$2,092	$1,207	5.1%	$143	6.1%	14.7x	-0.9x
Amedisys, Inc.	AMED	3,533	2,514	6.8%	276	7.2%	12.8x	1.2x
Aveanna Healthcare Holdings Inc.	AVAH	2,184	2,074	4.8%	165	8.8%	13.2x	8.9x
BrightSpring Health Services, Inc.	BTSG	4,833	11,638	8.3%	618	7.1%	7.8x	4.7x
Encompass Health Corporation	EHC	11,316	5,779	8.9%	1,152	8.8%	9.8x	2.4x
The Ensign Group, Inc.	ENSG	9,490	4,612	9.6%	528	10.8%	18.0x	2.8x
Option Care Health, Inc.	OPCH	5,984	5,225	8.3%	494	11.3%	12.1x	1.7x
The Pennant Group, Inc.	PNTG	1,221	683	7.9%	56	13.6%	21.8x	6.1x
Select Medical Holdings Corporation	SEM	9,137	7,313	4.2%	934	7.0%	9.8x	5.2x
U.S. Physical Therapy, Inc.	USPH	1,496	681	5.3%	90	6.7%	16.6x	1.3x
Average (Mean)				**6.9%**		**8.7%**	**13.7x**	**3.3x**
Average (Median)				**7.3%**		**8.0%**	**13.0x**	**2.6x**
Facilities Based Care								
Acadia Healthcare Company, Inc.	ACHC	$8,521	$3,533	10.2%	$826	10.4%	10.3x	2.3x
Brookdale Senior Living Inc.	BKD	5,834	3,301	5.1%	422	8.9%	13.8x	10.5x
Community Health Systems, Inc.	CYH	12,806	13,097	4.1%	1,652	6.1%	7.8x	7.4x
DaVita Inc.	DVA	23,689	13,214	4.2%	2,730	3.7%	8.7x	4.2x
HCA Healthcare, Inc.	HCA	133,826	74,626	5.5%	14,670	5.3%	9.1x	2.9x
Pediatrix Medical Group, Inc.	MD	1,302	2,059	0.8%	212	3.8%	6.2x	2.7x
RadNet, Inc.	RDNT	5,410	1,890	9.0%	305	10.9%	17.8x	3.3x
Surgery Partners, Inc.	SGRY	6,838	3,345	9.3%	572	12.5%	12.0x	5.3x
Tenet Healthcare Corporation	THC	24,115	21,697	4.0%	4,027	2.9%	6.0x	2.5x
Universal Health Services, Inc.	UHS	19,134	16,576	5.7%	2,324	5.2%	8.2x	2.1x
Average (Mean)				**5.8%**		**7.0%**	**10.0x**	**4.3x**
Average (Median)				**5.3%**		**5.7%**	**8.9x**	**3.1x**

Source: S&P Global Market Intelligence (as of August 5, 2024).

Consistent Premium Valuations Over Time

Providers of home and community-based care (including home and alternate site infusion), as a group, have traded consistently in the 11x-15x range (currently: 13.2x), on an EV-to-NTM EBITDA basis. This is roughly in line with the broader S&P 500 trading averages. We attribute the recent relative outperformance by the S&P 500 in 2024 to a small group of stocks exposed to artificial intelligence -- e.g., Microsoft, Apple, Nvidia, Alphabet and Amazon.com.

Of note, **home and community-based stocks have consistently traded at a 35%+ premium** to more traditional facilities-based care providers. In our opinion, this reflects superior growth expectations as well as the "capital light" nature of home and community business models in a higher interest rate environment.



Note: A breakdown of each of the indices above is outlined on Slide 37.
Source: S&P Global Market Intelligence (as of August 5, 2024).

Appendix 1

Company Snapshots

Infusion Services Landscape

Blue *= Home*
Purple *= Suites / Facilities*

Access Infusion Care / New Harbor Capital

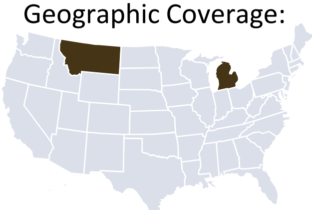
Company Description(1)

Specialty pharmacy and infusion services provider for patients in the home and suite settings. Dedicated to primarily to rural communities. Formed via the acquisition of AIC North and JLS Infusion Nurse Staffing Services

Key Statistics:

Investment Date: January 2024
Headquarters: Gaylord, Michigan
Sub-Sector: Infusion Services
# of Locations: 2
# of Employees: 50

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ 503A Compounding Pharmacy
- ✓ Specialty Pharmacy
- ✓ Nurse Staffing

AIS HealthCare / Excellere Partners, Vistria

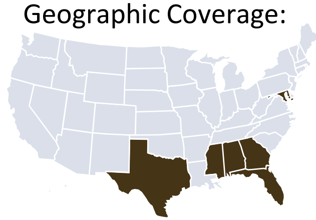
Company Description(1)

Provider of patient-specific, specialized home infusion services and medications for the treatment of chronic pain conditions via intrathecal drug delivery
$80-100M '24E EBITDA

Key Statistics(2):

Investment Date: April 2013
Headquarters: Dallas, TX
Sub-Sector: Infusion Services
# of Locations: 8
# of Employees: 215+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ 503A Compounding Pharmacy
- ✓ Specialty Pharmacy

aleracare / Hildred

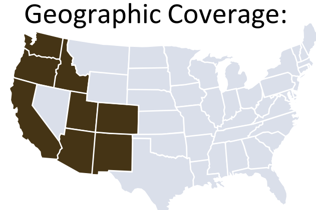
Company Description(1)

Provider of infusion and pharmacy services for high-need and medically complex populations. Core lines of business include home and suite- based infusion, specialty pharmacy, and compounding pharmacy

Key Statistics(2):

Investment Date: May 2023
Headquarters: Phoenix, AZ
Sub-Sector: Infusion Services
# of Locations: 35
# of Employees: 60+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Specialty Pharmacy
- ✓ Compounding Pharmacy

Altus Biologics / Waud Capital

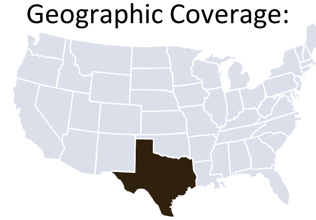
Company Description(1)

Provides in-office infusion therapy services, contracting, clinical care, billing, revenue cycle management, accounts receivable follow-up, reimbursement, and staffing services

Key Statistics(1):

Investment Date: April 2018
Headquarters: Pearland, TX
Sub-Sector: Infusion Services
# of Locations: 1
# of Employees: 123

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Biologic Therapies
- ✓ Neuromuscular Diagnoses
- ✓ Rheumatology Treatments
- ✓ Respiratory Treatments

American Outcomes Management / Ridgemont Equity Partners

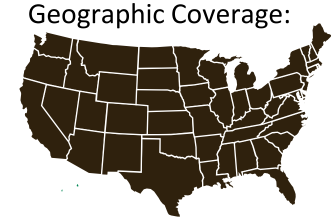
Company Description(1)

Provides home-based intravenous immunoglobulin (IVIG) therapy; also offers support services, including pharmacy services, referral management, insurance verification and patient education and training

Key Statistics(2):

Investment Date: February 2022
Headquarters: Forth Worth, TX
Sub-Sector: Infusion Services
# of Locations: All 50 States
# of Employees: 67+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Therapy
- ✓ Pharmacy Services
- ✓ Referral Management
- ✓ Skilled Infusion Nursing Care
- ✓ Patient Education & Training

(1) $250mm IG revenue; Intrathecal Pumps vs. IG Gross Profit – 60% and 40%
(2) Key statistics as of 2023, unless otherwise stated, and sourced from company websites or public articles.
(3) Locations not publicly available; reflects all states where AOM provides home infusion services (all 50 States)

Infusion Services Landscape (Cont’d)

Blue *= Home*
Purple *= Suites / Facilities*

APEX Infusion Pharmacy / FFL Partners

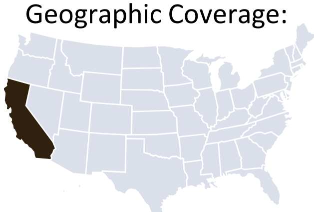
Company Description[1]

Specialty infusion pharmacy with national distribution platform focused on managed care, with its own standalone infusion suite. CSP also offers compounding therapies

Key Statistics[1]:

Investment Date: June 2022
Headquarters: Whittier, CA
Sub-Sector: Infusion Services
# of Locations: Not Disclosed
# of Employees: 30+

Geographic Coverage:



Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Specialty Compounding Pharmacies
- ✓ Infusion Suite (adjacent to pharmacy)

Beacon Infusion Healthcare Services

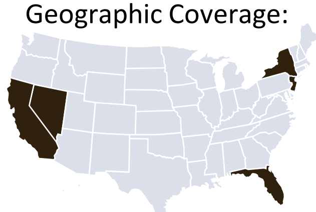
Company Description[1]

Provides suites-based infusion services in conjunction with prescribers and offers comprehensive follow-through programs to ensure compliance

Key Statistics[2]:

Investment Date: Private
Headquarters: Oceanport, NJ
Sub-Sector: Infusion Services
# of Locations: 16
# of Employees: 50

Geographic Coverage:



Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Benefits Investigation
- ✓ Care Coordination
- ✓ Injection Services

BHI Basic Home Infusion / Bain Capital Double Impact

Company Description[1]

Focused solely on intrathecal therapies, BHI provides safe and effective infusion for implanted pump patients in multiple care settings, including at home and alternate sites of care

Key Statistics[1]:

Investment Date: January 2022
Headquarters: Wayne, NJ
Sub-Sector: Infusion Services
# of Locations: Not Disclosed
# of Employees: 60+

Geographic Coverage:

Company locations

Focus Area:

- ✓ Home Infusion
- ✓ Infusion Pharmacy
- ✓ 503A Compounding Pharmacy

BioMatrix / Frazier Healthcare Partners

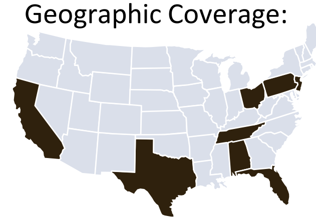
Company Description[1]

Provides specialty pharmacy services and digital health technology solutions for a range of chronic health condition

Key Statistics[1]:

Investment Date: November 2016
Headquarters: Plantation, FL
Sub-Sector: Infusion Services
# of Locations: 8
# of Employees: 200+

Geographic Coverage:



Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Specialty Pharmacy
- ✓ Managed Care Programs
- ✓ Nursing Services

California Specialty Pharmacy / Assured Healthcare Partners

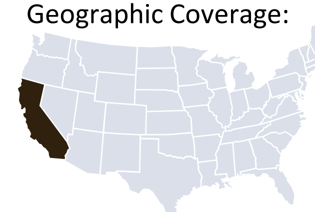
Company Description[1]

Provides care to patients in the home and non-hospital setting. Offerings include intravenous immunoglobulin, specialty infusion, total parenteral nutrition, and other therapeutic services

Key Statistics:

Investment Date: June 2024
Headquarters: Signal Hill, CA
Sub-Sector: Infusion Services
# of Locations: 11
# of Employees: 50+

Geographic Coverage:



Company locations

Focus Area:

- ✓ Home Infusion
- ✓ Infusion Services
- ✓ Specialty Pharmacy

(1) Key statistics as of 2023, unless otherwise stated, and sourced from company websites or public articles.

Infusion Services Landscape (Cont'd)

Blue *= Home*
Purple *= Suites / Facilities*

CENTER FOR PAIN MANAGEMENT / American Discovery Capital

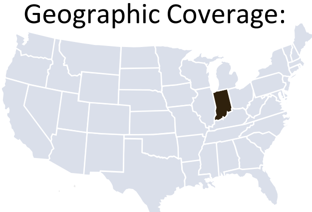
Company Description[1]

Provides tailored pain management services intended to treat chronic and acute pain conditions

Key Statistics[1]:

Investment Date: February 2018
Headquarters: Indianapolis, IN
Sub-Sector: Infusion Services
# of Locations: 9
# of Employees: 130+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Specialty Infusion Services
- ✓ Nerve Stimulation
- ✓ Pain Medication Management
- ✓ Platelet-Rich Plasma Therapy

CMS Clinical Medical Services, Inc. / NAUTIC

Company Description[1]

Provider of fully integrated home health care delivery including durable medical equipment, respiratory equipment, home health, orthotics, prosthetics and home infusion Services

Key Statistics[1]:

Investment Date: NA
Headquarters: Carolina, PR
Sub-Sector: Infusion Services
# of Locations: 3
# of Employees: 83+

Geographic Coverage:

■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ DME and Respiratory Service
- ✓ Home Health Services
- ✓ Orthotic and Prosthetic Services

DynamicAccess / RiverGlade Capital

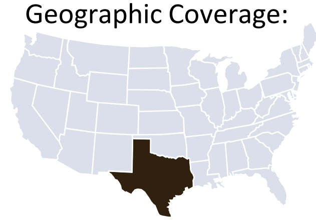
Company Description[1]

Provider of vascular access insertion services, offers PICC ongoing education for staff, an online database for timely reporting, and vascular access

Key Statistics[1]:

Investment Date: February 2021
Headquarters: Plano, TX
Sub-Sector: Infusion Services
# of Locations: 1
# of Employees: 64+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Vascular Access Insertion

FlexCare Infusion Centers / RC Capital

Company Description[1]

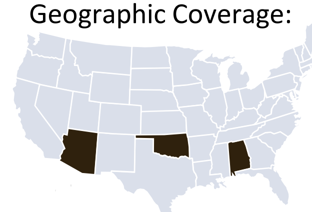
Administers a number of different infusion treatments and medications for their clients who require more serious treatments to battle autoimmune diseases

~$175M Rev. / EBITDA breakeven

Key Statistics[1]:

Investment Date: August 2021
Headquarters: Oklahoma City, OK
Sub-Sector: Infusion Services
# of Locations: 28
# of Employees: 15

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Ambulatory Infusion

Healix / TA Associates

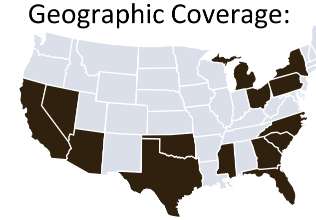
Company Description[1]

Provides physician office-based infusion services, as well as managed care programs, drug purchasing, revenue cycle management, and clinical staffing services

Key Statistics[1]:

Investment Date: December 2017
Headquarters: Sugar Land, TX
Sub-Sector: Infusion Services
# of Locations: 300+
# of Employees: 300+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Managed Care Programs
- ✓ Drug Purchasing
- ✓ Revenue Cycle Management

(1) Key statistics as of 2023, unless otherwise stated, and sourced from company websites or public articles.

Infusion Services Landscape (Cont'd)

Blue = *Home*
Purple = *Suites / Facilities*

Horizon Infusions / BroadOak

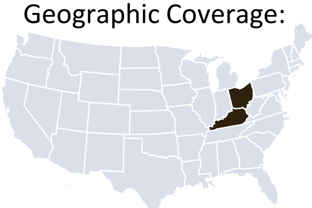
Company Description[1]

Owns and operates ambulatory infusion centers. Horizon was formed to address the current lack of sufficient high-quality infrastructure in the fast-growing ambulatory infusion services market

Key Statistics[1]:

Investment Date: November 2019
Headquarters: Bethesda, MD
Sub-Sector: Infusion Services
# of Locations: 17
# of Employees: 50+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Ambulatory Infusion

InfuCare Rx / One Equity Partners

Company Description[1]

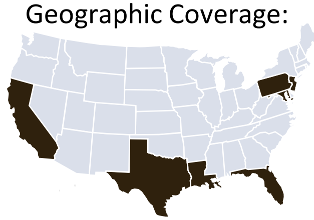
Data-driven specialty infusion therapy provider focused on treating patients with chronic conditions who require clinical management services

$45M EBITDA

Key Statistics[1]:

Investment Date: January 2022
Headquarters: Fairfield, NJ
Sub-Sector: Infusion Services
# of Locations: 8
# of Employees: 80+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Specialty Infusions
- ✓ IV Vitamin Therapy

Infusion for Health / Oak HC/FT

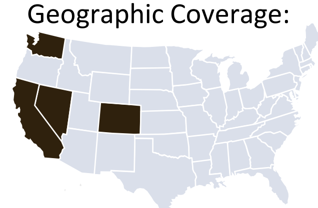
Company Description[1]

Provides high-end and personalized suites-based infusion services to adult and pediatric populations in the western united states. Expanded outside of CA in 2020 and continuing to grow footprint

Key Statistics[1]:

Investment Date: November 2021
Headquarters: Brea, CA
Sub-Sector: Infusion Services
# of Locations: 25
# of Employees: 60

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Suites
- ✓ Chronic Conditions

Integrated Homecare Services / Nautic

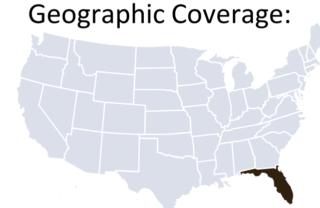
Company Description[1]

With over 1.6M managed lives, Integrated Homecare Services (UHCS) focuses on in-home care and offers capitated and integrated care model enables health plans to operate more effectively

Key Statistics[1]:

Investment Date: October 2018
Headquarters: Miramar, FL
Sub-Sector: Infusion Services
# of Locations: 5
# of Employees: 200+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Durable Medical Equipment
- ✓ Home Health

IV Infusion Treatment Center

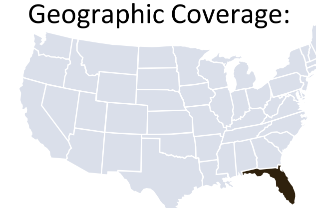
Company Description[1]

Provider of specialty infusions and IV vitamin therapy to treat several medical conditions and diseases

Key Statistics[1]:

Investment Date: Private
Headquarters: Coral Springs, FL
Sub-Sector: Infusion Services
# of Locations: 7
# of Employees: NA

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Specialty Infusions
- ✓ IV Vitamin Therapy

(1) Key statistics as of 2023, unless otherwise stated, and sourced from company websites or public articles.

Infusion Services Landscape (Cont'd)

Blue *= Home*
Purple *= Suites / Facilities*

IVX Health / Linden

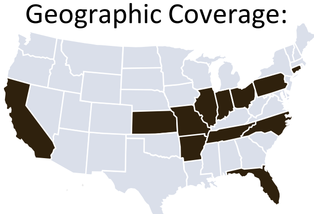
Company Description[1]

Provides infusion and injection therapy to those with complex and chronic conditions in a large, private suite setting

Key Statistics[1]:

Investment Date: September 2021
Headquarters: Nashville, TN
Sub-Sector: Infusion Services
# of Locations: 70+
# of Employees: 100+

Geographic Coverage:



Focus Area:

- ✓ Infusion Services
- ✓ Biologics
- ✓ Pediatrics

KabaFusion / Novo Holdings

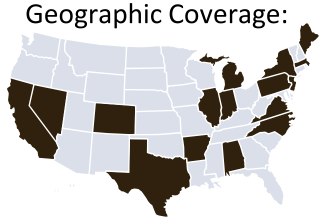
Company Description[1]

National provider focused on acute chronic and enteral home infusion therapies licensed to serve patients in 44 states through a network of home infusion pharmacies and home health agencies

Key Statistics[1]:

Investment Date: November 2022
Headquarters: Cerritos, CA[2]
Sub-Sector: Infusion Services
# of Locations: 28
# of Employees: 200+

Geographic Coverage:



Focus Area:

- ✓ Infusion Services
- ✓ Neuromuscular Disorders
- ✓ Primary Immunodeficiency
- ✓ IV Antibiotics
- ✓ Nutritional Therapy

Medix Infusion / NMP (Noro-Moseley Partners)

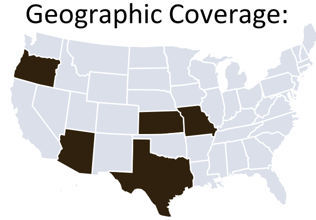
Company Description[1]

Provider of ambulatory, home infusion therapy, and infusion pharmacy services to chronic and acutely ill patients within rural, suburban, and other under-served markets

Key Statistics[1]:

Investment Date: March 2020
Headquarters: Arlington, TX
Sub-Sector: Infusion Services
# of Locations: 30+
# of Employees: 56+

Geographic Coverage:



Focus Area:

- ✓ Infusion Services
- ✓ Specialty Pharmacy
- ✓ Anti-infectives
- ✓ Biologics
- ✓ IVIG Therapy

MIC Metro Infusion Center

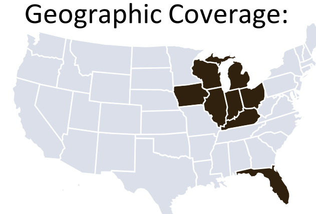
Company Description[1]

Provides affordable in-suite infusion care with comprehensive insurance support to expedite authorizations and reduce out-of-pocket expenses

Key Statistics[1]:

Investment Date: Private
Headquarters: New York, NY
Sub-Sector: Infusion Services
# of Locations: 20
# of Employees: 200

Geographic Coverage:



Focus Area:

- ✓ Infusion Services
- ✓ Insurance Assistance
- ✓ Biologics
- ✓ Chemotherapy
- ✓ Immunotherapy

Nutrishare / Balance Point Capital Partners

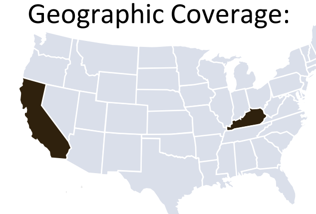
Company Description[1]

Specialists in Home Parenteral Nutrition (HPN), and is the only nationwide HPN pharmacy that specializes exclusively in HPN therapy

Key Statistics[1]:

Investment Date: September 2021
Headquarters: Elk Grove, CA
Sub-Sector: Infusion Services
# of Locations: 2
# of Employees: 25+

Geographic Coverage:



Focus Area:

- ✓ Infusion Services
- ✓ Specialty Pharma

(1) Key statistics as of 2023, unless otherwise stated, and sourced from company websites or public articles.

Infusion Services Landscape (Cont'd)

Blue *= Home*
Purple *= Suites / Facilities*

OI Infusion Services / The Cambria Group

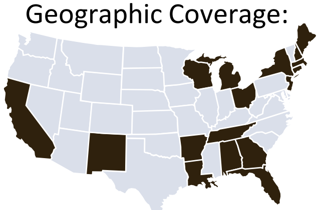
Company Description[1]

Provides managed in-office infusion center and handles everything from staffing and nursing oversight, to pre-authorizations and revenue cycle management

Key Statistics[1]:

Investment Date: NA
Headquarters: Portsmouth, NH
Sub-Sector: Infusion Services
# of Locations: 33
# of Employees: 34+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services

OptiMed Health Partners

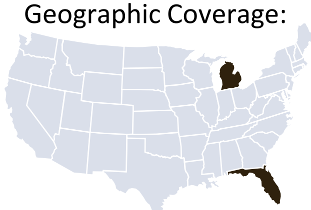
Company Description[1]

Provides national infusion services from administration, coordination and managing complex conditions

Key Statistics[1]:

Investment Date: Privately Held
Headquarters: Kalamazoo, MI
Sub-Sector: Infusion Services
# of Locations: 2
# of Employees: NA

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Specialty Pharmacy

Caso Home Care, Inc. – Specialty Infusion Services

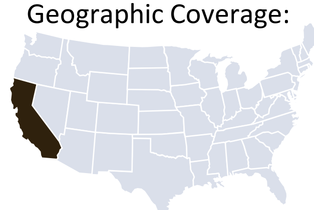
Company Description[1]

Provides specialty pharmacy services, infusion pharmacy services and nursing services. Also offers home health services

Key Statistics[1]:

Investment Date: Privately Held
Headquarters: Irvine, CA
Sub-Sector: Infusion Services
# of Locations: 3
# of Employees: 101

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services Specialty Pharma Home Health

Palmetto Infusion / AccuRx / Carousel Capital

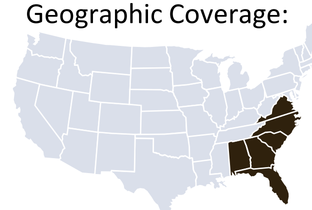
Company Description[1]

Provides comprehensive ambulatory and home-based infusion services to both acute and chronically ill patients

Key Statistics[1]:

Investment Date: April 2019
Headquarters: Pawleys Island, SC
Sub-Sector: Infusion Services
# of Locations: 38
# of Employees: 200+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Counselling
- ✓ Treatment Education
- ✓ Ambulatory Infusion
- ✓ Home Infusion

Paragon Healthcare / Elevance Health

Acquired by Elevance Health in January 2024

Company Description[1]

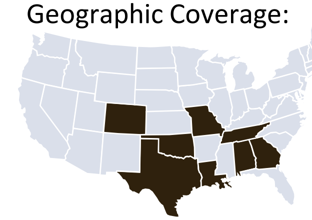
Focuses on infusible and injectable pharmacy services in an alternate-site setting, offering patient care as well as services to insurers and health care providers

~$1.0B Rev. / $50-60M EBITDA

Key Statistics[1]:

Investment Date: January 2024
Headquarters: Dallas, TX
Sub-Sector: Infusion Services
# of Locations: 21
# of Employees: 350+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Hemophilia
- ✓ Specialty Drug Therapies
- ✓ Suites and Office Management

(1) Key statistics as of 2023, unless otherwise stated, and sourced from company websites or public articles.

Infusion Services Landscape (Cont'd)

Blue = *Home*
Purple = *Suites / Facilities*

pediatric home service / InTandem Capital Partners

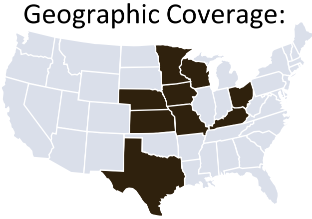
Company Description[1]

Provider of in-home pediatric health care services, offers infusion nursing and pharmacy, respiratory therapy and equipment and enteral nutrition

Key Statistics[1]:

Investment Date: January 2019
Headquarters: Roseville, MN
Sub-Sector: Infusion Services
# of Locations: 24
# of Employees: 426+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Specialty Pharmacy
- ✓ Respiratory Therapy
- ✓ Enteral Nutrition

pentec Health / Wellspring Capital Management LLC

Company Description[1]

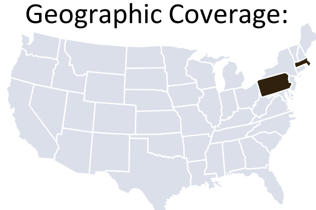
Offers patient-specific compounded sterile medications, in-home specialty infusion services and complex pharmaceutical products

~$60M EBITDA

Key Statistics[1]:

Investment Date: October 2021
Headquarters: Glen Mills, PA
Sub-Sector: Infusion Services
# of Locations: 3
# of Employees: 364

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Targeted Drug Delivery
- ✓ Renal Nutrition Services
- ✓ Medical Foods
- ✓ At-home Care

promptcare / Waud Capital

Company Description[1]

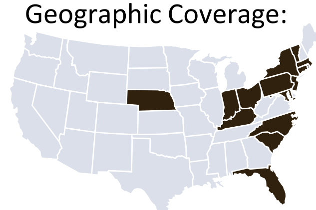
Provider of specialty infusion and complex respiratory services and products. Focuses on both pediatric and adult patient populations in need of complex care

~$60M '23E EBITDA

Key Statistics[1]:

Investment Date: June 2021
Headquarters: New Providence, NJ
Sub-Sector: Infusion Services
# of Locations: 28
# of Employees: 270+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Specialty Pharmacy
- ✓ Respiratory
- ✓ Home Health and Nutrition

PURE Infusion Suites / BUILD Capital Partners

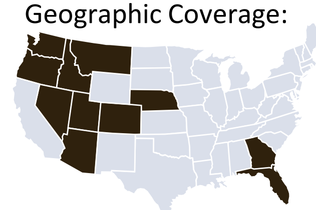
Company Description[1]

Provider of infusion and injection therapy for patients with complex chronic conditions

Key Statistics[1]:

Investment Date: October 2019
Headquarters: Salt Lake City, UT
Sub-Sector: Infusion Services
# of Locations: 38
# of Employees: 13+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Ambulatory Centers

SOLEO Health / H.I.G. Capital

Company Description[1]

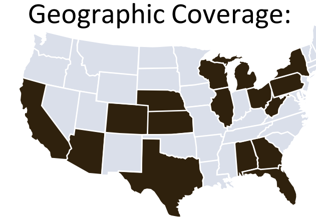
Provides complex specialty pharmacy and infusion services, administered in the home or at alternative sites of care

~$40M EBITDA

Key Statistics[1]:

Investment Date: November 2020
Headquarters: Frisco, TX
Sub-Sector: Infusion Services
# of Locations: 22
# of Employees: 250+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Specialty Pharmacy

(1) Key statistics as of 2023, unless otherwise stated, and sourced from company websites or public articles.

Infusion Services Landscape (Cont'd)

Blue = *Home*
Purple = *Suites / Facilities*

Superior Biologics / CIT

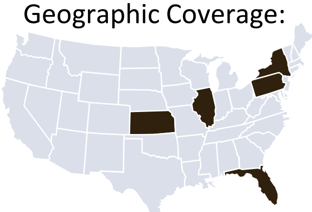
Company Description[1]

Provider of specialty pharmacy and home infusion therapy services to patients suffering from a wide variety of chronic diseases. Specializes in IVIG and Factor for hemophilic patients

Key Statistics[1]:

Investment Date: December 2022
Headquarters: Sharon Hill, PA
Sub-Sector: Infusion Services
# of Locations: 7
# of Employees: 37

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Home Infusion Therapy
- ✓ Specialty Pharmacy
- ✓ Workflow IT Platform
- ✓ Biologics

TwelveStone Health Partners / Heritage Group

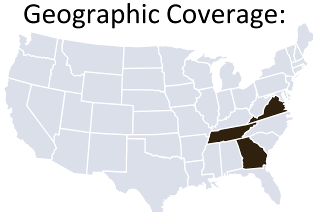
Company Description[1]

Operates an infusion pharmacy and is a premier provider of comprehensive chronic care medication services

Key Statistics[1]:

Investment Date: July 2022
Headquarters: Murfeesboro, TN
Sub-Sector: Infusion Services
# of Locations: 12
# of Employees: 65+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Nutrition Therapy
- ✓ Infusion Centers
- ✓ Home Infusion

Vitalcare Infusion Services / Linden

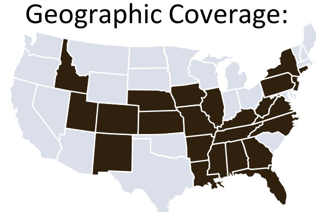
Company Description[1]

Provider of infusion therapy services that offer an alternative to extended hospital care – administered at home or other sites of care

Key Statistics[1]:

Investment Date: October 2020
Headquarters: Brentwood, TN
Sub-Sector: Infusion Services
# of Locations: 70+
# of Employees: 150+

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Services
- ✓ Home Infusion
- ✓ Alternate Site Infusion

Vivo Infusion / InTandem Capital Partners

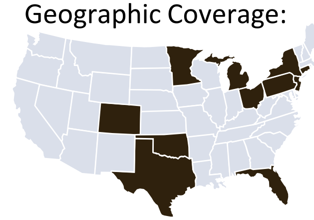
Company Description[1]

Provider of accessible/affordable ambulatory infusion services. Created as a combination of MPI Infusion and ID Consultants during a recap by InTandem in March 2022. Acquired Infusion Associates from Boyne Capital

Key Statistics[1]:

Investment Date: March 2022
Headquarters: Denver, CO
Sub-Sector: Infusion Services
# of Locations: 60+
# of Employees: N/A

Geographic Coverage:



■ Company locations

Focus Area:

- ✓ Infusion Therapy Services
- ✓ Clinical Research
- ✓ Alternate Site Infusion Services

(1) Key statistics as of 2023, unless otherwise stated, and sourced from company websites or public articles.

Appendix 2

Bourne Partners Overview

Bourne Partners Overview

Our Service Offering

For over twenty years, Bourne Partners has focused exclusively on providing investment banking advisory services and making direct investments in the Pharmaceutical, Pharma Services, Pharmacy Services, and Consumer Health and Wellness industries. Since 2015, we have successfully executed on **over $10B** in transactions, having worked with many leading companies and private equity investors in these core focus areas.

Value Beyond the Deal

Total Perspective
Experience advising, investing in, building, operating, buying, and selling companies
Unmatched 360^{o} perspective for every project

Uncompromised Service
Direct involvement of senior management throughout process
High level of attention regardless of transaction value

Global Reach
Experience working with companies around the globe
Extensive network of potential international buyers

Investment Banking

Mergers and Acquisitions
Sell-side and buy-side assignments
Transaction Experience: $10M - $3.5B

Capital Sourcing
Debt / Equity / Hybrid
$10 - $500 million raises

Business Development Support
Development stage and approved products
Local and international

Geographic Coverage

Sector Expertise

Pharma & Life Sciences | Pharma Services | Healthcare Services | Consumer Health

Bourne's Leadership in Pharmacy and Infusion Therapy

Proven Expertise

Over recent years, Bourne has successfully completed numerous key transactions, solidifying its position as a leading M&A advisor in the sector.

Relevant Blinded Engagements

Project Pacer
Largest hospital focused liquids player in the US.
Sell-Side Advisory

Project Nirvana
Operator of California-based sterile 503B outsourcing facility.
Sell-Side Advisory

Project Alchemy
Major 503A player focused on dermatology, mitochondrial diseases, and hair loss.
Sell-Side Advisory

Bourne's Value Add

- Unmatched industry expertise and strong relationships with counterparties
- Expert-level attention from senior bankers throughout the process
- Bespoke process strategy and comprehensive outcome evaluation
- Negotiating favorable deal terms and economics on a swift timeline

Representative Completed Transactions

LINCARE A Linde company	H.I.G. CAPITAL	bioscrip Infusion Services	MedQuest Pharmacy	MEDIVANT HEALTHCARE	American Injectables
has sold its infusion assets to	recapitalization and fund-to-fund transfer of	advised Board of Directors on Strategic Alternatives	has been acquired by	has received growth equity from	has received growth equity from
KabaFusion Patient Focused Infusion Therapy	SOLEO HEALTH Innovators in Specialty Infusion		Belmar Pharma Solutions	1315 Capital Healthcare for Life	New Rhein Healthcare Investors
Sell-Side M&A Advisory	Sell-Side M&A Advisory	Strategic Advisory	Sell-Side M&A Advisory	Capital Raise Advisory	Capital Raise Advisory

Note: Includes transactions completed at prior firms

The Bourne Team

Senior Leadership

Banks Bourne
Founder & CEO

Jeremy Johnson
Senior Managing Director

Aaron Olson
Managing Director

Xan Smith
Managing Director

Todd Bokus
Director

Robert Stanley
Director

Strategic Advisory & Administration

Matt Bullard
Strategic Advisor

Scott Emerson
Strategic Advisor

Bruce Montgomery
Strategic Advisor

Paul Campanelli
Strategic Advisor

Martin Zentgraf
Strategic Advisor

Minor Hinson
CIO, BPSC

Chris Inklebarger
Chief Operating Officer

Calli Lewis
Chief of Staff

Support Team

Vice Presidents




Associates



Analysts





- **Deep Industry Expertise**
- **Excellent M&A Execution**
- **Thorough Sponsor Coverage**
- **Broad Senior Support**
- **Detailed Thought Leadership**

Thought Leadership

Bourne Perspective

After 20+ years of exclusive industry and capital markets coverage, we know the space and we are committed to providing actionable insights to our clients. We provide cutting-edge thought leadership on all things Pharma, Pharma Services, and Consumer Health.

Through leveraging resources and insights of both Bourne Partners Strategic Capital and Investment Banking divisions, **we provide differentiated perspectives to our clients from our unique vantage point**. Our goal is to deliver heavy-hitting, timely reports in an easy-to-read format tailored specifically for executives within our industry coverage.

Deal Profiles

Market Conference Commentary

Industry Update Posts

Weekly Newsletter

Market Reports

Expert Interviews

Sector Updates

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