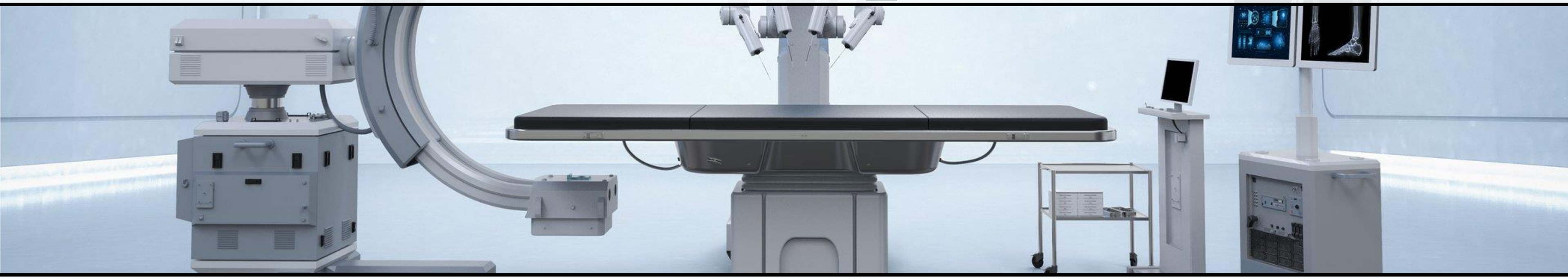
Medical Equipment Repair & Refurbishment

Sector Overview



Summer 2025

About Our Firm

Areas of Expertise and Coverage

1 Mergers & Acquisitions

2 Recapitalizations & Growth Capital

3 Debt Raises

4 Strategic & Shareholder Advisory

Medical Equipment	Pharma Services	Provider Services	Post-Acute Care	Behavioral Health
• ***Repair & Refurbishment***	• Commercialization	• ASC & Surgical Facilities	• Home Health	• Autism Services
• Durable Medical Equipment (DME)	• Clinical Research Sites	• Multi-Specialty PPM	• Hospice & Palliative Care	• I/DD Services & Support
• Medical Supplies	• Infusion Therapy	• Primary Care	• Physical Therapy	• Substance Use Disorder
	• Specialty Pharmacy	• Single Specialty PPM	• Senior Living	• Mental Health

Key Statistics

27	Years of Healthcare Services M&A Experience
250+	Total Healthcare Deals Closed
15+	Landmark Closed Deals per Year
30	Healthcare-focused Banking Professionals
$10B+	Total Enterprise Value Created

Medical Equipment Repair & Refurbishment Coverage Team

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Select Transaction Experience

Select Medical Equipment, Imaging, and Outsourced Services Transactions

Project Vision
Diabetic Supplies
Medical Equipment Distributor

Project 34
Specialty Medical Equipment Rentals
Specialty Medical Equipment Rentals

ACENTUS
Has been acquired by
HENRY SCHEIN®
Medical Equipment Distributor

QUEST HEALTH SOLUTIONS
Received a strategic growth investment from
Sumitomo Corporation of Americas
Medical Equipment Distributor

CORLIFE LLC
Has been acquired by
numotion
Care Coordination & Medical Equipment

MEDICAL WEST
Has been acquired by
LINCARE A Linde company
Medical Equipment Distributor

Gericare Providers, Inc.
Has been acquired by
MPTotalCare "My partner for a better life."
Medical Equipment Distributor

PRO2 Respiratory Services
has been acquired by
PromptCare Companies
a portfolio company of
MID MARK CAPITAL
Medical Equipment Distributor

SUNSHINE RADIOLOGY, LLC
has been recapitalized by
Envision HEALTHCARE
Radiology Imaging Provider

intelemage®
has been acquired by
medidata
Radiology Imaging Provider

DIAGNA RADIOLOGY
has been acquired by
VIRTUAL RADIOLOGIC
Radiology Imaging Provider

IgX IGeneX Inc.
has received a strategic investment from
BALANCE POINT CAPITAL PARTNERS
and
4C Capital
Lab Equipment & Services Provider

TotalMed
Has been recapitalized by
STELLA POINT CAPITAL
Outsourced Hospital Staffing Services

GRAPETREE MEDICAL STAFFING
has been recapitalized by
NEW MAINSTREAM CAPITAL
Outsourced Facility Staffing Services

ProHealth PARTNERS
has been recapitalized by
BALANCE POINT CAPITAL PARTNERS
Outsourced Facility Staffing Services

Medacist
has been acquired by
BLUESIGHT The Medication Intelligence Company
following an investment by
THOMABRAVO
Drug Diversion Analytics Software Provider

ACRO Pharmaceutical Services
has been acquired by
LINCARE A Linde company
Specialty Pharmacy

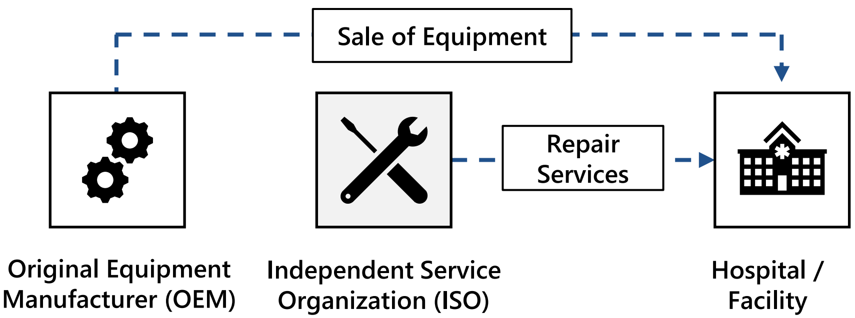
SPECIALTYSCRIPTS PHARMACY
has been acquired by
CardinalHealth
Specialty Pharmacy

Sector Overview & Growth Outlook

Medical equipment repair & refurbishment providers fill an unmet void in the value chain to provide a cost-effective solution for hospitals and other healthcare businesses to maximize the useful life and ROI of its mission critical equipment.

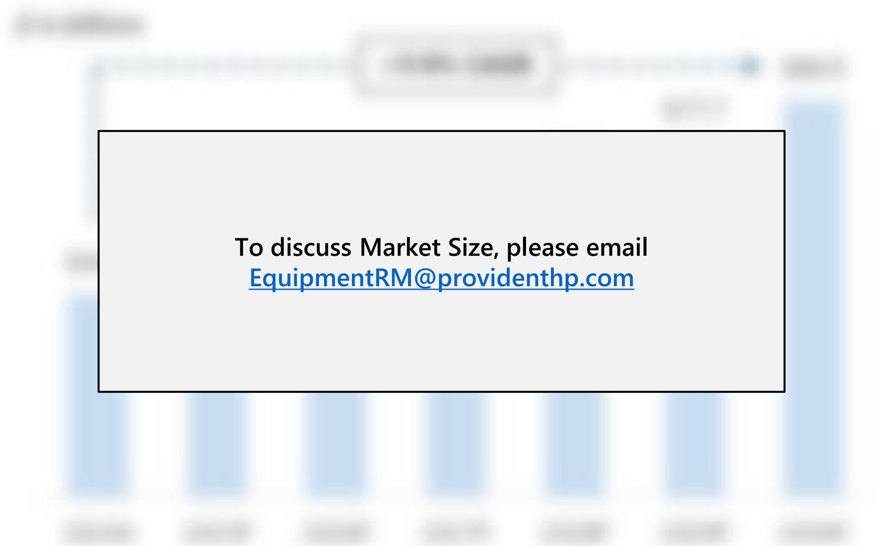
Industry Snapshot

- The medical device repair and refurbishment market is comprised of Independent Services Organizations (ISOs) that provide maintenance and other services across a range of equipment types including imaging systems (MRI, CT, X-ray), endoscopic devices, and surgical equipment
- Hospitals, imaging centers, ASCs, and specialty clinics leverage ISOs to extend the useful life of its mission critical equipment, improving ROI, helping control costs, and deliver optimal clinical outcomes
- These groups have increasingly sought to outsource repair and maintenance services to ISOs, particularly following the expiration of warranties and before the end of equipment useful life, creating a growing unmet demand in the market



ISOs are uniquely positioned to maximize the value and longevity of high-cost medical equipment beyond what the OEM or in-house service providers can deliver

Global Market Size & Anticipated Growth



Key Growth Drivers

- Aging equipment install base
- Heightened focus on cost-savings initiatives
- Rising healthcare demand
- Strict compliance regulations
- Technological Advancements

Source(s): Research & Markets

Medical Equipment Repair & Refurbishment Ecosystem

Device Type

- Diagnostic Imaging Equipment
- Medical Lasers
- Electrosurgical Equipment
- Patient Monitoring & Life Support Devices
- Radiotherapy Devices
- Endoscopic Devices
- Dental Equipment
- Surgical Equipment
- Laboratory Equipment
- Opthalmology Equipment
- Durable Medical Equipment

Service Provider

- Independent Service Providers
- Multi-Vendor OEMs
- Single-Vendor OEMs
- In-house maintenance

Service Type

- Preventative Maintenance
- Corrective Maintenance
- Operational Maintenance

End User

- Hospitals
- Diagnostic Imaging Centers
- Dialysis Centers
- Ambulatory Surgical Centers
- Dental Clinics & Specialty Clinics

Typical Service Offerings

- Repair / Maintenance
- Parts
- Refurbishment
- Device Reprocessing
- Equipment Sales
- Asset Management

Pervasive Macro Tailwinds Driving Growth

ISOs market position at the convergence of cost savings and clinical quality creates a compelling and sustainable value proposition to its customers.

Aging Equipment Install Base

Healthcare providers have sought to maximize the useful life and ROI of its existing equipment in the current financing environment

Rising Demand for Healthcare

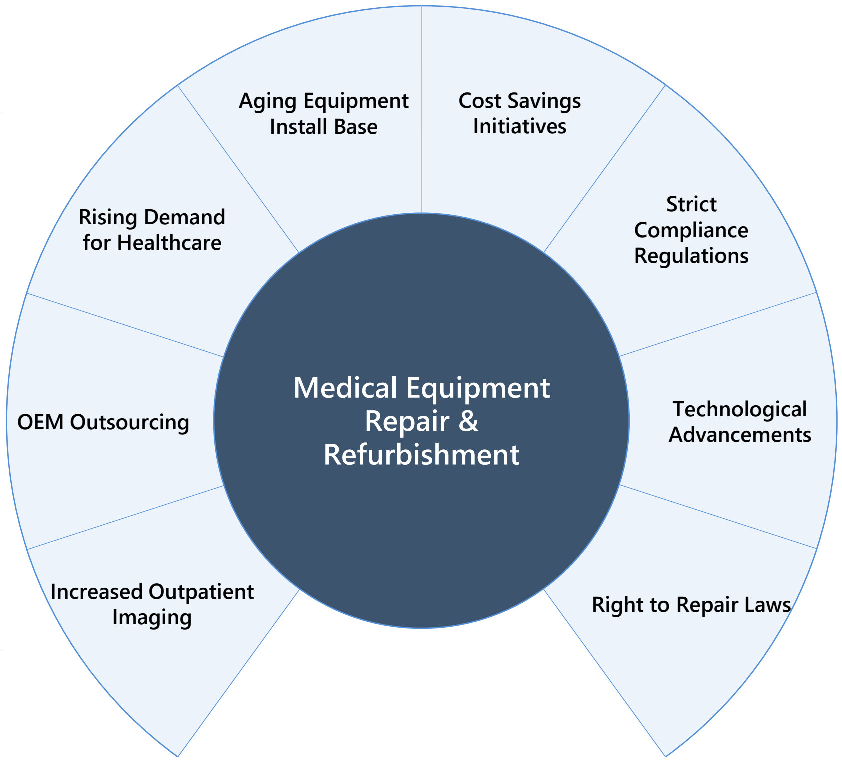
Aging population drives increased need for healthcare services, placing strain on hospitals and other care providers

OEM Outsourcing

OEMs are outsourcing repair services to streamline internal cost structures and limit FTE overhead

Increased Outpatient Imaging

Shift in patient care from acute to outpatient settings has increased volume demand for imaging equipment in these clinics



Cost Savings Initiatives

Rising focus on cost savings amid tightening budgets; refurbished systems typically cost 30-60% less than new ones

Strict Compliance Regulations

Provider requirements to adhere to maintenance and upkeep standards creates ongoing need for equipment servicing

Technological Advancements

Predictive maintenance via IoT and AI utilization helps minimize downtime and related costs

Right to Repair Laws

States are adopting legislation which requires OEMs to provide diagnostic info, parts, and tools to ISOs, increasing market opportunity

Heightened Cost Containment Focus Driving Growth

Increased scrutiny on use of capital and budget cuts amid a challenging macroeconomic environment have created an immediate need to extend the useful life of high-cost medical equipment.

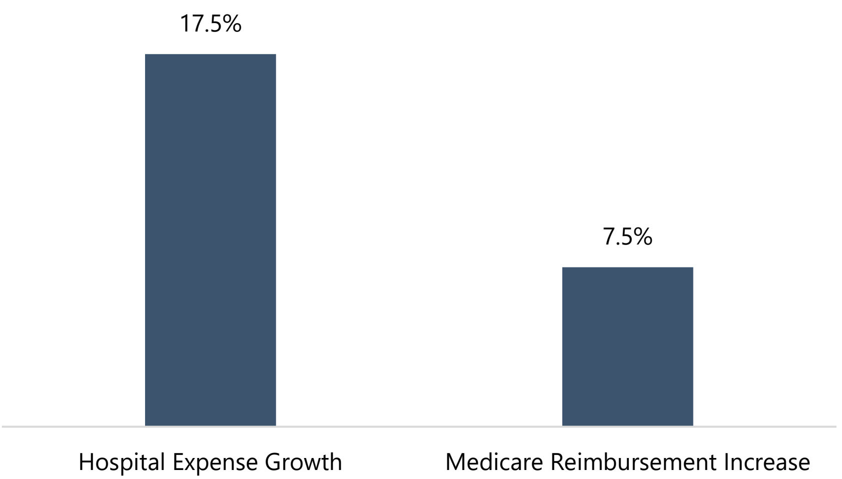
Tightening Budgets Creating Market Opportunity…

- Rising interest rates, persistent inflation, and supply chain issues have all created meaningful operational challenges for hospitals & health systems in the past 5 years
- These pressures have necessitated creative solutions for hospitals and other care providers to operate within tight budgets without sacrificing continuity of patient care
- Common solutions to these challenges have included both i) leveraging ISOs to extend existing equipment useful life to delay new capital outlay, and ii) opting to purchase used / refurbished equipment vs. new

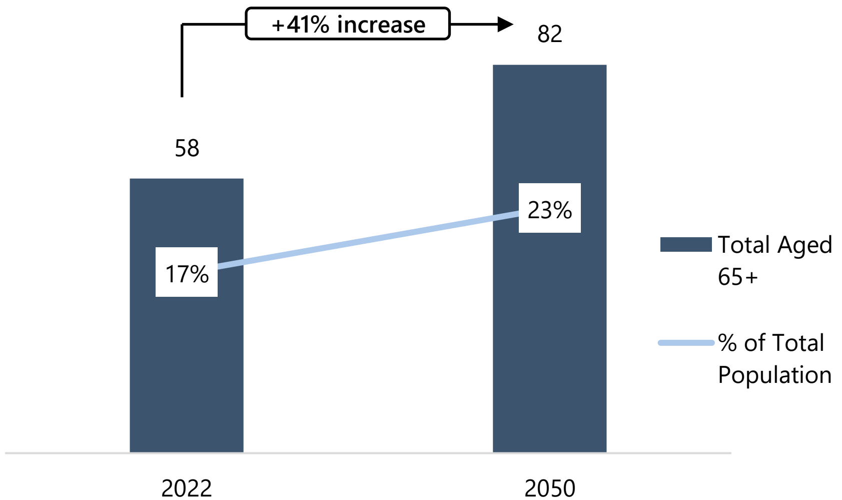
…Amidst Rising Demand for Healthcare Services

- An aging US population will drive meaningful demand for healthcare services over the next several decades, placing a meaningful strain healthcare providers to deliver patient care
- Coupled with this rising demand, hospital systems have faced a continually challenging labor market, creating a consistent need to outsource services (including equipment maintenance and repair)
- ISOs stand to benefit from this growing market void to deliver critical services to hospital and other healthcare partners whose resources are becoming increasingly strained

Hospital Costs vs. Medicare Reimbursement (2020 – 2022)



Rising Aging Population (in millions)



Source(s): American Hospital Association, Population Reference Bureau

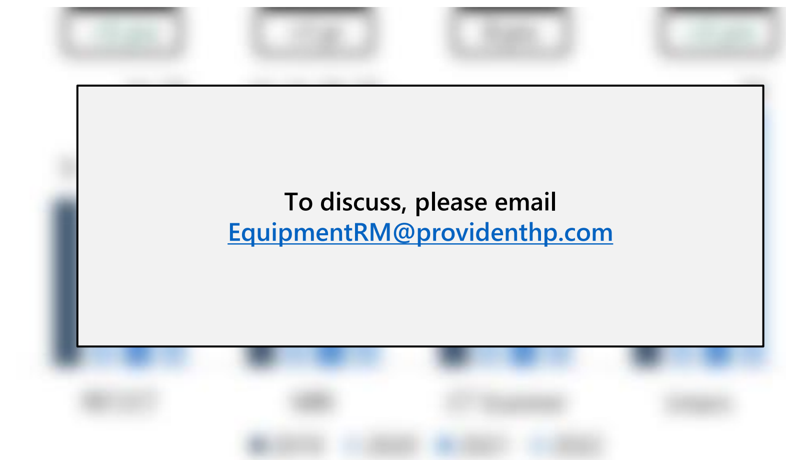
Aging Install Base Creates Increased Maintenance Demand

Healthcare providers have sought to maximize the useful life and ROI of its existing equipment in the current financing environment, creating an increasingly aged install base that requires more frequent repairs.

Increasingly Aged Install Base....

- As healthcare providers increasingly seek to maximize ROI on its high-cost diagnostic imaging equipment, average equipment age has steadily increased in recent years
- This aging install base that requires more frequent maintenance and a greater volume of high-severity repairs
- ISOs are uniquely positioned to capitalize on this dynamic to minimize equipment downtime and maximize utilization as this equipment portfolio continues to age

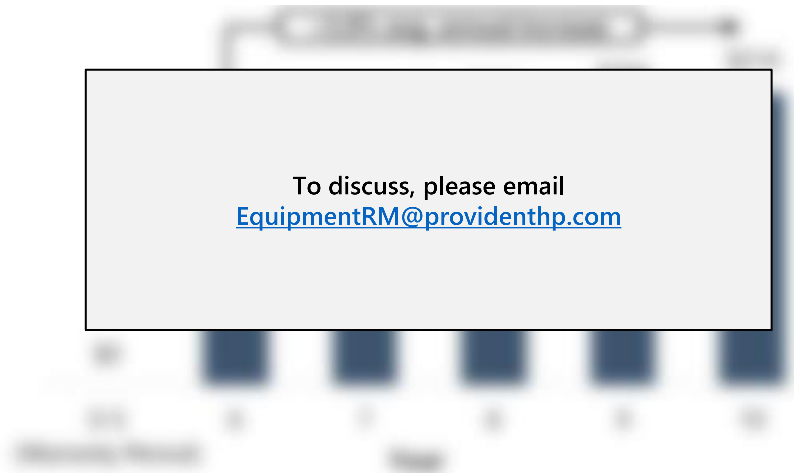
Avg. Age of Equipment Sold (Yrs)



...Creates Incremental Maintenance Expense

- Annual maintenance costs for medical equipment tend to rise directly as it ages, creating steady, meaningful demand for ongoing maintenance services
- Minimizing equipment downtime is a consistent priority for healthcare providers to avoid lost revenue, particularly as equipment ages
- These heightened service costs, increased scrutiny on minimizing downtime, and the large and aging install base of medical equipment creates a scalable revenue generating opportunity for ISOs

Avg. Annual Maintenance Cost for MRI Machines ($000s)



Source(s): Radiology Oncology Services, Grand View Research

Leveraging Technology Advancements to Drive Efficiency

Utilization of tech-enabled systems remains an under-penetrated opportunity for ISOs, with tangible applications spanning internal operations and customer-facing functions.

Emerging Opportunity for Technology Utilization

Value Drivers & Common Use Cases

ISOs have increasingly leveraged technology platforms to streamline internal operations and to add value across its customer relationships

Internal Applications:

i. **Technician / Field Service Mgmt. Software:** platforms designed to equip field techs to operate efficiently (e.g., maximizing customer time vs. "windshield time")

ii. **Asset Management & Predictive Maintenance:** dashboards providing visibility into customer equipment base and service needs via remote monitoring and diagnostics

iii. **Inventory & Parts Management:** Radio-Frequency Identification(RFID) scanning to facilitate real-time parts tracking and utilization

Customer-Facing Applications:

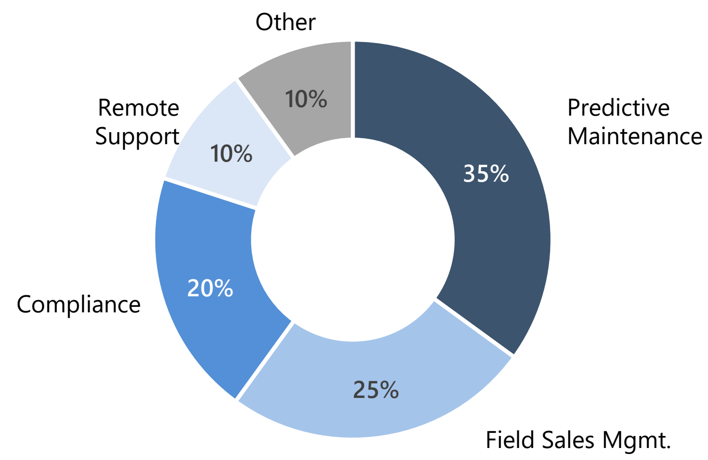
i. **Customer Portals & Self-Service Dashboards:** access service history, request repairs, and view equipment performance

ii. **Remote Support:** ability to assess and remedy software issues AND provide virtual resources for common hardware issues; however, often face challenges with software support related to OEM IP ownership

iii. **Compliance:** maintain electronic service records to ensure audit readiness and regulatory compliance

ISO Focus Areas & Business Outcomes

Technology Investment Allocation



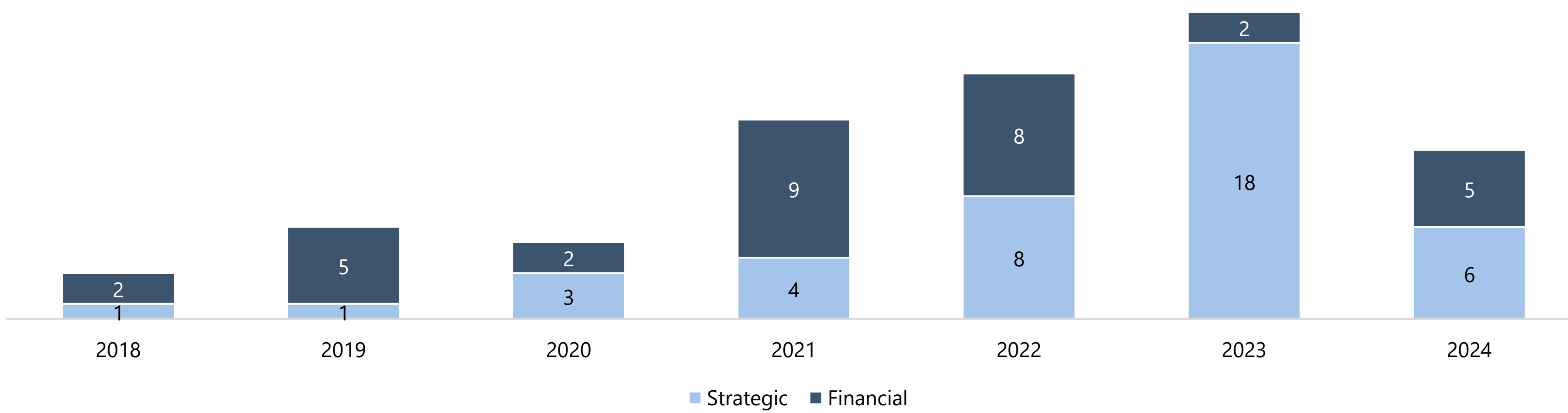
5+	Average increase (yrs) in equipment lifespan for facilities using preventative maintenance software
30%	Decrease in operational costs for facilities using automated maintenance scheduling
80%	Improved regulatory compliance when using automated service tracking systems

Source(s): FieldAx, PHP Market Research

Growing Investor Interest Driving M&A Activity

Compelling growth tailwinds coupled with a fragmented market landscape have attracted considerable interest from the institutional investor universe and driven a meaningful uptick in M&A volume over the last 24 – 36 months.

Rising M&A Volumes



Notable Recent Platform Transactions

Date	Mar-21	Mar-22	Jun-22	Dec-22	Oct-24	Dec-24
Target	EMSAR	Probo Medical	626	InterMed	DirectMed Imaging	Prescott's Be Equipped for Better
Acquirer	Gauge Capital	Avista Capital Partners	Peak Rock Capital	Cressey & Company	Frazier Healthcare Partners	Morgan Stanley Capital Partners
Sector Focus	Biomedical Repair & Services	Diagnostic Imaging	Diagnostic Imaging	Asset Management & BioMed Services	Diagnostic Imaging	Specialty Medical Equipment Services

Market Map

To discuss Market Map and Competitive Landscape, please email EquipmentRM@providenthp.com

Select Recent Transaction Activity

To discuss Recent Transaction Activity, please email EquipmentRM@providenthp.com

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