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AMBULATORY INFUSION CENTERS

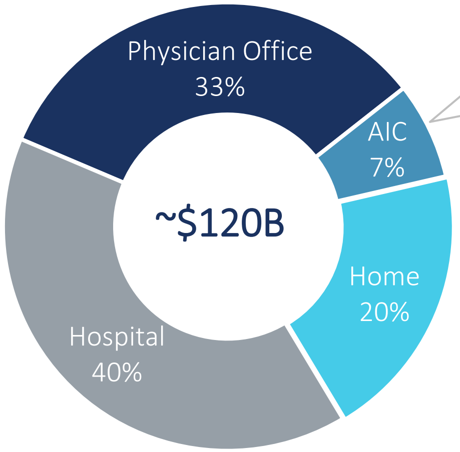
Sector Overview and Observations

June 2024 | CONFIDENTIAL

BCA FOCUS SECTOR: AMBULATORY INFUSION

Infusion services is a large and growing market, and AICs continue to gain share

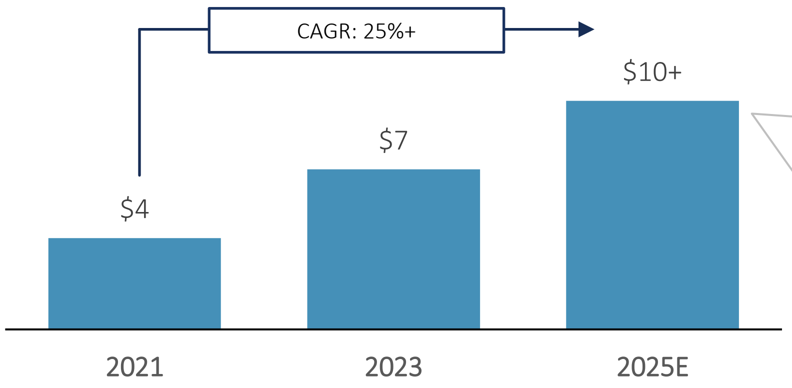
Total Infusion Market Segmentation



AIC represents a small portion of the overall infusion therapy market, as many therapies were traditionally administered in the hospital

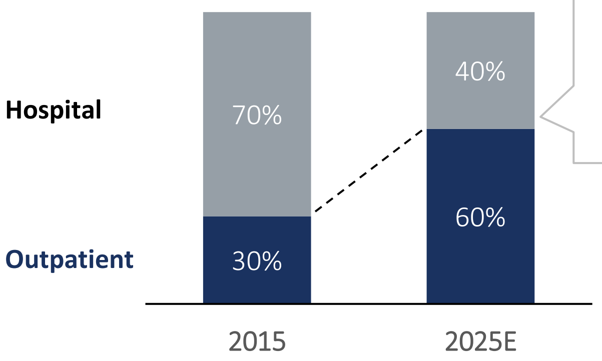
AIC Segment Growth Trajectory

($ in Billions)



Addressing demand for provider administered infusions in lower-cost setting

Growth Driver: Provider-Administered Infusion Setting Shift



Hospital charges generally 1.8x to 3.3x higher than alternate site

Growth Driver: Pipeline of Infused Biologic Therapies

AIC SECTOR INVESTMENT CONSIDERATIONS

Compelling growth opportunity is attracting broad sponsor interest

- Patients with chronic healthcare needs feed recurring, high-dollar revenue model
- Balanced growth opportunities including organic, de novo center developments, and targeted M&A
- Model benefits from scale in commercial contracting, drug purchasing, and staffing
- Multi-channel infusion services and geographic market penetration are being rewarded
- Diversification of AIC/home mix, infused therapies, specialties, and individual referral sources
- In-house specialty pharmacy increases referral conversion and mitigates PBM white bag requirements
- Biologic manufacturers are motivated to coordinate specialized, lower cost AIC networks
- Margins are right-sized, limiting exposure to pressure on medical provider rates
- Risks include biosimilar price pressure, white bagging, modest entry barriers, and IRA negotiations

EXECUTION LEVER FOR VALUE CREATION IN AIC PLATFORMS

Ambulatory Infusion Revenue Drivers		Ambulatory Infusion EBITDA Drivers	
Thoughtful de novo development program	Patient / referral source acquisition strategy that can be replicated	Patient service model that ensures satisfaction & retention	Wholesale purchasing & rebate strategy to optimize COGS
Execute on challenging revenue cycle	State / national commercial payor contracting model	Staffing model: recruiting & retaining quality team	Regional leverage of people, locations, & resources
Coordination with manufacturers to enhance pricing & referral source access	Disciplined / synergistic acquisitions	Balanced investment in infusion center build-out	Achieve benefits of scale

OUTPATIENT INFUSION TRANSACTION ACTIVITY

As outpatient models mature, M&A interest from financial and strategic buyers is accelerating

- Private equity conviction around infusion services continues to build, driving strong interest in recap targets and sale processes
- Over 2 years, outpatient providers have matured and developed more consistent streams of underwritable EBITDA
- More platforms are well-funded, aggressively seeking growth/diversification, and less content to pursue primarily de novo additions
- This has all contributed to a consistent blend of transaction types across infusion center and home infusion operators

Growth Recaps

APEX Infusion	✚ Jun24	FFL Partners
Access Infusion Care	✚ Jan24	New Harbor Capital
medix infusion	✚ Jan23	echo Health Ventures
VIVO infusion	✚ Mar22	InTandem Capital Partners
Infusion for Health	✚ Jan22	OAK HC/FT

Platform Sales/Recaps

Infusion Associates		*Pending*
BIOMATRIX Specialty Infusion Pharmacy		*Pending*
IVX Health	✚ Jun24	LINDEN
PARAGON Healthcare	✚ Mar24	Elevance Health

Tuck-In/Strategic M&A

Coastal Infusion Services	✚ May24	promptcare
Therapeutics	✚ Apr24	IVX Health
Specialty Infusion Centers	✚ Jun23	VIVO infusion
civic Infusion	✚ Jan23	VIVO infusion
iCPA Infusion Center of Pennsylvania	✚ Sep22	VIVO infusion

SUMMARY OF AIC PLATFORMS

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