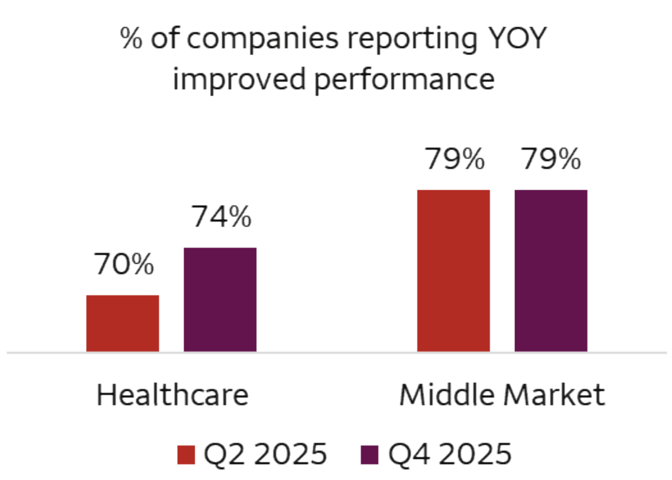
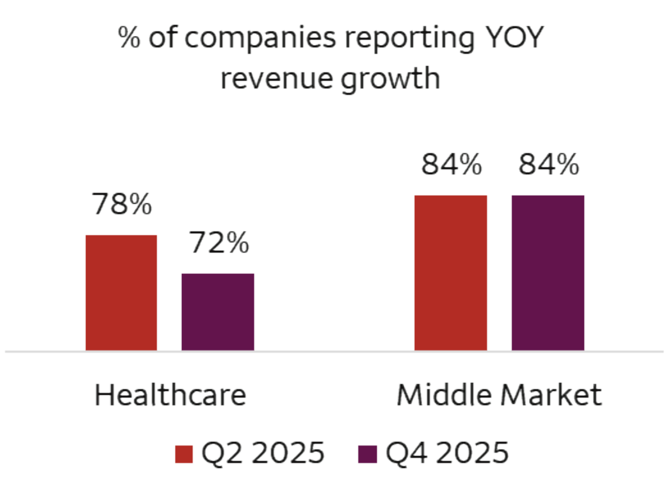
Healthcare Services Pulse - Findings from the Middle Market Indicator

Healthcare services companies reported exceptionally high confidence in their industry.

94% **of Healthcare services companies said they were Extremely, Very or Somewhat Confident in their industry.**

More healthcare services companies reported improved YOY performance, despite fewer reporting revenue growth.



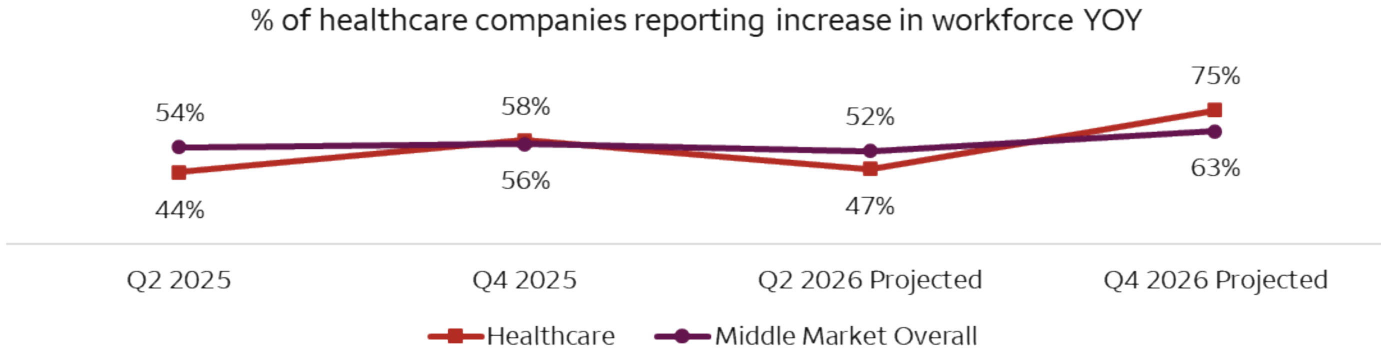


Forward outlook: healthcare expects growth, but with less upside than peers

Healthcare remains growth-oriented, but broader middle market optimism was stronger.

The share of healthcare respondents expecting the firm to grow increased slightly to 59% from 57%, while the overall middle market showed a sharper increase from 63% to 70%.

Investment hiring intentions accelerate, outpacing the broader middle market



Wage pressure persists, but perceived hiring challenges ease somewhat

Wage growth

78%

of healthcare services companies reported YOY wage increases, well above the 67% reported across the broader middle market.

Hiring challenges

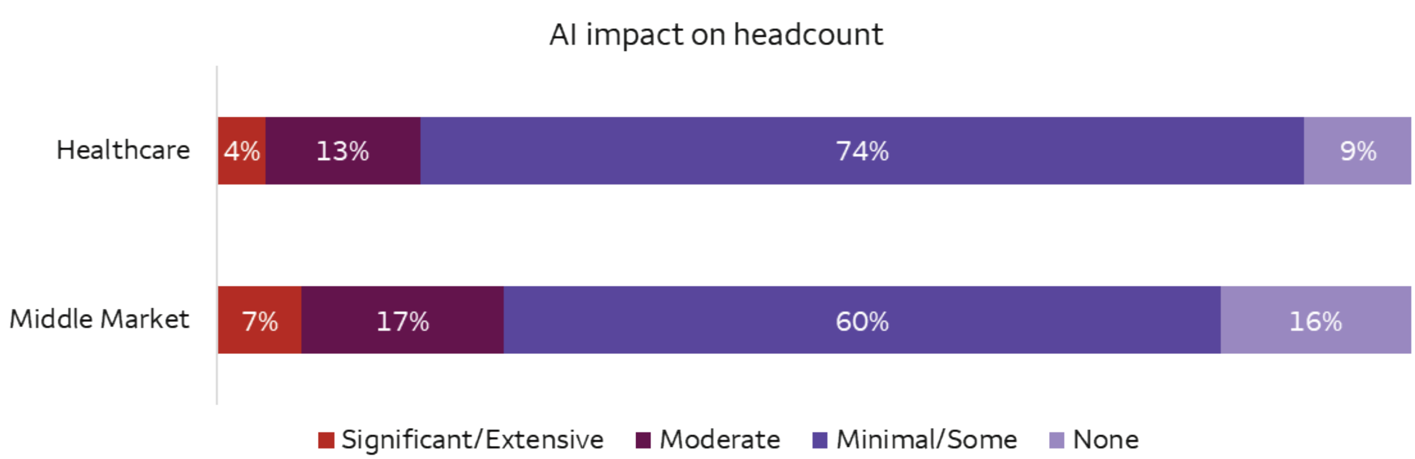
77%

of healthcare services companies reported being Extremely, Very, or Somewhat Challenged with hiring, a decrease from 83% in Q2 2025.

In comparison, at year-end the middle market reported 66%.

AI and headcount: adoption is real, but so far, headcount impact is more limited in Healthcare Services

Most healthcare services firms reported that AI has had minimal to moderate impact on reducing headcount, signaling a clear emphasis on productivity enhancement rather than labor substitution.



Liquidity and cash flow: exceptionally strong confidence, improving working capital sufficiency

Confidence in cashflow

98%

of healthcare services companies reported nearly universal cash-flow confidence in both Q2 2025 and at year-end.

Sufficient working capital

85%

of healthcare services companies reporting having sufficient working capital for current needs, a strong uptick from a reported 67% in Q2 2025.

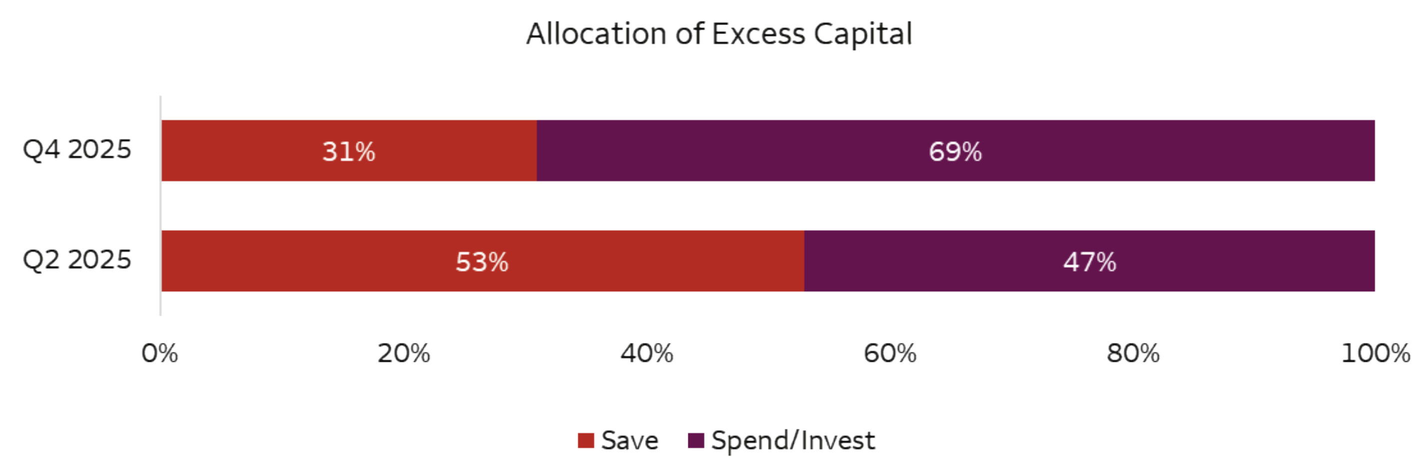
Sufficient investment capital

75%

of healthcare services companies reporting having sufficient investment capital, an increase from a reported 71% in Q2 2025.

Clear pivot from "save" to "spend" excess capital

By year-end, healthcare services leaders decisively shifted toward deploying incremental dollars, prioritizing IT/AI and talent investments rather than balance sheet preservation.



Findings from the Q4 2025 Middle Market Indicator

The Middle Market Indicator (MMI) is a semi annual survey administered by the National Center for the Middle Market. It polls roughly 1,000 CEOs, CFOs, and other senior executives at U.S. companies with annual revenues between $10 million and $1 billion. The sample is structured to be nationally representative across sectors and regions and captures perspectives on recent performance, revenue and employment growth, investment and cash allocation, and confidence in global, U.S., and local economic conditions. The survey is conducted by RTi Research on behalf of the National Center for the Middle Market with funding support from Wells Fargo, Chubb, and Visa. Find more middle market insights at middlemarketcenter.org