

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-41938

BrightSpring Health Services, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

805 N. Whittington Parkway

Louisville, Kentucky

(Address of principal executive offices)

82-2956404

(I.R.S. Employer
Identification No.)

40222

(Zip Code)

Registrant's telephone number, including area code: (502) 394-2100

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	BTSG	The Nasdaq Stock Market LLC
6.75% Tangible Equity Units	BTSGU	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of Registrant's Common Stock outstanding as of October 24, 2025 was 180,352,297.

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Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q (this "Form 10-Q") to "BrightSpring," the "Company," "we," "us," and "our" refer to BrightSpring Health Services, Inc. and its consolidated subsidiaries.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements that reflect our current views with respect to, among other things, our operations, and financial performance. We have used the words "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future," "will," "seek," "foreseeable," the negative version of these words, or similar terms and phrases to identify forward-looking statements.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our industries, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. We believe that these factors include but are not limited to the following:

- our operation in a highly competitive industry;
- our inability to maintain relationships with existing patient referral sources or establish new referral sources;
- changes to Medicare and Medicaid rates or methods governing Medicare and Medicaid payments for our services;
- cost containment initiatives of third-party payors, including post-payment audits;
- the implementation of alternative payment models and the transition of Medicaid and Medicare beneficiaries to managed care organizations may limit our market share and could adversely affect our revenues;
- changes in the case mix of patients, as well as payor mix and payment methodologies, and decisions and operations of third-party organizations;
- our reliance on federal and state spending, budget decisions, and continuous governmental operations which may fluctuate under different political conditions;
- changes in drug utilization and/or pricing, PBM contracts, and Medicare Part D/Medicaid reimbursement, which may negatively impact our profitability;
- changes in our relationships with pharmaceutical suppliers, including changes in drug availability or pricing;
- reliance on the continual recruitment and retention of nurses, pharmacists, therapists, caregivers, direct support professionals, and other qualified personnel, including senior management;
- compliance with or changes to federal, state, and local laws and regulations that govern our employment practices, including minimum wage, living wage, and paid time-off requirements;
- fluctuation of our results of operations on a quarterly basis;
- harm caused by labor relation matters;
- limitations in our ability to control reimbursement rates received for our services if we are unable to maintain or reduce our costs to provide such services;
- delays in collection or non-collection of our accounts receivable, particularly during the business integration process;
- failure to manage our growth effectively, which may inhibit our ability to execute our business plan, maintain high levels of service and satisfaction or adequately address competitive challenges;
- our ability to identify, successfully complete and manage acquisitions, joint ventures, and other strategic initiatives, including the pending sale of our Community Living business;
- our ability to continue to provide consistently high quality of care;
- maintenance of our corporate reputation or the emergence of adverse publicity, including negative information on social media or changes in public perception of our services;
- contract continuance, expansion and renewal with our existing customers, including renewals at lower fee levels, customers declining to purchase additional services from us, or reduction in the services received from us pursuant to those contracts;

- effective investment in, implementation of improvements to and proper maintenance of the uninterrupted operation and data integrity of our information technology and other business systems;
- security breaches, loss of data, and other disruptions, which could compromise sensitive business or patient information; cause a loss of confidential patient data, employee data or personal information; or prevent access to critical information and thereby expose us to liability, litigation, and federal and state governmental inquiries and damage our reputation and brand;
- risks related to credit card payments and other payment methods;
- potential substantial malpractice or other similar claims;
- various risks related to governmental inquiries, regulatory actions, and whistleblower and other lawsuits, which may not be entirely covered by insurance;
- our current insurance program, which may expose us to unexpected costs, particularly if we incur losses not covered by our insurance or if claims or losses differ from our estimates;
- factors outside of our control, including those listed, which have required and could in the future require us to record an asset impairment of goodwill;
- a pandemic, epidemic, or outbreak of an infectious disease;
- inclement weather, natural disasters, acts of terrorism, riots, civil insurrection or social unrest, looting, protests, strikes, or street demonstrations;
- our inability to adequately protect our intellectual property rights;
- risks related to our compliance with our regulatory framework;
- the interests of KKR Stockholder (as defined below) may conflict with our stockholders' interests in the future;
- our substantial indebtedness;
- significant changes in tax or trade policies, tariffs, or trade relations between the United States and other countries, such as the imposition of unilateral tariffs on imported products, including impacts on imported drug products, which could result in supply chain disruptions and significant increases in costs; and
- repurchases of our common stock

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. If any of these risks materialize, or if any of our assumptions underlying forward-looking statements prove incorrect, actual results and developments may differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-Q. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, those set forth in Item 1A, "Risk Factors," of Part I of our Annual Report on Form 10-K for the year ended December 31, 2024 (our "Form 10-K") filed with the U.S. Securities and Exchange Commission (the "SEC"). Although we have attempted to identify important risk factors, there may be other risk factors not presently known to us or that we presently believe are not material that could cause actual results and developments to differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-Q. We caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this Form 10-Q. Any forward-looking statement made by us in this Form 10-Q speaks only as of the date hereof. We undertake no obligation to publicly update or to revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

BrightSpring Health Services, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(Unaudited)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 140,344	\$ 60,954
Accounts receivable, net of allowance for credit losses	1,012,913	902,782
Inventories	639,195	636,561
Prepaid expenses and other current assets	123,978	161,310
Current assets held for sale	863,846	131,447
Total current assets	2,780,276	1,893,054
Property and equipment, net of accumulated depreciation of \$387,921 and \$339,892 at September 30, 2025 and December 31, 2024, respectively	175,494	180,570
Goodwill	2,370,566	2,363,884
Intangible assets, net of accumulated amortization	521,610	595,224
Operating lease right-of-use assets, net	159,589	161,032
Deferred income taxes, net	—	5,288
Other assets	41,962	39,128
Non-current assets held for sale	—	687,960
Total assets	\$ 6,049,497	\$ 5,926,140
Liabilities, Redeemable Noncontrolling Interest, and Equity		
Current liabilities:		
Trade accounts payable	\$ 954,497	\$ 923,926
Accrued expenses	304,046	295,746
Current portion of obligations under operating leases	38,217	38,910
Current portion of obligations under financing leases	4,727	3,463
Current portion of long-term debt	51,870	48,725
Current liabilities held for sale	196,613	117,563
Total current liabilities	1,549,970	1,428,333
Obligations under operating leases, net of current portion	128,751	129,467
Obligations under financing leases, net of current portion	10,423	6,530
Long-term debt, net of current portion	2,465,334	2,561,858
Deferred income taxes, net	10,441	—
Long-term liabilities	63,560	71,190
Non-current liabilities held for sale	—	77,177
Total liabilities	4,228,479	4,274,555
Redeemable noncontrolling interest	2,361	3,730
Shareholders' equity:		
Common stock, \$0.01 par value, 1,500,000,000 shares authorized, 180,685,884 and 174,245,990 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	\$ 1,807	\$ 1,742
Preferred stock, \$0.01 par value, 250,000,000 authorized, no shares issued and outstanding at September 30, 2025 and December 31, 2024	—	—
Additional paid-in capital	1,931,616	1,866,850
Accumulated deficit	(108,569)	(222,155)
Accumulated other comprehensive (loss) income	(6,291)	1,418
Total shareholders' equity	1,818,563	1,647,855
Noncontrolling interest	94	—
Total equity	1,818,657	1,647,855
Total liabilities, redeemable noncontrolling interest, and equity	\$ 6,049,497	\$ 5,926,140

See accompanying notes to the condensed consolidated financial statements.

BrightSpring Health Services, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues:				
Products	\$ 2,966,966	\$ 2,265,697	\$ 8,289,238	\$ 6,357,223
Services	367,140	335,532	1,070,695	968,026
Total revenues	3,334,106	2,601,229	9,359,933	7,325,249
Cost of goods	2,721,314	2,077,121	7,605,931	5,815,981
Cost of services	220,784	201,016	648,773	581,509
Gross profit	392,008	323,092	1,105,229	927,759
Selling, general, and administrative expenses	304,165	293,995	918,090	875,344
Operating income	87,843	29,097	187,139	52,415
Loss on extinguishment of debt	—	—	—	12,726
Interest expense, net	38,235	46,614	118,776	144,366
Income (loss) from continuing operations before income taxes	49,608	(17,517)	68,363	(104,677)
Income tax expense (benefit)	12,120	8,155	13,118	(31,464)
Income (loss) from continuing operations, net of income taxes	37,488	(25,672)	55,245	(73,213)
Income from discontinued operations, net of income taxes	17,753	16,691	56,548	37,288
Net income (loss)	55,241	(8,981)	111,793	(35,925)
Net loss attributable to noncontrolling interests included in continuing operations	(595)	(751)	(1,793)	(1,864)
Net income (loss) attributable to BrightSpring Health Services, Inc. and subsidiaries	<u>\$ 55,836</u>	<u>\$ (8,230)</u>	<u>\$ 113,586</u>	<u>\$ (34,061)</u>
Net income (loss) per common share (Note 10):				
Basic income (loss) per share attributable to common shareholders:				
Continuing operations	\$ 0.19	\$ (0.13)	\$ 0.28	\$ (0.37)
Discontinued operations	\$ 0.08	\$ 0.09	\$ 0.28	\$ 0.19
Net income (loss)	\$ 0.27	\$ (0.04)	\$ 0.56	\$ (0.18)
Diluted income (loss) per share attributable to common shareholders:				
Continuing operations	\$ 0.17	\$ (0.13)	\$ 0.26	\$ (0.37)
Discontinued operations	\$ 0.09	\$ 0.09	\$ 0.26	\$ 0.19
Net income (loss)	\$ 0.26	\$ (0.04)	\$ 0.52	\$ (0.18)
Weighted average shares outstanding:				
Basic	203,487	198,491	202,067	190,541
Diluted	217,982	198,491	218,519	190,541

See accompanying notes to the condensed consolidated financial statements.

BrightSpring Health Services, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 55,241	\$ (8,981)	\$ 111,793	\$ (35,925)
Other comprehensive loss, net of tax:				
Foreign currency translation adjustments	(97)	72	111	(123)
Cash flow hedges:				
Net change in fair value, net of tax ⁽¹⁾	1,570	(12,429)	2,292	8,675
Amounts reclassified to earnings, net of tax ⁽²⁾	(3,434)	(7,373)	(10,112)	(21,801)
Total other comprehensive loss, net of tax	(1,961)	(19,730)	(7,709)	(13,249)
Total comprehensive income (loss)	53,280	(28,711)	104,084	(49,174)
Comprehensive loss attributable to redeemable noncontrolling interests	(455)	(573)	(1,370)	(1,395)
Comprehensive loss attributable to noncontrolling interest	(140)	(178)	(423)	(469)
Comprehensive income (loss) attributable to BrightSpring Health Services, Inc. and subsidiaries	<u>\$ 53,875</u>	<u>\$ (27,960)</u>	<u>\$ 105,877</u>	<u>\$ (47,310)</u>

- ⁽¹⁾ The income tax effects of the net change in fair value were \$(510) and \$(744) for the three and nine months ended September 30, 2025, respectively, and \$4,024 and \$(2,809) for the three and nine months ended September 30, 2024, respectively.
- ⁽²⁾ The income tax effects of amounts reclassified to earnings were \$1,114 and \$3,281 for the three and nine months ended September 30, 2025, respectively, and \$2,387 and \$7,059 for the three and nine months ended September 30, 2024, respectively.

See accompanying notes to the condensed consolidated financial statements.

BrightSpring Health Services, Inc. and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity
(In thousands, except share data)
(Unaudited)

	For the Three Months Ended September 30, 2025						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
	Shares	Amount					
Balances at June 30, 2025	177,055,327	\$ 1,771	\$ 1,909,854	\$ (164,405)	\$ (4,330)	\$ (283)	\$ 1,742,607
Net income ⁽¹⁾	—	—	—	55,836	—	377	56,213
Other comprehensive loss, net of tax	—	—	—	—	(1,961)	—	(1,961)
Share-based compensation	—	—	17,250	—	—	—	17,250
Exercise of stock options	735,483	7	5,612	—	—	—	5,619
Issuance of common stock for settlement of RSUs	115,810	1	(1)	—	—	—	—
Tax effect of net share settlement of equity awards	(52,203)	—	(1,071)	—	—	—	(1,071)
Conversion of tangible equity units into common stock	2,831,467	28	(28)	—	—	—	—
Balances at September 30, 2025	<u>180,685,884</u>	<u>\$ 1,807</u>	<u>\$ 1,931,616</u>	<u>\$ (108,569)</u>	<u>\$ (6,291)</u>	<u>\$ 94</u>	<u>\$ 1,818,657</u>

	For the Three Months Ended September 30, 2024						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
	Shares	Amount					
Balances at June 30, 2024	171,397,030	\$ 1,714	\$ 1,804,965	\$ (226,150)	\$ 19,025	\$ 379	\$ 1,599,933
Net loss ⁽¹⁾	—	—	—	(8,230)	—	(178)	(8,408)
Other comprehensive loss, net of tax	—	—	—	—	(19,730)	—	(19,730)
Share-based compensation	—	—	15,210	—	—	—	15,210
Shares issued under share-based compensation plan, including tax effects	210,696	2	507	—	—	—	509
Shares issued for payment of acquisition	2,471,251	25	29,975	—	—	—	30,000
Derecognition of redeemable noncontrolling interest	—	—	(2,542)	—	—	—	(2,542)
Balances at September 30, 2024	<u>174,078,977</u>	<u>\$ 1,741</u>	<u>\$ 1,848,115</u>	<u>\$ (234,380)</u>	<u>\$ (705)</u>	<u>\$ 201</u>	<u>\$ 1,614,972</u>

⁽¹⁾ Net income (loss) to the Company for the three months ended September 30, 2025 and 2024 excludes \$(455) and \$(573), respectively, allocable to the redeemable noncontrolling interests for our joint venture arrangements.

BrightSpring Health Services, Inc. and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity (continued)
(In thousands, except share data)
(Unaudited)

	For the Nine Months Ended September 30, 2025						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
	Shares	Amount					
Balances at December 31, 2024	174,245,990	\$ 1,742	\$ 1,866,850	\$ (222,155)	\$ 1,418	\$ —	\$ 1,647,855
Net income ⁽¹⁾	—	—	—	113,586	—	94	113,680
Other comprehensive loss, net of tax	—	—	—	—	(7,709)	—	(7,709)
Share-based compensation	—	—	55,733	—	—	—	55,733
Exercise of stock options	2,055,618	21	14,660	—	—	—	14,681
Issuance of common stock for settlement of RSUs	1,817,356	18	(18)	—	—	—	—
Tax effect of net share settlement of equity awards	(264,547)	(2)	(5,581)	—	—	—	(5,583)
Conversion of tangible equity units into common stock	2,831,467	28	(28)	—	—	—	—
Balances at September 30, 2025	<u>180,685,884</u>	<u>\$ 1,807</u>	<u>\$ 1,931,616</u>	<u>\$ (108,569)</u>	<u>\$ (6,291)</u>	<u>\$ 94</u>	<u>\$ 1,818,657</u>

	For the Nine Months Ended September 30, 2024						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
	Shares	Amount					
Balances at December 31, 2023	117,857,055	\$ 1,179	\$ 771,336	\$ (200,319)	\$ 12,544	\$ 670	\$ 585,410
Net loss ⁽¹⁾	—	—	—	(34,061)	—	(469)	(34,530)
Other comprehensive loss, net of tax	—	—	—	—	(13,249)	—	(13,249)
Share-based compensation	—	—	55,194	—	—	—	55,194
Shares issued under share-based compensation plan, including tax effects	318,085	3	528	—	—	—	531
Shares issued for payment of acquisition	2,570,503	26	31,055	—	—	—	31,081
Derecognition of redeemable noncontrolling interest	—	—	12,439	—	—	—	12,439
Issuance of common stock on initial public offering, net ⁽²⁾	53,333,334	533	655,952	—	—	—	656,485
Proceeds from stock purchase contract issued under tangible equity units, net ⁽³⁾	—	—	321,611	—	—	—	321,611
Balances at September 30, 2024	<u>174,078,977</u>	<u>\$ 1,741</u>	<u>\$ 1,848,115</u>	<u>\$ (234,380)</u>	<u>\$ (705)</u>	<u>\$ 201</u>	<u>\$ 1,614,972</u>

⁽¹⁾ Net income (loss) to the Company for the nine months ended September 30, 2025 and 2024 excludes \$(1,370) and \$(1,395), respectively, allocable to the redeemable noncontrolling interests for our joint venture arrangements.

⁽²⁾ Issuance of common stock on initial public offering is presented net of underwriting discounts and commissions, and offering-related expenses of \$36.8 million.

⁽³⁾ Proceeds from stock purchase contract issued under tangible equity units is presented net of underwriting discounts and commissions of \$9.1 million.

BrightSpring Health Services, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	For the Nine Months Ended September 30,	
	2025	2024
Operating activities:		
Net income (loss)	\$ 111,793	\$ (35,925)
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:		
Depreciation and amortization	124,753	149,601
Impairment of long-lived assets	6,526	4,781
Change in fair value of contingent consideration, net	(1,266)	—
Payment of contingent consideration in excess of acquisition date fair value	(6,170)	—
Provision for credit losses	48,723	21,896
Amortization of deferred debt issuance costs	8,384	9,477
Share-based compensation	55,733	55,194
Deferred income taxes, net	18,266	(27,781)
Loss on extinguishment of debt	—	12,726
Loss (gain) on disposition of fixed assets	1,503	(55)
Other	(1,838)	(959)
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(162,689)	(163,996)
Prepaid expenses and other current assets	24,857	(2,470)
Inventories	(2,279)	(74,265)
Trade accounts payable	42,836	155,563
Accrued expenses	17,212	(150,032)
Other assets and liabilities	(27,734)	(20,593)
Net cash provided by (used in) operating activities	<u>\$ 258,610</u>	<u>\$ (66,838)</u>
Investing activities:		
Purchases of property and equipment	\$ (57,819)	\$ (65,602)
Acquisitions of businesses	(8,308)	(59,755)
Other	(5,068)	900
Net cash used in investing activities	<u>\$ (71,195)</u>	<u>\$ (124,457)</u>
Financing activities:		
Long-term debt borrowings	\$ —	\$ 2,566,000
Long-term debt repayments	(37,933)	(3,384,633)
Proceeds from issuance of common stock on initial public offering, net	—	656,485
Proceeds from issuance of tangible equity units, net	—	389,000
(Repayments) borrowings of the Revolving Credit Facility, net	(63,300)	46,400
Payments of debt issuance costs	—	(43,188)
Repurchase of shares of common stock	—	(650)
Proceeds from shares issued under share-based compensation plan	14,681	531
Taxes paid related to net share settlement of equity awards	(5,583)	—
Payment of acquisition earn-outs	—	(4,156)
Purchase of redeemable noncontrolling interest	(5,100)	(2,316)
Payments of financing lease obligations	(10,133)	(9,276)
Net cash (used in) provided by financing activities	<u>\$ (107,368)</u>	<u>\$ 214,197</u>
Net increase in cash and cash equivalents	80,047	22,902
Cash and cash equivalents at beginning of period	61,253	13,071
Cash and cash equivalents at end of period	<u>\$ 141,300</u>	<u>\$ 35,973</u>
Cash and cash equivalents included in assets held for sale at end of period	956	427
Cash and cash equivalents included in continuing operations at end of period	<u>\$ 140,344</u>	<u>\$ 35,546</u>

BrightSpring Health Services, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (continued)
(In thousands)
(Unaudited)

	For the Nine Months Ended	
	September 30,	
	2025	2024
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest, net	\$ 137,872	\$ 164,927
Income taxes, net of refunds	\$ 14,851	\$ 24,312
Supplemental schedule of non-cash investing and financing activities:		
Notes issued in connection with acquisitions	\$ —	\$ 23,408
Financing lease obligations assumed	\$ 10,452	\$ 9,625
Purchases of property and equipment in accounts payable	\$ 2,856	\$ 3,593
Consideration for purchase of redeemable noncontrolling interest in accounts payable	\$ —	\$ 5,100
Common stock issued in connection with acquisitions	\$ —	\$ 31,081

See accompanying notes to the condensed consolidated financial statements.

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BrightSpring Health Services, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Significant Accounting Policies

Description of Business

BrightSpring Health Services, Inc. and its subsidiaries (“BrightSpring”, the “Company”, “we,” “us,” or “our”) is a leading home and community-based healthcare services platform, focused on delivering complementary pharmacy and provider services to complex patients. Our platform delivers clinical services and pharmacy solutions across Medicare, Medicaid, and commercially-insured populations.

On December 7, 2017, affiliates of Kohlberg Kravis Roberts & Co. L.P. (“KKR” or “KKR Stockholder”) and Walgreens Boots Alliance, Inc. (“WBA”) purchased PharMerica Corporation (“PharMerica”) and on March 5, 2019, expanded with the acquisition of BrightSpring Health Holdings Corp. The surviving entity was renamed BrightSpring Health Services, Inc.

BrightSpring Health Services, Inc. completed its initial public offering (“IPO”) of 53,333,334 shares of its common stock at a price of \$13.00 per share and its concurrent offering of 8,000,000 6.75% tangible equity units (“TEUs”) with a stated amount of \$50.00 per unit in January 2024 (collectively, “the IPO Offerings”). The net proceeds from the IPO Offerings amounted to \$656.5 million and \$389.0 million for the common stock and TEUs, respectively, after deducting underwriting discounts and commissions, and offering-related expenses.

On January 17, 2025, the Company entered into a purchase agreement to divest its community living services, home and community based waiver programs, and intermediate care facilities (the “Community Living business”). The transaction is subject to customary closing conditions and certain other antitrust laws, and is expected to close in the first fiscal quarter of 2026.

During the second quarter of 2025, WBA sold their remaining ownership interests in the Company through open market transactions and is no longer considered a related party of the Company. In June 2025, KKR Stockholder and certain management selling stockholders completed a registered secondary public offering of the Company’s common stock. The Company did not purchase or sell any shares of common stock that were offered in the secondary public offering. The Company did not receive any proceeds from the secondary public offering, other than proceeds received in connection with the cash exercise of stock options by the management selling stockholders in connection with the secondary public offering. As a result of the aforementioned transactions, the Company no longer qualifies as a “controlled company” under the Nasdaq Stock Market LLC listing standards and is therefore required to comply with all applicable corporate governance requirements of Nasdaq, subject to phase-in rules.

On October 22, 2025, KKR Stockholder and certain management selling stockholders completed a registered secondary public offering of 15,000,000 shares of the Company’s common stock (the “October 2025 Offering”). The Company did not sell any shares of common stock that were offered in the October 2025 Offering. The Company did not receive any proceeds from the October 2025 Offering, other than proceeds received in connection with the cash exercise of stock options by the management selling stockholders in connection with the October 2025 Offering.

In connection with the October 2025 Offering, the Company concurrently purchased from the underwriter, out of the aggregate of 15,000,000 shares of common stock that were the subject of the October 2025 Offering, 1,500,000 shares of common stock. The price per share paid by the Company was equal to the price at which the underwriter purchased the shares from the selling stockholders in the October 2025 Offering.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of BrightSpring Health Services, Inc. and its subsidiaries. The Company consolidates its majority-owned and controlled entities, including variable interest entities (“VIEs”) for which the Company is the primary beneficiary. All intercompany balances and transactions have been eliminated.

We record a noncontrolling interest for the allocable portion of income or loss and comprehensive income or loss to which the noncontrolling interest holders are entitled based upon their ownership share of the affiliate. The Company determined noncontrolling interests for certain of these VIEs to be redeemable noncontrolling interests, which are presented in the unaudited condensed consolidated balance sheets as redeemable noncontrolling interests.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly our financial position, our results of operations, and our cash flows in accordance

with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial reporting. Our results of operations for the interim periods presented are not necessarily indicative of the results of our operations for the entire year.

As a result of the Company's plan to divest the Community Living business discussed in Note 2, the Community Living business met the criteria to be reported as discontinued operations and held for sale during the first fiscal quarter of 2025. Therefore, the Company has reported the historical results of the Community Living business, including the results of operations, cash flows, and related assets and liabilities, as discontinued operations and held for sale for all periods presented herein. Unless otherwise noted, all activities and amounts reported in the accompanying notes to the unaudited condensed consolidated financial statements relate to the continuing operations of the Company and exclude activities and amounts related to the Community Living business.

This report should be read in conjunction with our consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024, as well as the revised and recasted consolidated financial statements and related notes thereto for the year ended December 31, 2024 that reflect the Community Living business as discontinued operations included in our Current Report on Form 8-K as filed on June 10, 2025, which includes information and disclosures not included herein. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted from the interim financial information presented, as allowed by the rules and regulations of the Securities and Exchange Commission.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts and related disclosures. We rely on historical experience and on various other assumptions that we believe to be reasonable under the circumstances to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Significant estimates are involved in the valuation of accounts receivable, inventory, long-lived assets, intangible assets, derivatives, contingent consideration, taxes, insurance reserves, share-based compensation, and goodwill. Actual amounts may differ from these estimates.

Recently Adopted Accounting Standards

There were no new accounting standards adopted during the nine months ended September 30, 2025.

Recently Issued Accounting Standards

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU requires the following disclosures on an annual basis:

- A tabular rate reconciliation using both percentages and amounts, broken out into specific categories with certain reconciling items at or above 5% of the statutory tax further broken out by nature and/or jurisdiction;
- Qualitative disclosure of the nature and effect of significant reconciling items by specific categories and individual jurisdictions; and
- Income taxes paid (net of refunds received), broken out between federal, state/local and foreign, and amounts paid to an individual jurisdiction when 5% or more of the total income taxes paid.

The amendments in this ASU are effective for annual periods beginning after December 15, 2024, with early adoption permitted, and should be applied on a prospective basis. This ASU will have no impact on the Company's consolidated financial condition or results of operations. The Company is currently evaluating the impact to the income tax disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which was further clarified in January 2025 through the issuance of ASU 2025-01. These ASUs require new financial statement disclosures to provide disaggregated information for certain types of expenses, including purchases of inventory, employee compensation, depreciation, and amortization in commonly presented expense captions such as cost of goods and services and selling, general, and administrative expenses. The amendments in these ASUs are effective for annual periods beginning after December 15, 2026, with early adoption permitted. The adoption of this guidance will have no impact on the Company's consolidated financial condition or results of operations. The Company is currently evaluating the impact to the related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which modernizes the accounting for internal-use software costs by removing all references to prescriptive and sequential software development stages. The new standard requires entities to consider whether significant development uncertainty has been resolved before starting to capitalize software costs and aligns disclosure requirements with ASC 360, Property, Plant, and Equipment. The ASU is effective for annual and interim reporting periods beginning

after December 15, 2027, and can be applied prospectively, retrospectively, or using a modified transition method, with early adoption permitted. The Company is currently evaluating the impacts of this guidance on the consolidated financial statements and related disclosures.

2. Discontinued Operations

On January 17, 2025, BrightSpring entered into a definitive agreement to sell its Community Living business to National Mentor Holdings, Inc. (the "Purchaser"), for \$835.0 million in cash upon closing, subject to certain post-closing adjustments. We entered into the transaction in order to streamline our service offerings and further focus on the senior and specialty populations. The transaction is expected to close in the first fiscal quarter of 2026, subject to receipt of customary regulatory approvals and satisfaction of other closing conditions.

The Company has determined the divestiture of the Community Living business represents a strategic shift that will have a major effect on its business and has concluded the criteria for classification as discontinued operations were met during the first fiscal quarter of 2025. Accordingly, the Community Living business is reported as discontinued operations in accordance with Accounting Standards Codification ("ASC") 205-20, *Discontinued Operations*. The related assets and liabilities of the Community Living business are classified as assets and liabilities held for sale in the accompanying unaudited condensed consolidated balance sheet as of September 30, 2025, and the results of operations from the Community Living business are classified as discontinued operations in the unaudited condensed consolidated statements of operations. Applicable amounts in prior years have been recast to conform to this discontinued operations presentation. The Community Living business was historically presented as a part of the Provider Services reportable segment.

In accordance with ASC 205-20, *Allocation of Interest to Discontinued Operations*, the Company elected to allocate interest expense to discontinued operations for the Company's debt that is not directly attributed to the Community Living business. Interest expense was allocated based on a ratio of net assets held for sale to the sum of consolidated net assets and consolidated debt. In addition, upon closing of the divestiture, we will enter into a transition services agreement with the Purchaser to support the Purchaser's post-closing operations of the Community Living business by providing the Purchaser with certain transition services in exchange for service fees in the form of both fixed-price and pass through costs. Transition services will primarily include finance and accounting, human resources, IT, facilities management, and compliance services.

The financial results of the Community Living business are presented as income from discontinued operations on our unaudited condensed consolidated statements of operations through September 30, 2025. The following table presents the financial results of the Community Living business (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Services revenue	\$ 314,605	\$ 305,594	\$ 921,394	\$ 888,422
Cost of services	212,251	220,574	628,048	649,645
Gross profit	102,354	85,020	293,346	238,777
Selling, general, and administrative expenses	70,940	57,277	195,423	163,871
Operating income of discontinued operations	31,414	27,743	97,923	74,906
Interest expense, net	7,404	9,447	22,901	29,154
Income of discontinued operations before incomes taxes	24,010	18,296	75,022	45,752
Income tax expense of discontinued operations	6,257	1,605	18,474	8,464
Income from discontinued operations, net of income taxes	\$ 17,753	\$ 16,691	\$ 56,548	\$ 37,288

The following table presents the aggregate carrying amounts of assets and liabilities held for sale for the Community Living business in the unaudited condensed consolidated balance sheets (in thousands):

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 956	\$ 299
Accounts receivable, net of allowance for credit losses	129,707	125,872
Inventories	3,652	4,007
Prepaid expenses and other current assets	3,112	1,269
Total current assets held for sale	137,427	131,447
Property and equipment, net of accumulated depreciation of \$104,774 and \$110,417 at September 30, 2025 and December 31, 2024, respectively	78,145	69,715
Goodwill	307,640	307,640
Intangible assets, net of accumulated amortization	216,192	216,258
Operating lease right-of-use assets, net	121,676	88,717
Deferred income taxes, net	287	287
Other assets	2,479	5,343
Total assets held for sale	\$ 863,846	\$ 819,407
Liabilities		
Current liabilities:		
Trade accounts payable	\$ 20,860	\$ 17,366
Accrued expenses	61,296	60,791
Current portion of obligations under operating leases	33,095	30,755
Current portion of obligations under financing leases	7,716	8,651
Total current liabilities held for sale	122,967	117,563
Obligations under operating leases, net of current portion	60,056	58,147
Obligations under financing leases, net of current portion	13,068	18,461
Long-term liabilities	522	569
Total liabilities held for sale	\$ 196,613	\$ 194,740

In accordance with ASC 205-20, all assets and liabilities held for sale are reported as current at September 30, 2025 as the Community Living transaction is expected to close within one-year of the balance sheet date. The presentation of assets and liabilities held for sale at December 31, 2024 are reported as current and noncurrent, consistent with the conclusion in the period, as the transaction did not meet the requirements of held for sale at that point in time.

The following table presents the significant non-cash items and purchases of property and equipment for the discontinued operations that are included in the accompanying unaudited condensed consolidated statements of cash flows (in thousands):

	For the Nine Months Ended	
	September 30, 2025	September 30, 2024
Cash flows from discontinued operations operating activities:		
Depreciation and amortization	\$ 1,329	\$ 30,132
Share-based compensation	9,578	5,402
Impairment of long-lived assets	—	3,020
Cash flows from discontinued operations investing activities:		
Purchases of property and equipment	8,755	7,708

3. Revenue

The Company is substantially dependent on revenues received under contracts with federal, state, and local government agencies. Operating funding sources are generally earned from Medicaid, Medicare, commercial insurance reimbursement, and from private and other payors. There is no single customer whose revenue was 10% or more of our consolidated revenue during the periods presented. The following tables set forth revenue by payor type (in millions):

Pharmacy Solutions								
For the Three Months Ended September 30,				For the Nine Months Ended September 30,				
2025		2024		2025		2024		
Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue
Commercial insurance	\$ 818.3	24.5%	\$ 619.1	23.8%	\$ 2,234.8	23.9%	\$ 1,693.7	23.1%
Medicaid	287.4	8.6%	213.9	8.2%	791.8	8.5%	600.9	8.2%
Medicare A	143.0	4.3%	141.9	5.5%	422.3	4.5%	399.0	5.4%
Medicare B	18.7	0.6%	16.8	0.6%	56.9	0.6%	50.4	0.7%
Medicare C	593.0	17.8%	406.1	15.6%	1,636.3	17.5%	1,120.9	15.3%
Medicare D	1,058.4	31.7%	826.2	31.8%	2,977.7	31.8%	2,352.5	32.1%
Private & other	48.2	1.5%	41.7	1.6%	169.4	1.8%	139.8	2.0%
	<u>\$ 2,967.0</u>	<u>89.0%</u>	<u>\$ 2,265.7</u>	<u>87.1%</u>	<u>\$ 8,289.2</u>	<u>88.6%</u>	<u>\$ 6,357.2</u>	<u>86.8%</u>

Provider Services								
For the Three Months Ended September 30,				For the Nine Months Ended September 30,				
2025		2024		2025		2024		
Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue
Commercial insurance	\$ 51.3	1.5%	\$ 41.9	1.6%	\$ 136.8	1.5%	\$ 125.0	1.7%
Medicaid	128.3	3.8%	84.9	3.3%	301.9	3.2%	251.4	3.4%
Medicare A	127.0	3.8%	114.3	4.4%	375.2	4.0%	327.2	4.5%
Medicare B	1.7	0.1%	3.7	0.1%	4.6	0.0%	18.7	0.3%
Medicare C	28.8	0.9%	36.0	1.4%	96.0	1.0%	84.3	1.2%
Private & other	30.0	0.9%	54.7	2.1%	156.2	1.7%	161.4	2.1%
	<u>\$ 367.1</u>	<u>11.0%</u>	<u>\$ 335.5</u>	<u>12.9%</u>	<u>\$ 1,070.7</u>	<u>11.4%</u>	<u>\$ 968.0</u>	<u>13.2%</u>

Consolidated								
For the Three Months Ended September 30,				For the Nine Months Ended September 30,				
2025		2024		2025		2024		
Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue
Commercial insurance	\$ 869.6	26.0%	\$ 661.0	25.4%	\$ 2,371.6	25.4%	\$ 1,818.7	24.8%
Medicaid	415.7	12.4%	298.8	11.5%	1,093.7	11.7%	852.3	11.6%
Medicare A	270.0	8.1%	256.2	9.9%	797.5	8.5%	726.2	9.9%
Medicare B	20.4	0.7%	20.5	0.7%	61.5	0.6%	69.1	1.0%
Medicare C	621.8	18.7%	442.1	17.0%	1,732.3	18.5%	1,205.2	16.5%
Medicare D	1,058.4	31.7%	826.2	31.8%	2,977.7	31.8%	2,352.5	32.1%
Private & other	78.2	2.4%	96.4	3.7%	325.6	3.5%	301.2	4.1%
	<u>\$ 3,334.1</u>	<u>100.0%</u>	<u>\$ 2,601.2</u>	<u>100.0%</u>	<u>\$ 9,359.9</u>	<u>100.0%</u>	<u>\$ 7,325.2</u>	<u>100.0%</u>

Refer to Note 15 for the disaggregation of revenue by reportable segment.

4. Acquisitions

2025 Acquisitions

During the nine months ended September 30, 2025, we completed two acquisitions within the Provider Services segment for aggregate consideration of \$8.5 million. We entered these transactions in order to expand our services and geographic offerings. No cash was acquired as a part of these transactions. The operating results of the acquisitions are included in our unaudited condensed consolidated financial statements from the date of the acquisition and are not material to our results of operations.

2024 Acquisitions

During the year ended December 31, 2024, we completed eight acquisitions within the Pharmacy Solutions and Provider Services segments. We entered into these transactions in order to expand our services and geographic offerings. Aggregate consideration net of cash acquired for these acquisitions was approximately \$110.6 million. The operating results of these acquisitions are included in our unaudited condensed consolidated financial statements from the respective dates of the acquisition.

Haven Hospice

The following table summarizes the consideration paid (in thousands) for the September 1, 2024 acquisition of North Central Florida Hospice, Inc. ("Haven Hospice") and the fair value of the assets acquired and the liabilities assumed at the acquisition date, which were adjusted for immaterial measurement-period adjustments through September 1, 2025. Haven Hospice provides hospice and palliative care services in the state of Florida. Its results are consolidated within the Provider Services segment.

Inventories	\$	45
Property and equipment		495
Goodwill		45,614
Intangible assets		19,860
Operating lease right-of-use assets		7,157
Trade accounts payable		1,264
Current portion of obligations under operating leases		2,235
Obligations under operating leases, net of current portion		4,922
Aggregate purchase price	\$	64,750

Consideration for the Haven Hospice acquisition included a \$15.0 million cash payment, \$15.0 million seller note payable in 2028, and \$30.0 million of the Company's common stock equal to 2,471,251 shares at the time of the acquisition. The number of shares was calculated by dividing \$30.0 million by a price per share equal to the average of the volume weighted average trading price of the Company's common stock on each of the fifteen consecutive trading days ending on and including the trading day that is three trading days prior to the closing date, as required by the asset purchase agreement. The sellers were restricted from trading during a 180-day lock-up period from closing with agreed-upon sale volume limitations for four years thereafter. The asset purchase agreement also includes a post-closing adjustment feature to the extent any losses are incurred by the sellers in the sale of their common stock for four years following closing with a final equity adjustment feature. See Note 12.

The intangible assets consist of \$14.8 million in indefinite-lived licenses and \$5.1 million of trade name. The fair value of acquired licenses and trade name were based upon a third-party valuation. The trade name has an estimated useful life of 10.0 years. We expect all of the goodwill will be deductible for tax purposes. The Company believes the resulting amount of goodwill reflects its expectation of synergistic benefits of the acquisition.

Haven Hospice contributed \$17.7 million and \$50.1 million in revenue during the three and nine months ended September 30, 2025, respectively, compared to \$4.8 million in revenue during the three and nine months ended September 30, 2024. Haven Hospice contributed \$1.9 million and \$5.1 million of operating income during the three and nine months ended September 30, 2025, respectively, compared to \$0.6 million of operating income during the three and nine months ended September 30, 2024. Pro forma financial data for the Haven Hospice acquisition has not been included as the results of the operations are not material to our unaudited condensed consolidated financial statements.

Others

The following table summarizes the consideration paid (in thousands) for 2024 acquisitions, excluding Haven Hospice, and the estimated fair value of the assets acquired and the liabilities assumed at the acquisition dates, which are adjusted for immaterial measurement-period adjustments through September 30, 2025. Consideration for acquisitions by the Pharmacy Solutions and Provider Services segments was \$27.0 million and \$18.9 million, respectively.

Accounts receivable	\$	3,749
Inventories		1,234
Prepaid expenses and other current assets		174
Property and equipment		398
Goodwill		17,721
Intangible assets		31,233
Operating lease right-of-use assets		364
Other assets		1,438
Trade accounts payable		650
Accrued expenses		7,657
Current portion of obligations under operating leases		56
Current portion of obligations under financing leases		53
Obligations under operating leases, net of current portion		308
Obligations under financing leases, net of current portion		8
Deferred income taxes, net		1,686
Aggregate purchase price, net of cash acquired	\$	<u>45,893</u>

We have estimated the fair value of acquired customer relationships, licenses, trade names, and covenants not to compete based upon third-party valuations and/or the values assigned in prior acquisitions that were deemed comparable in nature. The intangible assets consist primarily of \$22.3 million in customer relationships, \$5.7 million in definite-lived licenses, \$2.1 million in indefinite-lived licenses, \$0.6 million in covenants not to compete, and \$0.5 million in trade names. Definite-lived intangible assets have an estimated weighted average useful life of 14.9 years. We expect \$12.0 million of the goodwill will be deductible for tax purposes. The Company believes the resulting amount of goodwill reflects its expectation of synergistic benefits of the acquisitions.

The above acquisitions contributed approximately \$20.5 million and \$62.3 million in revenue during the three and nine months ended September 30, 2025, respectively, compared to \$21.8 million and \$37.7 million in revenue during the three and nine months ended September 30, 2024. The above acquisitions contributed approximately \$0.3 million and \$3.1 million in operating income during the three and nine months ended September 30, 2025, respectively, compared to \$2.0 million and \$3.0 million in operating income during the three and nine months ended September 30, 2024. Pro forma financial data for the 2024 acquisitions has not been included as the results of the operations are not material to our unaudited condensed consolidated financial statements.

Measurement period adjustments for all aforementioned acquisitions completed in 2024 recorded in the three and nine months ended September 30, 2025 were not material to the unaudited condensed consolidated financial statements. The Company expects to finalize the purchase price allocation for the 2024 acquisitions prior to the one-year anniversary date of each acquisition.

During the three and nine months ended September 30, 2024, the Company incurred approximately \$0.2 million and \$2.1 million in transaction costs, respectively, related to all 2024 acquisitions, including those acquisitions completed in subsequent quarters of 2024. These costs are included in selling, general, and administrative expenses in our unaudited condensed consolidated statements of operations.

The Company also agreed to purchase the remaining 30% noncontrolling interest in Gateway Pediatric Therapy, LLC during the first fiscal quarter of 2024 and the remaining 45% noncontrolling interest in Harvest Grove LTC, LLC during the third fiscal quarter of 2024. These transactions did not meet the definition of a business combination in accordance with ASC 805, *Business Combinations*.

5. Goodwill and Intangible Assets

A summary of changes to goodwill, by reportable segment, is as follows (in thousands):

	Goodwill		
	Pharmacy Solutions	Provider Services	Total
Goodwill at January 1, 2025*	\$ 841,052	\$ 1,522,832	\$ 2,363,884
Goodwill added through acquisitions	—	6,430	6,430
Measurement period adjustments	—	128	128
Foreign currency adjustments	—	124	124
Goodwill at September 30, 2025*	<u>\$ 841,052</u>	<u>\$ 1,529,514</u>	<u>\$ 2,370,566</u>

* For the periods presented, the carrying amount of goodwill is presented net of accumulated impairment losses of \$40.9 million.

Intangible assets are as follows (in thousands):

	September 30, 2025			December 31, 2024			Life (Years)
	Gross	Accumulated Amortization	Net Carrying Value	Gross	Accumulated Amortization	Net Carrying Value	
Customer relationships	\$ 517,753	\$ 354,982	\$ 162,771	\$ 542,137	\$ 335,647	\$ 206,490	5-20
Trade names	328,968	156,431	172,537	332,977	140,020	192,957	2-20
Licenses	60,515	17,970	42,545	68,425	17,528	50,897	10-20
Doctor/payor network	5,650	4,800	850	12,730	10,965	1,765	5-8
Covenants not to compete	6,874	4,605	2,269	8,790	5,886	2,904	2-7
Other intangible assets	10,940	7,535	3,405	10,940	6,362	4,578	5-7
Total definite-lived assets	\$ 930,700	\$ 546,323	\$ 384,377	\$ 975,999	\$ 516,408	\$ 459,591	
Licenses	137,233	—	137,233	135,633	—	135,633	Indefinite
Total intangible assets	\$ 1,067,933	\$ 546,323	\$ 521,610	\$ 1,111,632	\$ 516,408	\$ 595,224	

Amortization expense for the three and nine months ended September 30, 2025 was \$22.7 million and \$69.7 million, respectively, as compared to \$24.1 million and \$72.0 million for the three and nine months ended September 30, 2024, respectively.

6. Debt and Derivatives

The table below summarizes the total outstanding debt of the Company (in thousands):

	September 30, 2025		December 31, 2024	
	Rate	\$	Rate	\$
First Lien Incremental Term Loan Tranche B-5 - payable to lenders at SOFR plus applicable margin	6.66%	\$ 2,527,638	6.86%	\$ 2,546,787
Revolving Credit Loans - payable to lenders at SOFR plus applicable margin	6.91%	—	7.61%	—
Swingline/Base Rate - payable to lenders at ABR plus applicable margin	9.25%	—	9.75%	63,300
Amortizing Notes ⁽¹⁾		37,181		53,804
Notes payable and other		17,267		19,428
Total debt		2,582,086		2,683,319
Less: debt issuance costs, net		64,882		72,736
Total debt, net of debt issuance costs		2,517,204		2,610,583
Less: current portion of long-term debt		51,870		48,725
Total long-term debt, net of current portion		\$ 2,465,334		\$ 2,561,858

(1) See Note 7 for discussion of Amortizing Notes.

The following discussion summarizes the debt agreements and related modifications for the nine months ended September 30, 2025 and the year ended December 31, 2024. We were in compliance with all applicable financial debt covenants at September 30, 2025 and December 31, 2024.

First Lien Credit Agreement

On March 5, 2019, the Company entered into a First Lien Credit Agreement (the "First Lien"), with Morgan Stanley Senior Funding, Inc., as the Administrative Agent and the Collateral Agent. The First Lien originally consisted of a principal amount of \$1,650.0 million. In 2019, an additional delayed draw of \$150.0 million was made on the First Lien, resulting in a gross borrowing of \$1,800.0 million ("Tranche B-1"). The First Lien, as amended in 2020, provided for the establishment of a Tranche B-2 Term Loan ("Tranche B-2") in an aggregate principal amount equal to \$550.0 million. The First Lien, as amended in 2021, provided for the establishment of a Tranche B-3 Term Loan ("Tranche B-3") in an aggregate principal amount equal to \$675.0 million.

On February 21, 2024, we used a portion of the net proceeds received from the IPO Offerings to repay \$343.3 million of the borrowings under the First Lien, and amended the First Lien to establish a new Tranche B-4 Term Loan ("Tranche B-4") in an aggregate principal amount of \$2,566.0 million. The proceeds from Tranche B-4 borrowings were used to refinance the equivalent amount of the remaining First Lien Tranches B-1, B-2, and B-3 borrowings and was accounted for as a debt modification.

On December 11, 2024, we amended the First Lien to refinance Tranche B-4 by establishing a Tranche B-5 Term Loan ("Tranche B-5") in an aggregate principal amount of \$2,553.2 million at a rate equal to Secured Overnight Financing Rate ("SOFR") plus 2.50% or Alternate Base Rate ("ABR") plus 1.50% with a maturity date of February 21, 2031. The non-cash transaction was accounted for as a

debt modification. Principal payments are due on the last business day of each quarter, which commenced in the first fiscal quarter of 2025 and equate to 0.25% of the principal at issuance, with a balloon payment due February 21, 2031.

Revolving Credit Facility

The First Lien also extends credit in the form of a Revolving Credit Facility with a borrowing capacity of \$475.0 million (the “Revolver”), of which up to \$50.0 million is available as swingline loans and up to \$82.5 million is available as letters of credit (the “LC Sublimit”). The Revolver will mature on June 30, 2028. In connection with the First Lien modification on February 21, 2024, borrowings under the Revolver bore interest at a rate equal to SOFR (with a floor of 0.00%) plus 3.25% for the Revolving Credit Loans or ABR plus 2.25% for the Swingline Loans at December 31, 2024. During the first fiscal quarter of 2025, the variable rate on the Revolving Credit Loans and Swingline Loans decreased to SOFR plus 3.00% and ABR plus 2.00%, respectively, as a result of our improved leverage ratio in accordance with the terms of our credit agreement. As of September 30, 2025, the Company had \$475.0 million of borrowing capacity available under the Revolver as there were no borrowings under the Revolver or letters of credit outstanding. As of December 31, 2024, the Company had \$63.3 million of borrowings outstanding under the Revolver and no letters of credit, reducing the available borrowing capacity to approximately \$411.7 million.

The Company’s First Lien also provides for an additional \$65.0 million of letter of credit commitments (the “LC Facility”), which are not subject to the LC Sublimit and do not reduce the Revolver borrowing capacity. As of September 30, 2025, there were \$62.8 million of letters of credit outstanding under the LC Facility, resulting in an available borrowing capacity of \$2.2 million. As of December 31, 2024, there were \$61.8 million of letters of credit outstanding under the LC Facility, resulting in an available borrowing capacity of \$3.2 million.

Second Lien Credit Agreement

The Company’s amended and restated Second Lien Credit Agreement (the “Second Lien Facility”), with certain Lenders and Wilmington Trust, National Association, as the Administrative Agent and the Collateral Agent consisted of a principal amount of \$450.0 million. On January 30, 2024, we used a portion of the net proceeds received from the IPO Offerings to repay all outstanding borrowings under the Second Lien Facility. No remaining obligation exists related to the Second Lien Facility. This transaction was accounted for as a debt extinguishment and the Company incurred a loss on extinguishment of debt of \$12.7 million related to the write-off of unamortized debt issuance costs during the first fiscal quarter of 2024.

Derivative Financial Instruments

To manage fluctuations in cash flows resulting from changes in the variable interest rates, the Company entered into receive-variable, pay-fixed interest rate swap agreements. The following table summarizes our interest rate swaps designated as cash flow hedges:

Financial Institution	Notional Amount as of		Effective Dates	Fixed Rates
	September 30, 2025	December 31, 2024		
Credit Suisse	\$ —	\$ 500 million	3-year period ending September 30, 2025	3.41650%
Morgan Stanley	—	1,050 million	3-year period ending September 30, 2025	3.42000%
Credit Agricole Corporate and Investment Bank	—	450 million	3-year period ending September 30, 2025	3.52410%
Matured contracts	<u>\$ —</u>	<u>\$ 2,000 million</u>		
Credit Agricole Corporate and Investment Bank	\$ 500 million	\$ —	1-year period ending September 30, 2026	3.72500%
Mizuho Capital Markets	500 million	—	1-year period ending September 30, 2026	3.61121%
Credit Agricole Corporate and Investment Bank	250 million	—	3-year period ending September 30, 2028	3.33150%
Morgan Stanley	250 million	—	3-year period ending September 30, 2028	3.17700%
Existing contracts	<u>\$ 1,500 million</u>	<u>\$ —</u>		

The net fair value of the net cash flow hedges as of September 30, 2025 and December 31, 2024 was \$0.3 million and \$10.6 million, respectively, and is reflected in prepaid expenses and other current assets, other assets, and long-term liabilities in the unaudited condensed consolidated balance sheets.

Amounts reported in accumulated other comprehensive income (“AOCI”) related to derivatives will be reclassified to interest expense as interest payments are made on the Company’s variable-rate debt. Interest received, including payments made or received under the cash flow hedges, was \$4.6 million and \$13.4 million for the three and nine months ended September 30, 2025, respectively, as compared to \$9.8 million and \$28.9 million for the three and nine months ended September 30, 2024, respectively. The Company expects approximately \$0.9 million of pre-tax gains to be reclassified out of AOCI into earnings within the next twelve months.

7. Tangible Equity Units

Concurrently with the IPO, we issued 8,000,000 TEUs, which have a stated amount of \$50.00 per unit. Each TEU is comprised of a prepaid stock purchase contract (“Purchase Contract”) and a senior amortizing note (“Amortizing Note”) due February 1, 2027, each issued by the Company. Each TEU may be separated by a holder into its constituent Purchase Contract and Amortizing Note, each of which is considered a freestanding financial instrument. The proceeds from the issuance were allocated to equity and debt based on the relative fair value of the respective components of each TEU as follows (in thousands):

	Equity Component	Debt Component	Total
Fair value per unit	\$ 41.3382	\$ 8.6618	\$ 50.00
Gross proceeds	\$ 330,706	\$ 69,294	\$ 400,000
Less: issuance costs	9,095	1,905	11,000
Net proceeds	<u>\$ 321,611</u>	<u>\$ 67,389</u>	<u>\$ 389,000</u>

The value allocated to the Purchase Contract is reflected net of issuance costs in additional paid-in capital. The value allocated to the Amortizing Notes is reflected in long-term debt in the unaudited condensed consolidated balance sheet, with payments expected in the next twelve months reflected in current portion of long-term debt. The long-term portion of the Amortizing Notes as of September 30, 2025 and December 31, 2024 was \$13.0 million and \$32.9 million, respectively. The short-term portion of the Amortizing Notes as of September 30, 2025 and December 31, 2024 was \$24.2 million and \$20.9 million, respectively. Issuance costs related to the Amortizing Notes are reflected as a reduction of the carrying amount and will be amortized through the maturity date using the effective interest rate method.

Amortizing Notes

The Company pays equal quarterly cash installments of \$0.8438 per Amortizing Note on February 1, May 1, August 1 and November 1, commencing on May 1, 2024, except for the May 1, 2024 installment payment, which was \$0.8531 per Amortizing Note, with a final installment payment date of February 1, 2027. In the aggregate, the annual quarterly cash installments are the equivalent of 6.75% per year. Each installment payment constitutes a payment of interest and a partial repayment of principal. The Company paid \$6.7 million and \$20.2 million in TEU installment payments during the three and nine months ended September 30, 2025, respectively, as compared to \$6.8 million and \$13.6 million during the three and nine months ended September 30, 2024. The Amortizing Notes rank equally in right of payment with all other existing and future unsecured senior indebtedness and rank senior to all of our existing and future indebtedness, if any, that is subordinated to the Amortizing Notes.

Purchase Contracts

At any time prior to the second scheduled trading day immediately preceding February 1, 2027, a holder may elect to settle its Purchase Contract early, in whole or in part, at an early settlement rate equal to the minimum settlement rate. The Company has the right to settle the Purchase Contracts on or after November 1, 2024, in whole but not in part, on a date fixed by it at an early mandatory settlement rate equal to the maximum settlement rate, subject to certain exceptions. During the three and nine months ended September 30, 2025, 865,017 Purchase Contracts were converted at the holder's option. During the three and nine months ended September 30, 2024, no Purchase Contracts were converted at the holder's option.

Unless settled earlier at the holder’s option or at the Company’s election, each Purchase Contract will, subject to postponement in certain limited circumstances, automatically settle on February 1, 2027 for a number of shares of our common stock, subject to certain anti-dilution adjustments, based upon the 20-day volume-weighted average price (“VWAP”) of our common stock as follows:

VWAP of BTSG Common Stock	Common Stock Issued
Greater than \$15.28	3.2733 shares (minimum settlement rate)
Equal to or less than \$15.28 but greater than or equal to \$13.00	\$50 divided by VWAP
Less than \$13.00	3.8461 shares (maximum settlement rate)

The Purchase Contracts are mandatorily convertible into a minimum of 26.2 million shares or a maximum of 30.8 million shares of our common stock on the mandatory settlement date (unless redeemed by us or settled earlier at the unit holder's option). The 26.2 million minimum shares are included in the calculation of basic weighted average shares outstanding. The difference between the minimum and maximum shares represents potentially dilutive securities, which are included in the calculation of diluted weighted average shares outstanding to the extent that the average applicable market value is equal to or greater than \$13.00 but is less than or equal to \$15.28 during the period (see Note 10).

8. Income Taxes

The provision for income taxes is attributable to U.S. federal, state, and foreign income taxes. The Company's effective tax rate used for interim periods is based on an estimated annual effective tax rate and includes the tax effect of items required to be recorded discretely in the interim periods in which those items occur.

A reconciliation of the Company's effective tax rate is as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Estimated annual effective tax rate before discrete items	26.4%	(28.5)%	26.4%	20.6%
Discrete items recognized	(2.0)%	(18.1)%	(7.2)%	9.5%
Effective tax rate recognized in the statements of operations	<u>24.4%</u>	<u>(46.6)%</u>	<u>19.2%</u>	<u>30.1%</u>

During the three months ended September 30, 2025, the Company's effective tax rate was lower than the U.S. federal income tax rate, primarily as a result of including \$1.0 million in tax benefits resulting from the recognition of excess tax benefits from share-based compensation. During the three months ended September 30, 2024, the Company's effective tax rate was lower than the U.S. federal income tax rate, primarily as a result of the cumulative impact of the year-to-date estimated tax rate on pre-tax book losses as well as the 2023 return-to-provision adjustments driven by a refinement of pre-tax book income from continuing operations for tax reporting purposes.

During the nine months ended September 30, 2025, the Company's effective tax rate was lower than the U.S. federal income tax rate, primarily as a result of including \$4.7 million in tax benefits resulting from the recognition of excess tax benefits from share-based compensation. During the nine months ended September 30, 2024, the Company's effective tax rate was higher than the U.S. federal income tax rate, primarily as a result of limitations on the deductibility of certain executive compensation that now apply to the Company after the IPO Offerings, which were completed in January 2024. In addition, the discrete tax benefit related to the Silver matter increased the effective tax rate on pre-tax book losses to date.

On July 4, 2025, H.R.1, new tax legislation commonly referred to as the One Big Beautiful Bill Act ("OBBA"), which includes a broad range of tax provisions, was enacted in the U.S. The Company does not expect the OBBA will have a material impact on its estimated annual effective tax rate in 2025, however will continue to monitor the cash tax benefits as a result of favorable tax treatment for certain business provisions.

See Note 13 for further discussion of the Silver matter.

9. Detail of Certain Balance Sheet Accounts

Prepaid expenses and other current assets consist of the following (in thousands):

	September 30, 2025	December 31, 2024
Rebate receivable	\$ 38,188	\$ 49,538
Non-trade receivables	25,068	45,428
Prepaid insurance	15,383	13,892
Income tax receivable	14,366	13,468
Inventory returns receivable	9,855	11,245
Prepaid maintenance	3,663	3,644
Interest rate swaps	—	10,633
Other prepaid expenses and current assets	17,455	13,462
Total prepaid expenses and other current assets	<u>\$ 123,978</u>	<u>\$ 161,310</u>

Other assets consist of the following (in thousands):

	September 30, 2025	December 31, 2024
Insurance recoveries	\$ 6,890	\$ 7,564
Notes receivable	6,712	8,577
Cloud computing	6,054	7,362
Equity method investments	5,821	670
Deposits	5,666	6,733
Deferred compensation	4,505	3,777
Deferred debt issuance costs	1,940	2,470
Interest rate swaps	1,037	—
Other assets	3,337	1,975
Total other assets	<u>\$ 41,962</u>	<u>\$ 39,128</u>

Accrued expenses consist of the following (in thousands):

	September 30, 2025	December 31, 2024
Wages and payroll taxes	\$ 121,480	\$ 98,245
Checks in excess of cash balance	27,202	27,643
Compensated absences	26,930	24,360
Workers compensation insurance reserves	24,006	19,966
Health insurance reserves	19,146	14,934
Property insurance reserves	11,568	9,879
Deferred revenue	8,302	10,196
Legal settlements and professional fees	8,060	13,982
General and professional liability insurance reserves	6,639	8,328
Automobile insurance reserves	4,338	21,353
Taxes other than income taxes	2,700	1,985
Interest	1,398	8,779
Interest rate swaps	717	—
Contingent consideration	200	3,136
Other	41,360	32,960
Total accrued expenses	<u>\$ 304,046</u>	<u>\$ 295,746</u>

Long-term liabilities consist of the following (in thousands):

	September 30, 2025	December 31, 2024
Workers compensation insurance reserves	\$ 23,442	\$ 25,360
General and professional liability insurance reserves	23,090	21,182
Automobile insurance reserves	9,514	9,034
Deferred compensation	4,505	3,777
Contingent consideration	750	5,250
Employee incentives	—	3,993
Other	2,259	2,594
Total long-term liabilities	<u>\$ 63,560</u>	<u>\$ 71,190</u>

10. Earnings Per Share (“EPS”)

Basic net income (loss) per share excludes dilution and is reported separately for continuing operations and discontinued operations. Basic net income (loss) per share of common stock for continuing operations and discontinued operations is calculated by dividing net income (loss) from continuing operations and discontinued operations attributable to common shareholders by the weighted average number of shares outstanding for the reporting period. Diluted net income (loss) per share of common stock is computed by giving effect to all potential weighted average dilutive common stock. In periods of net loss, no potentially dilutive common shares are included in the diluted shares outstanding as the effect is anti-dilutive.

The number of additional shares of common stock related to restricted stock units (“RSUs”) and stock option awards is calculated using the treasury stock method, if dilutive.

For the three and nine months ended September 30, 2025 and 2024, the TEUs were assumed to be outstanding at the minimum settlement amount for weighted-average shares for basic EPS. For the three and nine months ended September 30, 2025, the Company's average applicable market value was greater than \$15.28, resulting in no dilutive impact to EPS for TEUs. For the three and nine months ended September 30, 2024, the Company's average applicable market value was equal to or less than \$15.28 but greater than or equal to \$13.00. Thus, the TEUs were assumed to be settled at a conversion factor based on the 20-day VWAP per share of the Company's common stock not to exceed 3.8461 shares per Purchase Contract, if dilutive. See Note 7 for further discussion of TEUs.

The following table sets forth the computation of basic and diluted net income (loss) per share attributable to common shareholders (in thousands, except per share amounts):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
<i>Numerator:</i>				
Net income (loss) from continuing operations	\$ 37,488	\$ (25,672)	\$ 55,245	\$ (73,213)
Less: Net loss attributable to noncontrolling interests	(595)	(751)	(1,793)	(1,864)
Net income (loss) from continuing operations attributable to common shareholders	38,083	(24,921)	57,038	(71,349)
Net income from discontinued operations	17,753	16,691	56,548	37,288
Net income (loss) attributable to common shareholders	\$ 55,836	\$ (8,230)	\$ 113,586	\$ (34,061)
<i>Denominator:</i>				
Weighted-average shares outstanding - basic	203,487	198,491	202,067	190,541
<i>Effect of dilutive securities:</i>				
Stock options	7,835	—	8,387	—
RSUs	6,660	—	8,065	—
TEUs	—	—	—	—
Other	—	—	—	—
Weighted-average shares outstanding - diluted	217,982	198,491	218,519	190,541
<i>Basic income (loss) per share attributable to common shareholders:</i>				
Continuing operations	\$ 0.19	\$ (0.13)	\$ 0.28	\$ (0.37)
Discontinued operations	\$ 0.08	\$ 0.09	\$ 0.28	\$ 0.19
Net income (loss)	\$ 0.27	\$ (0.04)	\$ 0.56	\$ (0.18)
<i>Diluted income (loss) per share attributable to common shareholders:</i>				
Continuing operations	\$ 0.17	\$ (0.13)	\$ 0.26	\$ (0.37)
Discontinued operations	\$ 0.09	\$ 0.09	\$ 0.26	\$ 0.19
Net income (loss)	\$ 0.26	\$ (0.04)	\$ 0.52	\$ (0.18)

The following potentially common share equivalents were excluded from the computation of diluted net income (loss) per share because their effect would have been anti-dilutive for the periods presented (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock options	245	15,096	1,303	15,096
RSUs	—	11,078	—	11,078
TEUs	—	1,881	—	1,881
Other	—	9	—	9
Total	245	28,064	1,303	28,064

11. Common Stock, Preferred Stock, and Share-Based Compensation

Common Stock and Preferred Stock

The Company's Board of Directors approved a 15.7027-for-one stock split of the Company's common stock on January 24, 2024. The stock split became effective on January 25, 2024. The par value per share of the Company's common stock remained unchanged at \$0.01 per share, and the authorized shares of the Company's common stock increased from 8,750,000 to 137,398,625. Upon completion of the IPO Offerings in January 2024, the Company's Board of Directors approved an amendment to our articles of incorporation to authorize 1,500,000,000 and 250,000,000 shares of common stock and preferred stock, respectively, each with a par value of \$0.01 per share.

Share-Based Compensation

In January 2025, the Company's Board of Directors approved the modification of certain equity awards in connection with the divestiture of the Community Living business, which resulted in \$1.7 million and \$4.8 million of incremental share-based compensation expense recognized during the three and nine months ended September 30, 2025, respectively.

12. Fair Value

Assets and liabilities measured at fair value are based on one or more of the following three valuation techniques:

- A. *Market approach*: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- B. *Cost approach*: Amount that would be required to replace the service capacity of an asset (replacement cost).
- C. *Income approach*: Techniques to convert future amounts to a single present amount based upon market expectations (including present value techniques, option-pricing and excess earnings models).

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The financial assets or liabilities recorded at fair value on a recurring basis are set forth in the table below (in thousands):

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>Valuation Technique</u>
Assets:			
Interest rate swaps (Level 2)	\$ 275	\$ 10,633	A
Total assets	<u>\$ 275</u>	<u>\$ 10,633</u>	
Liabilities:			
Contingent consideration (Level 3)	\$ 950	\$ 8,386	C
Total liabilities	<u>\$ 950</u>	<u>\$ 8,386</u>	

The fair values of our interest rate swaps are based upon Level 2 inputs, which include valuation models. The key inputs for the valuation models are quoted market prices, interest rates, forward yield curves, and credit risk adjustments that are necessary to reflect the probability of default by the counterparty or us. For disclosures about our derivative instruments, refer to Note 6.

The contingent consideration represents future earn-outs and a post-closing equity adjustment feature, both associated with acquisitions, which are recognized as a component of the purchase price at the estimated fair value on the acquisition date. These liabilities are classified as accrued expenses and long-term liabilities in our accompanying unaudited condensed consolidated balance sheets.

The fair values of the liabilities associated with future earn outs were derived using the income approach with unobservable inputs, including future earnings forecasts and present value assumptions, and there was little or no market data (Level 3). The Company will re-assess the fair values on each reporting period thereafter until settlement.

The fair value of the liability associated with the post-closing equity adjustment feature related to the Haven Hospice acquisition was derived with unobservable inputs using a Monte Carlo simulation, where the common stock price of the Company was evolved using a Geometric Brownian Motion of a period from the valuation date to the end of the fourth anniversary of closing. Estimated equity volatility was based on historical volatility, implied volatility, and peer group volatility over various periods. The Company will

re-assess the fair value at each reporting period with changes in value being recorded through the statement of operations. The ultimate settlement of the liability will be through either issuance of additional equity shares and/or additional cash paid in case of net realized losses on sales; or reduction of the outstanding balance of the seller note, in the case of net aggregate realized gain on sales up to the amounts previously paid.

13. Commitments and Contingencies

Legal Proceedings

On March 4, 2011, Relator Marc Silver, on behalf of the U.S. Government and various state governments, filed a complaint in the United States District Court for the District of New Jersey (“the District Court”) against PharMerica, seeking relief, with respect to alleged violations of the federal False Claims Act and state false claims acts. The U.S. Government and state governments declined to intervene in the case. The District Court issued an order dismissing the case in full in 2016. In 2018, however, the Third Circuit Court of Appeals issued an order reinstating the case. In June 2023, the District Court issued an order setting a trial date of December 4, 2023. In November 2023, the District Court denied our motion for summary judgment and the Company subsequently agreed to settle the matter without admitting liability. On May 29, 2024, the parties entered into a final settlement agreement, which was approved by both the United States Department of Justice and the District Court.

The total financial impact of the settlement was \$120.0 million; \$90.0 million was paid in June 2024, \$20.0 million was paid in July 2024, and the remaining \$10.0 million was paid in April 2025. The District Court entered an order dismissing the Silver action in its entirety, with prejudice, on July 3, 2024.

The Company is also party to various legal and/or administrative proceedings arising out of the operation of our programs and arising in the ordinary course of business. We record accruals for such contingencies to the extent that we conclude it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. We do not believe the ultimate liability, if any, for outstanding proceedings or claims, individually or in the aggregate, in excess of amounts already provided, will have a material adverse effect on our consolidated financial condition, results of operations, or cash flows. It is reasonably possible that an adverse determination might have an impact on a particular period. While we believe our provision for legal contingencies is adequate, the outcome of legal proceedings is difficult to predict, and we may settle legal claims or be subject to judgments for amounts that exceed our estimates.

14. Related Party Transactions

The Company was party to a Monitoring Agreement with KKR and WBA, which required payment of an aggregate advisory fee equivalent to 1% of consolidated earnings before interest, taxes, depreciation, and amortization (“EBITDA”), payable in quarterly installments in arrears at the end of each quarter. The Monitoring Agreement terminated upon the completion of the IPO Offerings in January 2024.

Prior to the termination of the Monitoring Agreement, the Company recognized \$0.7 million in monitoring and advisory fees during the first fiscal quarter of 2024 as a component of selling, general, and administrative expenses in our accompanying unaudited condensed consolidated statements of operations.

As a result of the termination of the Monitoring Agreement and in accordance with the agreement, the Company paid \$22.7 million in termination fees to KKR and WBA in the fourth fiscal quarter of 2024. The termination fees were recognized in the first fiscal quarter of 2024 as selling, general, and administrative expense in our unaudited condensed consolidated statement of operations.

KKR Capital Markets LLC (“KCM”), a wholly owned subsidiary of KKR, acted as an underwriter in the IPO Offerings during the first fiscal quarter of 2024 and received \$7.4 million in underwriting discounts and commission. In connection with debt refinancing in the first fiscal quarter of 2024, the Company paid underwriter, arranger, and transaction fees to KCM of \$1.9 million. These fees are included within selling, general, and administrative expenses in our unaudited condensed consolidated statement of operations for the nine months ended September 30, 2024. There were no similar fees paid to KCM during the three or six months ended September 30, 2024, and the three or nine months ended September 30, 2025.

KKR has ownership interests in a broad range of portfolio companies, and we may enter into commercial transactions for goods or services in the ordinary course of business with these companies. We do not believe such transactions are material to our business.

The Company had an agreement with WBA and/or certain of its affiliates under which the Company purchased significant volume of inventory, including a Joinder Agreement to the Pharmaceutical Purchase and Distribution Agreement (the “WBAD Membership Agreement”) between WBA and AmerisourceBergen Drug Corporation (“ABDC”). The WBAD Membership Agreement was terminated in the first fiscal quarter of 2025, and we entered into a separate agreement with ABDC on February 1, 2025.

15. Segment Information

The Company's Chief Operating Decision Maker ("CODM") is its Chief Executive Officer, who evaluates the performance of our segments and allocates resources based on segment EBITDA. Segment EBITDA is used as the key profitability measure when we set our annual operating plan for each segment, is the metric with which our CODM assesses segment results, and is a key component of our annual variable compensation plans. Segment EBITDA is commonly used as an analytical indicator within the health care industry and is utilized in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments.

For all segments, the CODM uses segment EBITDA in the annual budgeting and monthly forecasting process. The CODM considers actual-to budget and actual-to current forecast variances for segment EBITDA on a monthly basis for evaluating performance of each segment and making decisions about allocating capital and other resources to each segment.

Segment amounts exclude certain expenses not specifically identifiable to the segments for functions performed in a centralized manner, which include accounting, finance, human resources, legal, information technology, corporate office support, and overall corporate management. Segment assets and capital expenditures are not provided to the Company's CODM and, therefore, are not disclosed.

The following tables set forth information about the Company's reportable segments, along with the items necessary to reconcile the segment information to the totals reported in the Company's unaudited condensed consolidated statements of operations as follows (in thousands):

	For the Three Months Ended September 30, 2025		
	Pharmacy Solutions	Provider Services	Total Segments
Products revenue	\$ 2,966,966	\$ —	\$ 2,966,966
Services revenue	—	367,140	367,140
Cost of drugs	2,541,723	—	2,541,723
Cost of services	—	220,784	220,784
Other direct costs ⁽¹⁾	179,591	—	179,591
Segment selling, general, and administrative expenses ⁽²⁾	131,116	93,027	224,143
Segment depreciation and amortization expense ⁽³⁾	26,451	7,340	33,791
Segment EBITDA	\$ 140,987	\$ 60,669	\$ 201,656

	For the Three Months Ended September 30, 2024		
	Pharmacy Solutions	Provider Services	Total Segments
Products revenue	\$ 2,265,697	\$ —	\$ 2,265,697
Services revenue	—	335,532	335,532
Cost of drugs	1,920,089	—	1,920,089
Cost of services	—	201,016	201,016
Other direct costs ⁽¹⁾	157,032	—	157,032
Segment selling, general, and administrative expenses ⁽²⁾	117,336	88,507	205,843
Segment depreciation and amortization expense ⁽³⁾	27,913	6,270	34,183
Segment EBITDA	\$ 99,153	\$ 52,279	\$ 151,432

	For the Nine Months Ended September 30, 2025		
	Pharmacy Solutions	Provider Services	Total Segments
Products revenue	\$ 8,289,238	\$ —	\$ 8,289,238
Services revenue	—	1,070,695	1,070,695
Cost of drugs	7,066,776	—	7,066,776
Cost of services	—	648,773	648,773
Other direct costs ⁽¹⁾	539,155	—	539,155
Segment selling, general, and administrative expenses ⁽²⁾	382,894	275,000	657,894
Segment depreciation and amortization expense ⁽³⁾	80,992	21,283	102,275
Segment EBITDA	\$ 381,405	\$ 168,205	\$ 549,610

	For the Nine Months Ended September 30, 2024		
	Pharmacy Solutions	Provider Services	Total Segments
Products revenue	\$ 6,357,223	\$ —	\$ 6,357,223
Services revenue	—	968,026	968,026
Cost of drugs	5,356,206	—	5,356,206
Cost of services	—	581,509	581,509
Other direct costs ⁽¹⁾	459,775	—	459,775
Segment selling, general, and administrative expenses ⁽²⁾	341,803	254,779	596,582
Segment depreciation and amortization expense ⁽³⁾	82,384	17,963	100,347
Segment EBITDA	\$ 281,823	\$ 149,701	\$ 431,524

- (1) Other direct costs primarily includes direct labor costs, delivery costs, insurance, and depreciation and amortization expense that relates to revenue-generating assets.
- (2) Segment selling, general, and administrative expense includes direct labor costs, depreciation and amortization, insurance, rent, lease, supplies, professional services, maintenance, repairs, utilities, and communications expense.
- (3) Total segment depreciation and amortization expense is presented in other direct costs, costs of services, and segment general and administrative expenses, based on the associated asset.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
<i>Reconciliation of income or loss:</i>				
Total Segment EBITDA	\$ 201,656	\$ 151,432	\$ 549,610	\$ 431,524
Segment depreciation and amortization	33,791	34,183	102,275	100,347
Expenses not allocated at segment level:				
Selling, general, and administrative expenses	73,060	81,802	239,047	259,640
Depreciation and amortization	6,962	6,350	21,149	19,122
Loss on extinguishment of debt	—	—	—	12,726
Interest expense, net	38,235	46,614	118,776	144,366
Income tax expense (benefit)	12,120	8,155	13,118	(31,464)
Net income (loss) from continuing operations	<u>\$ 37,488</u>	<u>\$ (25,672)</u>	<u>\$ 55,245</u>	<u>\$ (73,213)</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion analyzes our financial condition and results of operations and should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q (our "Form 10-Q"). This discussion contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements." When reviewing the discussion below, you should keep in mind the substantial risks and uncertainties that characterize our business. Known material factors that could affect our financial performance and actual results, and could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this discussion or otherwise made by our management, are described in Item 2 of Part I of this Form 10-Q, and in Item 1A, "Risk Factors" of Part I of our Annual Report on Form 10-K for the year ended December 31, 2024 (our "Form 10-K"). Factors that could cause or contribute to such difference are not limited to those identified in "Risk Factors." When used in the following discussion, "Senior" patients and populations mean individuals who are aged 65 and older, "Specialty" patients and populations mean individuals who have unique, specialized and most often chronic/life-long health conditions and needs, and "Behavioral" patients and populations mean individuals with intellectual and developmental disabilities including mental illness.

Overview

We are a leading home and community-based healthcare services platform, focused on delivering complementary pharmacy and provider services to complex patients. We have a differentiated approach to care delivery, with an integrated and scaled model that addresses critical services that the highest-need and highest-cost patients require. With a focus on Senior and Specialty patients, which includes Behavioral populations, our platform provides pharmacy and provider services (both clinical and supportive care in nature) in lower-cost home and community settings largely to Medicare, Medicaid, and commercially-insured populations. We are an essential part of our nation's health delivery network as a front-line provider of high-quality and cost-effective care to a large and growing number of people, who increasingly require a combination of specialized solutions to enable holistic health care management. Our presence spans all 50 states, we serve over 460,000 patients daily through our approximately 10,500 clinical providers and pharmacists, and our services make a profound impact in the lives and communities of the people we serve.

On January 17, 2025, the Company entered into a purchase agreement with National Mentor Holding, Inc. to divest our community living services, home and community based waiver programs, and intermediate care facilities (the "Community Living business"), for \$835 million, subject to typical adjustments for working capital and other customary items. We expect the divestiture to close in the first fiscal quarter of 2026, subject to customary closing conditions. This transaction provides for continuity of important intellectual and developmental disability services while BrightSpring focuses on a concentrated group of customers, patients and stakeholders in the future. We believe the Company's streamlined service offerings will result in increased strategic focus, operational efficiencies, a refined payer mix, and greater clinical integration and business synergy across the Provider Services segment. The divestiture will also augment our expected Revenue and Adjusted EBITDA growth rates and maximize exposure to target growth markets that require BrightSpring's needed and valuable solutions, such as home health, rehab, primary care, and hospice.

The Company has determined the divestiture of the Community Living business represents a strategic shift that will have a major effect on its business and therefore met the criteria for classification as discontinued operations in the first fiscal quarter of 2025. As a result, in accordance with ASC 205-20, the financial results of the Community Living business, which were previously reported as part of our Provider Services segment, have been classified as discontinued operations in the unaudited condensed consolidated statements of operations, and the Community Living business's assets and liabilities have been classified as held for sale for all periods presented. Unless otherwise noted, amounts and disclosures throughout this Management's Discussion and Analysis relate to our continuing operations. Refer to "PART I - Item 1. Note 2" of our Form 10-K for additional information regarding discontinued operations.

For additional overview of our business, see "PART I - Item 1. Business" of our Form 10-K.

Financial Performance Highlights: Third Quarter of 2025 Compared to Third Quarter of 2024

- Revenue grew by \$732.9 million, or 28.2%, to \$3,334.1 million
- Pharmacy Solutions segment revenue grew by \$701.3 million, or 31.0%, to \$2,967.0 million
- Provider Services segment revenue grew by \$31.6 million, or 9.4%, to \$367.1 million
- Net income increased by \$63.2 million from net loss of \$25.7 million to net income of \$37.5 million
- Adjusted EBITDA⁽¹⁾ increased by \$43.5 million, or 37.2%, to \$160.4 million

⁽¹⁾ Reconciliation of GAAP to non-GAAP results is provided below under the section entitled "Non-GAAP Financial Measures."

Financial Performance Highlights: Third Quarter of 2025 Compared to Third Quarter of 2024 (continued)

- Pharmacy Solutions segment EBITDA increased by \$41.8 million, or 42.2%, to \$141.0 million
- Provider Services segment EBITDA grew by \$8.4 million, or 16.0%, to \$60.7 million
- Diluted income per share increased by \$0.30 from diluted loss per share of \$(0.13) to diluted income per share of \$0.17
- Adjusted EPS⁽¹⁾ increased by \$0.27 from \$0.03 to \$0.30

⁽¹⁾ Reconciliation of GAAP to non-GAAP results is provided below under the section entitled “Non-GAAP Financial Measures.”

Recent Developments

As previously disclosed, on October 22, 2025, KKR Stockholder and certain management selling stockholders completed a registered secondary public offering of 15,000,000 shares of the Company’s common stock (the “October 2025 Offering”). The Company did not sell any shares of common stock that were offered in the October 2025 Offering. Also, the Company did not receive any proceeds from the October 2025 Offering, other than proceeds received in connection with the cash exercise of stock options by the management selling stockholders in connection with the October 2025 Offering.

In connection with the October 2025 Offering, the Company concurrently purchased from the underwriter, out of the aggregate of 15,000,000 shares of common stock that were the subject of the October 2025 Offering, 1,500,000 shares of common stock at a price of \$29.00 per share, for a total purchase price of \$43.5 million. The purchase price reflected a discount to the closing market price on the date of purchase. The repurchase was reviewed and approved by the audit committee of our Board of Directors.

Our Service Offerings

We are one of the largest independent providers of home and community-based health services in the United States, delivering both pharmacy and provider services. We believe our high-quality and complementary health services offerings address significant and important patient and stakeholder needs. We enhance patient outcomes through the delivery and coordination of high-quality services that high-need, high-cost patients require. Our services are principally delivered in patient-preferred and lower-cost settings and often over longer periods of time, given the chronic nature of the patient conditions that we address. We believe our breadth of service capabilities and proven outcomes position us as a provider of choice for patients, families, referral sources, customers, and payors. We deliver services through two reportable segments: Pharmacy Solutions and Provider Services. For additional details regarding our diversified service offerings within each reportable segment see “PART I - Item 1. Business” of our Form 10-K.

The following table summarizes the revenues generated by each of our reportable segments:

	For the Three Months Ended				For the Nine Months Ended			
	September 30,		September 30,		September 30,		September 30,	
	2025	% of	2024	% of	2025	% of	2024	% of
	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
<i>(\$ in millions)</i>								
Pharmacy Solutions	\$ 2,967.0	89.0%	\$ 2,265.7	87.1%	\$ 8,289.2	88.6%	\$ 6,357.2	86.8%
Provider Services	367.1	11.0%	335.5	12.9%	1,070.7	11.4%	968.0	13.2%
Consolidated								
BrightSpring	\$ 3,334.1	100.0%	\$ 2,601.2	100.0%	\$ 9,359.9	100.0%	\$ 7,325.2	100.0%

Payor Mix

We are characterized by payor diversification across our platform. Our payors are principally federal, state, and local governmental agencies, commercial insurance, private, and other payors. Additionally, our Medicaid payors can be further broken down across each individual state with our top 10 Medicaid states representing 7% of total Company revenue for the three and nine months ended September 30, 2025 and 2024.

We provide our services across all 50 states, Puerto Rico and Canada, with our top 10 states of operations comprising 53% of total Company revenues for the three and nine months ended September 30, 2025, compared to 52% for the three and nine months ended September 30, 2024. The federal, state, and local programs under which we operate are subject to legislative and budgetary changes that can influence reimbursement rates.

The following tables summarize the percentage of revenue generated by each payor type for each of our service offerings and reportable segments:

	For the Three Months Ended September 30, 2025							Total
	Commercial insurance	Medicaid	Medicare Part A	Medicare Part B	Medicare Part C	Medicare Part D	Private & other	
Infusion and Specialty Pharmacy	21.8%	6.8%	—	0.6%	17.8%	23.5%	0.8%	71.3%
Home and Community Pharmacy	2.7%	1.8%	4.3%	—	0.0%	8.2%	0.7%	17.7%
Pharmacy Solutions	24.5%	8.6%	4.3%	0.6%	17.8%	31.7%	1.5%	89.0%
Home Health Care	0.3%	0.3%	3.8%	0.0%	0.9%	—	0.3%	5.6%
Rehab Care	1.1%	1.0%	—	0.1%	0.0%	—	0.1%	2.3%
Personal Care	0.1%	2.5%	—	—	—	—	0.5%	3.1%
Provider Services	1.5%	3.8%	3.8%	0.1%	0.9%	—	0.9%	11.0%
Consolidated BrightSpring	26.0%	12.4%	8.1%	0.7%	18.7%	31.7%	2.4%	100.0%

	For the Three Months Ended September 30, 2024							Total
	Commercial insurance	Medicaid	Medicare Part A	Medicare Part B	Medicare Part C	Medicare Part D	Private & other	
Infusion and Specialty Pharmacy	20.7%	5.9%	—	0.6%	15.6%	21.1%	0.6%	64.5%
Home and Community Pharmacy	3.1%	2.3%	5.5%	—	0.0%	10.7%	1.0%	22.6%
Pharmacy Solutions	23.8%	8.2%	5.5%	0.6%	15.6%	31.8%	1.6%	87.1%
Home Health Care	0.2%	0.4%	4.4%	0.1%	1.4%	—	0.0%	6.5%
Rehab Care	1.3%	0.6%	—	0.0%	0.0%	—	0.7%	2.6%
Personal Care	0.1%	2.3%	—	—	—	—	1.4%	3.8%
Provider Services	1.6%	3.3%	4.4%	0.1%	1.4%	—	2.1%	12.9%
Consolidated BrightSpring	25.4%	11.5%	9.9%	0.7%	17.0%	31.8%	3.7%	100.0%

	For the Nine Months Ended September 30, 2025							Total
	Commercial insurance	Medicaid	Medicare Part A	Medicare Part B	Medicare Part C	Medicare Part D	Private & other	
Infusion and Specialty Pharmacy	21.2%	6.5%	—	0.6%	17.5%	23.1%	0.9%	69.8%
Home and Community Pharmacy	2.7%	2.0%	4.5%	—	0.0%	8.7%	0.9%	18.8%
Pharmacy Solutions	23.9%	8.5%	4.5%	0.6%	17.5%	31.8%	1.8%	88.6%
Home Health Care	0.2%	0.3%	4.0%	0.0%	1.0%	—	0.3%	5.8%
Rehab Care	1.2%	0.7%	—	0.0%	0.0%	—	0.5%	2.4%
Personal Care	0.1%	2.2%	—	—	—	—	0.9%	3.2%
Provider Services	1.5%	3.2%	4.0%	0.0%	1.0%	—	1.7%	11.4%
Consolidated BrightSpring	25.4%	11.7%	8.5%	0.6%	18.5%	31.8%	3.5%	100.0%

	For the Nine Months Ended September 30, 2024							Total
	Commercial insurance	Medicaid	Medicare Part A	Medicare Part B	Medicare Part C	Medicare Part D	Private & other	
Infusion and Specialty Pharmacy	20.3%	5.8%	—	0.7%	15.3%	21.7%	0.9%	64.7%
Home and Community Pharmacy	2.8%	2.4%	5.4%	0.0%	0.0%	10.4%	1.1%	22.1%
Pharmacy Solutions	23.1%	8.2%	5.4%	0.7%	15.3%	32.1%	2.0%	86.8%
Home Health Care	0.2%	0.4%	4.5%	0.3%	1.2%	—	0.1%	6.7%
Rehab Care	1.4%	0.6%	—	0.0%	0.0%	—	0.7%	2.7%
Personal Care	0.1%	2.4%	—	—	—	—	1.3%	3.8%
Provider Services	1.7%	3.4%	4.5%	0.3%	1.2%	—	2.1%	13.2%
Consolidated BrightSpring	24.8%	11.6%	9.9%	1.0%	16.5%	32.1%	4.1%	100.0%

See Note 3 of the unaudited condensed consolidated financial statements and related notes in this Form 10-Q for more information regarding revenue by payor type for each reportable segment for the three and nine months ended September 30, 2025 and 2024.

Trends and Other Factors Affecting Business

Continued Growth of our Pharmacy Solutions Patient Populations

We focus on providing health-dependent medications in a timely and well-supported manner to our patients receiving pharmacy solutions in their home and community-based settings. Our pharmacy services are primarily delivered directly to patients in their place of residence, home, or stay, and sometimes in a clinic setting. According to industry reports, pharmacy solutions delivered to and tailored for the home environment, such as home infusion services, oncology services, and daily medication management services in the home, will continue to grow faster than the overall and general pharmacy market. We have continued to expand our pharmacy

capabilities to serve this need. Overall, our pharmacy has grown patient census by approximately 2%, in the third fiscal quarter of 2025 compared to the third fiscal quarter of 2024. We are a leading independent pharmacy provider in our respective pharmacy patient markets, and we expect to continue to increase our share, including home infusion patients, specialty oncology patients, behavioral patients, in-home Seniors, and hospice patients.

Continued Growth of our Provider Services Patient Populations

We focus on delivering high-touch and coordinated services to medically complex Senior and Specialty patients in the home and community-based settings where they live. As the baby boomer population ages, Seniors, who comprise a significant majority of our patients, will represent a higher percentage of the overall population. Given the proven value proposition of home-based health services, we believe patients will increasingly seek treatment and referral sources and payors will increasingly support treatment in homes more often than in higher cost, less convenient, higher acuity institutional settings.

The vast majority of patients we serve in our provider businesses are served in the home, and we have purposefully continued to expand our service offering and footprint to serve patients in this lower cost setting. Since 2019, we built upon supportive care services to patients, as we have meaningfully expanded our footprint of highly clinical and expert services to home health, rehabilitation, and hospice patients to address a large national healthcare need and more completely and better serve Senior and Specialty patients in the home as evidenced by continued census growth within the Provider Services segment. Our complementary services that address the multiple needs of these patient populations will increasingly provide integrated care opportunities to provide more complete and better coordinated services to patients across health settings and stages.

Stable Reimbursement Environment Across our Portfolio of Businesses

Our revenue is dependent upon our contracts and relationships with payors for our “must-serve” patient populations. We partner with a large and diverse set of payor groups nationally and in each of our markets, to form provider networks and to lower the overall cost of care. We structure our payor contracts to help both providers and payors achieve their objectives in a mutually aligned manner. Maintaining, supporting, and both deepening and increasing the number of these contracts and relationships, particularly as we continue to grow market share and enter new markets, is important for our long-term success.

We have observed relatively stable reimbursement rates from government and commercial payors in our pharmacy and provider services over a number of years, particularly for services provided to high-need, medically complex populations. Due to the medical necessity of our services, which are lower cost than healthcare services provided in other settings and reduce ER, hospital and institutional facility utilization, we have a history of reimbursement stability.

Culture of Quality and Compliance and Consistent Operations Execution

Quality and compliance are central to our strategies and mission. We have demonstrated leading and excellent service and customer/patient/family satisfaction scores across the organization, as referenced in prior filings such as our Form 10-K. In addition to quality and compliance resources and programs in field operations, we invest in people, training, auditing, signature programs, accreditations, advocacy, and technologies to support quality, compliance, and safety as part of our “Quality First” framework. We have demonstrated consistently high and often leading marks for service levels, satisfaction scores, and quality metrics in our industries.

Operational excellence is also an ongoing focus at the Company, including how we collect and share key metrics, hold operational reviews, audit, conduct training, deploy expert support resources, execute on corrective and preventative actions, and implement continuous improvement initiatives across the organization. We have continued to make investments in automation, data, and technology systems to support enhanced workflows, further scale, and future growth across service lines.

Ability to Build De Novo Locations

We have a proven ability to augment growth of existing operations by expanding our presence and opening new locations – in both of our reportable segments, Pharmacy Solutions and Provider Services – across geographies with consistent ramp-up in performance after site opening. We believe our platform can continue to build further scale nationally, adding density to additional and targeted key markets as a lever to facilitate maximum pharmacy and provider services overlap, integrated and value-based care, and growth. The Company’s geographic and operations scale, and platform of complementary segments and service lines, provides us with access to more de novo opportunities to consider and prioritize.

We typically identify and open new locations within proximity of an existing location as we leverage existing market knowledge and presence to expand in target markets, regions, and states. Our internal support resources in real estate, purchasing, IT, credentialing, payor contracting, HR, and sales and marketing, along with our Project Management Office, help to support and manage de novo locations from start to opening. We expect to continue to selectively and strategically expand our footprint within the United States and extend our service offerings to our patients and for customers, referral sources, and payors. We believe de novo investments facilitate more integrated care capability and are a meaningful organic growth driver for the Company.

Ability to Facilitate Integrated Care

Our operating model consists of complementary pharmacy and provider services that high-need Senior and Specialty populations require, and it is designed to increasingly coordinate, manage, and serve patients across our various needs and settings over time, leading to improved patient, family, physician, and referral source satisfaction, improved payor experiences, and better outcomes. Our performance and potential to drive increased service volume for increased patient and health outcomes impact is driven partly by our appeal with our patients, families, customers, referral sources, and payors to provide multiple integrated care services – either in the same setting at the same time or across settings and stages of health – within our collection of pharmacy solutions and provider services and differentiated overall capabilities.

We provide multiple pharmacy and provider services to approximately 8,000 patients today, and we believe that there are substantially more opportunities to deliver more integrated care, given the hundreds of thousands of patients we serve and a similar number of patients discharging from customers annually. Value-add, beneficial, and multiple integrated care opportunities exist for our customer base and all Senior and Specialty patient populations not only across pharmacy and provider services, but also within each segment. Within pharmacy services, CCRx is aimed at providing medication risk and therapy management continuously and longitudinally post discharge from hospitals and skilled nursing customers. Within provider services, patients often transition from home health to hospice services and can receive therapy and supportive care services concurrent with each other and with home health and hospice.

Aligning to Value-Based Care Reimbursement Models with Innovative Solutions

The scale and depth of our complimentary platform of diverse yet related customer and patient services – that complex patients require – positions us at the forefront with governmental and commercial payors who are increasingly seeking ways to expand value-based reimbursement models. Our high-quality services that are delivered in home and community-based and patient and family-preferred settings at lower comparable costs are well-positioned for the long-term, and we continue to add wraparound care management capabilities and offerings to our core services. In addition to our large Medicare and Medicaid beneficiary populations, we have a large number of non-governmental payor contracts across the organization today, which both diversifies our payor mix, and provides for additional value-based opportunities and partnerships. The Company's focused build out of its (i) Home-Based Primary Care, transitional care programs, and in-home medication therapy management, and (ii) Clinical (Nursing) Hub, are key enablers to coordinate base pharmacy and provider services and drive improved quality and lower costs for value-based care constructs. In addition to numerous payor contracts that feature reimbursement incentives, in the past year the Company has entered into several accountable care organization ("ACO") arrangements to participate in shared savings from its attributed primary care patients and other ACO partnerships and contract as a preferred provider.

Factors Affecting Results of Operations and Comparability

Legal Costs and Settlements Accrual

In November 2023, the Company agreed to settle the Silver matter without admitting liability, as discussed under Part I, Item 3. "Legal Proceedings" in our Annual Report on Form 10-K for the year ended December 31, 2024. On May 29, 2024, the parties entered into a final settlement agreement, which was approved by both the United States Department of Justice and the District Court. The total financial impact of the settlement was \$120.0 million; all of which has been paid as of April 2025. We paid \$110.0 million of the settlement in 2024, and the remainder in April 2025. The District Court entered an order dismissing the Silver action in its entirety, with prejudice, on July 3, 2024. See Note 13 "Commitments and Contingencies" within the unaudited condensed consolidated financial statements and related notes, included elsewhere in this Form 10-Q.

Discontinued Operations

On January 17, 2025, the Company entered into a definitive agreement to sell its Community Living business to National Mentor Holdings, Inc. (the "Purchaser"), for \$835.0 million in cash upon closing, subject to certain post-closing adjustments. We entered into the transaction in order to streamline our service offerings and further focus on the senior and specialty populations. The transaction is currently expected to close in the first fiscal quarter of 2026, subject to receipt of customary regulatory approvals and satisfaction of other closing conditions.

The Company has determined the divestiture of the Community Living business represents a strategic shift that will have a major effect on its business and has concluded the criteria for classification as discontinued operations were met during the first fiscal quarter of 2025. Accordingly, the Community Living business is reported as discontinued operations in accordance with Accounting Standards Codification ("ASC") 205-20, Discontinued Operations. The related assets and liabilities of the Community Living business are classified as assets and liabilities held for sale in the accompanying unaudited condensed consolidated balance sheet as of September 30, 2025, and the results of operations from the Community Living business are classified as discontinued operations in the unaudited condensed consolidated statements of operations. Applicable amounts in prior years have been recast to conform to this

discontinued operations presentation. The Community Living business was historically presented as a part of the Provider Services reportable segment.

See Note 2 “Discontinued Operations” within the unaudited condensed consolidated financial statements and related notes, included elsewhere in this Form 10-Q.

Components of Results of Operations

Revenues. The Company recognizes the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. For transactions involving the transfer of goods, revenues are primarily recognized when the customer obtains control of the products sold, which is generally upon shipment or delivery, depending on the delivery terms specified in the sales agreement. For transactions exclusively involving provision of services, revenues are recognized over time based on an appropriate measure of progress.

Cost of Goods and Cost of Services. We classify expenses directly related to providing goods and services, including depreciation and amortization, as cost of goods and cost of services. Direct costs and expenses principally include cost of drugs, net of rebates, salaries and benefits for direct care and service professionals, contracted labor costs, insurance costs, transportation costs for clients requiring services, certain client expenses such as food, supplies and medicine, residential occupancy expenses, which primarily comprise rent and utilities, and other miscellaneous direct goods or service-related expenses.

Selling, General, and Administrative Expenses. Selling, general, and administrative expenses consist of expenses incurred in support of our operations and administrative functions and include labor costs, such as salaries, bonuses, commissions, benefits, and travel-related expenses, distribution expenses, facilities rental costs, third-party revenue cycle management costs, and corporate support costs including finance, information technology, legal costs and settlements, human resources, procurement, and other administrative costs.

Loss on Extinguishment of Debt. Loss on extinguishment of debt reflects the write-off of unamortized debt issuance costs upon the early repayment of our Second Lien Facility in 2024.

Interest Expense, net. Interest expense, net includes the debt service costs associated with our various debt instruments, including our First Lien Facilities, and the amortization of related deferred financing fees, which are amortized over the term of the respective credit agreement. Interest expense, net also includes the portion of the gain or loss on our interest rate swap agreements that is reclassified into earnings.

Income Tax Expense (Benefit). Our provision for income taxes is based on permanent book/tax differences and statutory tax rates in the various jurisdictions in which we operate. Significant estimates and judgments are required in determining the provision for income taxes.

Results of Operations

Consolidated Results of Operations

Three Months Ended September 30, 2025 Compared to Three Months Ended September 30, 2024

The following table sets forth, for the periods indicated, our consolidated results of operations.

(\$ in thousands)	For the Three Months Ended September 30,			
	2025	2024	Change	
			Amount	%
Revenues:				
Products	\$ 2,966,966	\$ 2,265,697	\$ 701,269	31.0%
Services	367,140	335,532	31,608	9.4%
Total revenues	3,334,106	2,601,229	732,877	28.2%
Cost of goods	2,721,314	2,077,121	644,193	31.0%
Cost of services	220,784	201,016	19,768	9.8%
Gross profit	392,008	323,092	68,916	21.3%
Selling, general, and administrative expenses	304,165	293,995	10,170	3.5%
Operating income	87,843	29,097	58,746	201.9%
Interest expense, net	38,235	46,614	(8,379)	(18.0)%
Income (loss) before income taxes	49,608	(17,517)	67,125	n.m.
Income tax expense	12,120	8,155	3,965	n.m.
Net income (loss)	\$ 37,488	\$ (25,672)	\$ 63,160	n.m.
Adjusted EBITDA ⁽¹⁾	\$ 160,443	\$ 116,940	\$ 43,503	37.2%

* n.m.: not meaningful

(1) Reconciliation of GAAP to non-GAAP results is provided below under the section entitled “Non-GAAP Financial Measures.”

The following discussion of our results of operations should be read in conjunction with the foregoing table summarizing our consolidated results of operations.

Revenues

Revenues were \$3,334.1 million for the three months ended September 30, 2025, as compared with \$2,601.2 million for the three months ended September 30, 2024, an increase of \$732.9 million or 28.2%. The increase resulted from growth in our Pharmacy Solutions and Provider Services segments. See additional discussion in “—Segment Results of Operations” below.

Cost of Goods

Cost of goods was \$2,721.3 million for the three months ended September 30, 2025, as compared with \$2,077.1 million for the three months ended September 30, 2024, an increase of \$644.2 million or 31.0%. The increase resulted from an increase in Pharmacy Solutions cost of goods. See additional discussion in “—Segment Results of Operations” below.

Cost of Services

Cost of services was \$220.8 million for the three months ended September 30, 2025, as compared with \$201.0 million for the three months ended September 30, 2024, an increase of \$19.8 million or 9.8%. The increase resulted from an increase in Provider Services cost of services. See additional discussion in “—Segment Results of Operations” below.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses were \$304.2 million for the three months ended September 30, 2025, as compared with \$294.0 million for the three months ended September 30, 2024, an increase of \$10.2 million or 3.5%. The increase primarily resulted from the following segment activity and factors:

- an increase of \$18.3 million, or 6.2%, growth on consolidated third quarter of 2024 selling, general, and administrative expenses, as a result of growth in our Pharmacy Solutions and Provider Services segments. See additional discussion in “—Segment Results of Operations” below;

- an increase of \$1.5 million, or 0.5%, growth on consolidated third quarter of 2024 selling, general, and administrative expenses, due to non-cash share-based compensation related to the equity awards granted to management and certain full-time employees; offset by,
- a decrease of \$6.3 million, or 2.1%, decline in consolidated third quarter of 2024 selling, general, and administrative expenses, as a result of a decrease in acquisition, integration and transaction-related expenses; and,
- a decrease of \$3.3 million, or 1.1%, decline in consolidated third quarter of 2024 selling, general, and administrative expenses, as a result of a decrease in other operational expenses year-over-year.

Interest Expense, net

Interest expense, net was \$38.2 million for the three months ended September 30, 2025, as compared with \$46.6 million for the three months ended September 30, 2024, a decrease of \$8.4 million or 18.0%. The decrease primarily resulted from a decrease in both the variable-rate and applicable margin for the three months ended September 30, 2025 as compared to the prior period, offset by a \$5.2 million decrease in interest income received related to cash flow hedges of interest rate risk.

Income Tax Expense

Income tax expense was \$12.1 million for the three months ended September 30, 2025, as compared with \$8.2 million for the three months ended September 30, 2024, an increase in the expense of \$4.0 million. The increase in the income tax expense is primarily driven by the increase in pre-tax book income for the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, and an increase in the effective tax rate for the three months ended September 30, 2025 of 24.4% compared to (46.6)% for the three months ended September 30, 2024. The increase in the effective tax rate is primarily as a result of the cumulative impact of the year-to-date estimated tax rate on 2024 pre-tax book losses as well as the 2023 return-to-provision adjustment.

Net Income (Loss)

Net income was \$37.5 million for the three months ended September 30, 2025, as compared with a net loss of \$25.7 million for the three months ended September 30, 2024, an increase of \$63.2 million. The increase in net income is primarily attributable to the increase in gross profit and the aforementioned decrease in interest expense, net, offset by an increase in selling, general, and administrative expenses and income tax expense.

Adjusted EBITDA⁽¹⁾

Adjusted EBITDA was \$160.4 million for the three months ended September 30, 2025, as compared with \$116.9 million for the three months ended September 30, 2024, an increase of \$43.5 million or 37.2%. The increase primarily resulted from the following segment activity and factors:

- an increase of \$50.2 million, or 42.9% growth on consolidated third quarter of 2024 Adjusted EBITDA, as a result of growth in our Pharmacy Solutions and Provider Services segments. See additional discussion in “—Segment Results of Operations” below; offset by
- a decrease of \$6.7 million, or 5.7% decline in consolidated third quarter of 2024 Adjusted EBITDA, as a result of increases in certain public company costs incurred, investments in information technology, and positions to support growth within the business.

⁽¹⁾ Reconciliation of GAAP to non-GAAP results is provided below under the section entitled “Non-GAAP Financial Measures.”

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

The following table sets forth, for the periods indicated, our consolidated results of operations.

(\$ in thousands)	For the Nine Months Ended September 30,			
	2025	2024	Change	
			Amount	%
Revenues:				
Products	\$ 8,289,238	\$ 6,357,223	\$ 1,932,015	30.4%
Services	1,070,695	968,026	102,669	10.6%
Total revenues	9,359,933	7,325,249	2,034,684	27.8%
Cost of goods	7,605,931	5,815,981	1,789,950	30.8%
Cost of services	648,773	581,509	67,264	11.6%
Gross profit	1,105,229	927,759	177,470	19.1%
Selling, general, and administrative expenses	918,090	875,344	42,746	4.9%
Operating income	187,139	52,415	134,724	257.0%
Loss on extinguishment of debt	—	12,726	(12,726)	n.m.
Interest expense, net	118,776	144,366	(25,590)	(17.7)%
Income (loss) before income taxes	68,363	(104,677)	173,040	n.m.
Income tax expense (benefit)	13,118	(31,464)	44,582	n.m.
Net income (loss)	\$ 55,245	\$ (73,213)	\$ 128,458	n.m.
Adjusted EBITDA ⁽¹⁾	\$ 434,022	\$ 329,792	\$ 104,230	31.6%

* n.m.: not meaningful

(1) Reconciliation of GAAP to non-GAAP results is provided below under the section entitled “Non-GAAP Financial Measures.”

The following discussion of our results of operations should be read in conjunction with the foregoing table summarizing our consolidated results of operations.

Revenues

Revenues were \$9,359.9 million for the nine months ended September 30, 2025, as compared with \$7,325.2 million for the nine months ended September 30, 2024, an increase of \$2,034.7 million or 27.8%. The increase resulted from growth in our Pharmacy Solutions and Provider Services segments. See additional discussion in “—Segment Results of Operations” below.

Cost of Goods

Cost of goods was \$7,605.9 million for the nine months ended September 30, 2025, as compared with \$5,816.0 million for the nine months ended September 30, 2024, an increase of \$1,790.0 million or 30.8%. The increase resulted from an increase in Pharmacy Solutions cost of goods. See additional discussion in “—Segment Results of Operations” below.

Cost of Services

Cost of services was \$648.8 million for the nine months ended September 30, 2025, as compared with \$581.5 million for the nine months ended September 30, 2024, an increase of \$67.3 million or 11.6%. The increase resulted from an increase in Provider Services cost of services. See additional discussion in “—Segment Results of Operations” below.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses were \$918.1 million for the nine months ended September 30, 2025, as compared with \$875.3 million for the nine months ended September 30, 2024, an increase of \$42.7 million or 4.9%. The increase primarily resulted from the following segment activity and factors:

- an increase of \$61.3 million, or 7.0% growth on consolidated 2024 selling, general, and administrative expenses, as a result of growth in our Pharmacy Solutions and Provider Services segments. See additional discussion in “—Segment Results of Operations” below;
- an increase of \$9.5 million, or 1.1%, growth in consolidated third quarter of 2024 selling, general, and administrative expenses, as a result of an increase in acquisition, integration and transaction-related expenses; offset by,

- a decrease of \$22.7 million, or 2.6%, decline in consolidated 2024 selling, general, and administrative expenses, as a result of the termination fees incurred at the time of the IPO Offerings in connection with the termination of our Monitoring Agreement for which there is no comparable expense in 2025;
- a decrease of \$3.6 million, or 0.4%, decline in consolidated 2024 selling, general, and administrative expenses, due to non-cash share-based compensation related to the equity awards granted to management and certain full-time employees; and
- a decrease of \$1.8 million, or 0.2%, decline in consolidated 2024 selling, general, and administrative expenses, as a result of a decrease in other operational expenses year-over-year.

Loss on Extinguishment of Debt

During the nine months ended September 30, 2024, we used proceeds from the IPO Offerings to repay the Second Lien on January 30, 2024 and as a result incurred a loss on extinguishment of debt of \$12.7 million related to the write-off of unamortized debt issuance costs. There was no loss on extinguishment of debt recognized for the nine months ended September 30, 2025.

Interest Expense, net

Interest expense, net was \$118.8 million for the nine months ended September 30, 2025, as compared with \$144.4 million for the nine months ended September 30, 2024, a decrease of \$25.6 million or 17.7%. The decrease primarily resulted from a decrease in both the variable-rate and applicable margin for the nine months ended September 30, 2025 as compared to the prior periods and lower outstanding term debt as compared to the prior period, offset by a \$15.5 million decrease in interest income received related to cash flow hedges of interest rate risk.

Income Tax Expense (Benefit)

Income tax expense was \$13.1 million for the nine months ended September 30, 2025, as compared with an income tax benefit of \$31.5 million for the nine months ended September 30, 2024, an increase in the income tax expense of \$44.6 million. The increase in the income tax expense is primarily driven by the increase in pre-tax book income for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, and a decrease in the effective tax rate for the nine months ended September 30, 2025 of 19.2% compared to 30.1% for the nine months ended September 30, 2024. The decrease in the effective tax rate is primarily as a result of \$4.7 million in tax benefits resulting from the recognition of excess tax benefits from stock-based compensation partially offset by limitations on the deductibility of certain executive compensation as a percentage of estimated pre-tax book income for the nine months ended September 30, 2025. In addition, the discrete tax benefit related to the Silver matter increased the effective tax rate on pre-tax book loss for the nine months ended September 30, 2024.

Net Income (Loss)

Net income was \$55.2 million for the nine months ended September 30, 2025, as compared with a net loss of \$73.2 million for the nine months ended September 30, 2024, an increase of \$128.5 million. The increase in net income is primarily attributable to the increase in gross profit and the aforementioned decrease in interest expense, net, and loss on extinguishment of debt, partially offset by an increase in selling, general, and administrative expenses and income tax expense (benefit).

Adjusted EBITDA⁽¹⁾

Adjusted EBITDA was \$434.0 million for the nine months ended September 30, 2025, as compared with \$329.8 million for the nine months ended September 30, 2024, an increase of \$104.2 million or 31.6%. The increase primarily resulted from the following segment activity and factors:

- an increase of \$118.1 million, or 35.8% growth on consolidated 2024 Adjusted EBITDA, as a result of growth in our Pharmacy Solutions and Provider Services segments. See additional discussion in “—Segment Results of Operations” below; offset by
- a decrease of \$13.9 million, or 4.2% decline in consolidated 2024 Adjusted EBITDA, as a result of increases in certain public company costs incurred, investments in information technology, and positions to support growth within the business.

⁽¹⁾ Reconciliation of GAAP to non-GAAP results is provided below under the section entitled “Non-GAAP Financial Measures.”

Segment Results of Operations

Pharmacy Solutions Segment

Three Months Ended September 30, 2025 Compared to Three Months Ended September 30, 2024

The following table sets forth, for the periods indicated, our segment results of operations for Pharmacy Solutions.

	Pharmacy Solutions			
	For the Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Revenues	\$ 2,966,966	\$ 2,265,697	\$ 701,269	31.0%
Cost of goods	2,721,314	2,077,121	644,193	31.0%
Gross profit	245,652	188,576	57,076	30.3%
Selling, general, and administrative expenses	131,116	117,336	13,780	11.7%
Segment operating income	\$ 114,536	\$ 71,240	\$ 43,296	60.8%
Segment EBITDA	\$ 140,987	\$ 99,153	\$ 41,834	42.2%
Business Metrics:				
Prescriptions dispensed	10,793,219	10,874,429	(81,210)	(0.7)%
Revenue per script	\$ 274.89	\$ 208.35	\$ 66.54	31.9%
Gross profit per script	\$ 22.76	\$ 17.34	\$ 5.42	31.3%

The following discussion of our Pharmacy Solutions segment results of operations should be read in conjunction with the foregoing table summarizing our segment results of operations.

Revenues

Revenues were \$2,967.0 million for the three months ended September 30, 2025, as compared with \$2,265.7 million for the three months ended September 30, 2024, an increase of \$701.3 million or 31.0%. The increase primarily resulted from volume growth in prescriptions dispensed within Infusion and Specialty Pharmacy partially offset by a decline in prescriptions dispensed within Home and Community Pharmacy. Revenues attributable to Infusion and Specialty Pharmacy were \$2,377.0 million for the three months ended September 30, 2025, as compared with \$1,678.1 million for the three months ended September 30, 2024, an increase of \$698.9 million or 41.6% attributable to an increase in prescriptions dispensed on certain specialty branded drugs. Revenues attributable to Home and Community Pharmacy were \$590.0 million for the three months ended September 30, 2025, as compared with \$587.6 million for the three months ended September 30, 2024, an increase of \$2.4 million or 0.4% attributable to mix changes in prescriptions dispensed.

The increase in revenue per prescription dispensed is due to mix changes year-over-year and a greater relative increase in volume growth in certain specialty brand drugs, which carry a higher revenue per prescription dispensed.

Cost of Goods

Cost of goods was \$2,721.3 million for the three months ended September 30, 2025, as compared with \$2,077.1 million for the three months ended September 30, 2024, an increase of \$644.2 million or 31.0%. The increase primarily resulted from the aforementioned revenue growth in the period as well as an increase in cost per prescription dispensed as a result of mix shift.

Gross profit was \$245.7 million for the three months ended September 30, 2025, as compared with \$188.6 million for the three months ended September 30, 2024, an increase of \$57.1 million or 30.3%. The increase primarily resulted from the aforementioned revenue growth in the period, primarily the result of outsized volume growth as well as mix in certain specialty branded drugs, which have lower margins.

Gross profit margin for the three months ended September 30, 2025 and September 30, 2024 remained consistent at 8.3%.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses were \$131.1 million for the three months ended September 30, 2025, as compared with \$117.3 million for the three months ended September 30, 2024, an increase of \$13.8 million or 11.7%. The increase primarily resulted from the aforementioned revenue growth in the period with selling, general, and administrative expenses growing less than revenue due to demonstrating economies of scale.

Segment EBITDA

Segment EBITDA was \$141.0 million for the three months ended September 30, 2025, as compared with \$99.2 million for the three months ended September 30, 2024, an increase of \$41.8 million or 42.2%. The increase primarily resulted from the aforementioned revenue and gross profit growth in the period. See Note 15 "Segment Information" to our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q for further discussion.

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

The following table sets forth, for the periods indicated, our segment results of operations for Pharmacy Solutions.

	Pharmacy Solutions			
	For the Nine Months Ended		Change	
	September 30,		Amount	%
	2025	2024		
Revenues	\$ 8,289,238	\$ 6,357,223	\$ 1,932,015	30.4%
Cost of goods	7,605,931	5,815,981	1,789,950	30.8%
Gross profit	683,307	541,242	142,065	26.2%
Selling, general, and administrative expenses	382,894	341,803	41,091	12.0%
Segment operating income	\$ 300,413	\$ 199,439	\$ 100,974	50.6%
Segment EBITDA	\$ 381,405	\$ 281,823	\$ 99,582	35.3%
Business Metrics:				
Prescriptions dispensed	32,522,286	30,849,121	1,673,165	5.4%
Revenue per script	\$ 254.88	\$ 206.07	\$ 48.81	23.7%
Gross profit per script	\$ 21.01	\$ 17.54	\$ 3.47	19.8%

The following discussion of our Pharmacy Solutions segment results of operations should be read in conjunction with the foregoing table summarizing our segment results of operations.

Revenues

Revenues were \$8,289.2 million for the nine months ended September 30, 2025, as compared with \$6,357.2 million for the nine months ended September 30, 2024, an increase of \$1,932.0 million or 30.4%. The increase primarily resulted from volume growth in prescriptions dispensed across and within the Pharmacy Solutions segment. Revenues attributable to Infusion and Specialty Pharmacy were \$6,531.9 million for the nine months ended September 30, 2025, as compared with \$4,729.8 million for the nine months ended September 30, 2024, an increase of \$1,802.1 million or 38.1% attributable to an increase in prescriptions dispensed on certain specialty branded drugs. Revenues attributable to Home and Community Pharmacy were \$1,757.3 million for the nine months ended September 30, 2025, as compared with \$1,627.4 million for the nine months ended September 30, 2024, an increase of \$129.9 million or 8.0% attributable to volume growth.

The increase in revenue per prescription dispensed is due to mix changes year-over-year and a greater relative increase in volume growth in certain specialty brand drugs, which carry a higher revenue per prescription dispensed.

Cost of Goods

Cost of goods was \$7,605.9 million for the nine months ended September 30, 2025, as compared with \$5,816.0 million for the nine months ended September 30, 2024, an increase of \$1,790.0 million or 30.8%. The increase primarily resulted from the aforementioned revenue growth in the period as well as an increase in cost per prescription dispensed as a result of mix shift.

Gross profit was \$683.3 million for the nine months ended September 30, 2025, as compared with \$541.2 million for the nine months ended September 30, 2024, an increase of \$142.1 million or 26.2%. The increase primarily resulted from the aforementioned revenue growth in the period, primarily the result of outsized volume growth as well as mix in certain specialty branded drugs, which have lower margins.

Gross profit margin for the nine months ended September 30, 2025 was 8.2% compared to 8.5% for the nine months ended September 30, 2024. The decrease in gross profit margin is due to mix shift in the Pharmacy Solutions segment with greater relative volume growth in Infusion and Specialty Pharmacy, along with product-level mix shifts, rate changes, and an increase in the fulfillment cost per script in Home and Community Pharmacy.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses were \$382.9 million for the nine months ended September 30, 2025, as compared with \$341.8 million for the nine months ended September 30, 2024, an increase of \$41.1 million or 12.0%. The increase primarily resulted from the aforementioned revenue growth in the period with selling, general, and administrative expenses growing less than the volume growth rate and demonstrating economies of scale.

Segment EBITDA

Segment EBITDA was \$381.4 million for the nine months ended September 30, 2025, as compared with \$281.8 million for the nine months ended September 30, 2024, an increase of \$99.6 million or 35.3%. The increase primarily resulted from the aforementioned revenue and gross profit growth in the period. See Note 15 "Segment Information" to our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q for further discussion.

Provider Services Segment

Three Months Ended September 30, 2025 Compared to Three Months Ended September 30, 2024

	Provider Services			
	For the Three Months Ended		Change	
	2025	2024	Amount	%
Revenues	\$ 367,140	\$ 335,532	\$ 31,608	9.4%
Cost of services	220,784	201,016	19,768	9.8%
Gross profit	146,356	134,516	11,840	8.8%
Selling, general, and administrative expenses	93,027	88,507	4,520	5.1%
Segment operating income	\$ 53,329	\$ 46,009	\$ 7,320	15.9%
Segment EBITDA	\$ 60,669	\$ 52,279	\$ 8,390	16.0%
Business Metrics:				
Home Health Care average daily census	29,592	28,650	942	3.3%
Rehab Care persons served	7,321	6,571	750	11.4%
Personal Care persons served	16,134	15,910	224	1.4%

The following discussion of our Provider Services segment results of operations should be read in conjunction with the foregoing table summarizing our segment results of operations.

Revenues

Revenues were \$367.1 million for the three months ended September 30, 2025, as compared with \$335.5 million for the three months ended September 30, 2024, an increase of \$31.6 million or 9.4%. The increase primarily resulted from volume growth as well as rate increases received during the period. Revenues attributable to Home Health Care were \$188.3 million for the three months ended September 30, 2025, as compared with \$168.2 million for the three months ended September 30, 2024, an increase of \$20.1 million or 12.0%. Revenues attributable to Rehab Care were \$76.4 million for the three months ended September 30, 2025, as compared with \$70.2 million for the three months ended September 30, 2024, an increase of \$6.2 million or 8.8%. Revenues attributable to Personal Care were \$102.4 million for the three months ended September 30, 2025, as compared with \$97.1 million for the three months ended September 30, 2024, an increase of \$5.3 million or 5.5%.

Cost of Services

Cost of services was \$220.8 million for the three months ended September 30, 2025, as compared with \$201.0 million for the three months ended September 30, 2024, an increase of \$19.8 million or 9.8%. The increase primarily resulted from the aforementioned revenue growth.

Gross profit was \$146.4 million for the three months ended September 30, 2025, as compared with \$134.5 million for the three months ended September 30, 2024, an increase of \$11.8 million or 8.8%. The increase primarily resulted from the aforementioned revenue growth and costs of services improvements in the period.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses were \$93.0 million for the three months ended September 30, 2025, as compared with \$88.5 million for the three months ended September 30, 2024, an increase of \$4.5 million or 5.1%. The increase primarily resulted from the aforementioned revenue growth in the period with selling, general, and administrative expenses growing less than the volume growth rate and demonstrating economies of scale.

Segment EBITDA

Segment EBITDA was \$60.7 million for the three months ended September 30, 2025, as compared with \$52.3 million for the three months ended September 30, 2024, an increase of \$8.4 million or 16.0%. The increase primarily resulted from the aforementioned revenue growth. See Note 15 "Segment Information" to our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q for further discussion.

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

The following table sets forth, for the years indicated, our segment results of operations for Provider Services.

	Provider Services			
	For the Nine Months Ended		Change	
	September 30,		Amount	%
	2025	2024		
Revenues	\$ 1,070,695	\$ 968,026	\$ 102,669	10.6%
Cost of services	648,773	581,509	67,264	11.6%
Gross profit	421,922	386,517	35,405	9.2%
Selling, general, and administrative expenses	275,000	254,779	20,221	7.9%
Segment operating income	\$ 146,922	\$ 131,738	\$ 15,184	11.5%
Segment EBITDA	\$ 168,205	\$ 149,701	\$ 18,504	12.4%
Business Metrics:				
Home Health Care average daily census	29,970	28,034	1,936	6.9%
Rehab Care persons served	7,048	6,615	433	6.5%
Personal Care persons served	16,046	15,880	166	1.0%

The following discussion of our Provider Services segment results of operations should be read in conjunction with the foregoing table summarizing our segment results of operations.

Revenues

Revenues were \$1,070.7 million for the nine months ended September 30, 2025, as compared with \$968.0 million for the nine months ended September 30, 2024, an increase of \$102.7 million or 10.6%. The increase primarily resulted from volume growth as well as rate increases received during the period. Revenues attributable to Home Health Care were \$551.2 million for the nine months ended September 30, 2025, as compared with \$473.3 million for the nine months ended September 30, 2024, an increase of \$77.9 million or 16.5%. Revenues attributable to Rehab Care were \$219.5 million for the nine months ended September 30, 2025, as compared with \$206.9 million for the nine months ended September 30, 2024, an increase of \$12.6 million or 6.1%. Revenues attributable to Personal Care were \$300.0 million for the nine months ended September 30, 2025, as compared with \$287.8 million for the nine months ended September 30, 2024, an increase of \$12.2 million or 4.2%.

Cost of Services

Cost of services was \$648.8 million for the nine months ended September 30, 2025, as compared with \$581.5 million for the nine months ended September 30, 2024, an increase of \$67.3 million or 11.6%. The increase primarily resulted from the aforementioned revenue growth.

Gross profit was \$421.9 million for the nine months ended September 30, 2025, as compared with \$386.5 million for the nine months ended September 30, 2024, an increase of \$35.4 million or 9.2%. The increase primarily resulted from the aforementioned revenue growth and costs of services improvements in the period.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses were \$275.0 million for the nine months ended September 30, 2025, as compared with \$254.8 million for the nine months ended September 30, 2024, an increase of \$20.2 million or 7.9%. The increase primarily resulted from the aforementioned revenue growth in the period with selling, general, and administrative expenses growing less than the volume growth rate and demonstrating economies of scale.

Segment EBITDA

Segment EBITDA was \$168.2 million for the nine months ended September 30, 2025, as compared with \$149.7 million for the nine months ended September 30, 2024, an increase of \$18.5 million or 12.4%. The increase primarily resulted from the aforementioned revenue growth. See Note 15 "Segment Information" to our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q for further discussion.

Non-GAAP Financial Measures

In addition to our results of operations prepared in accordance with U.S. GAAP, which we have discussed above, we also evaluate our financial performance using EBITDA, Adjusted EBITDA, and Adjusted EPS. These non-GAAP financial measures are not intended to replace financial performance measures determined in accordance with U.S. GAAP, such as net income (loss) and diluted EPS. Rather, we present EBITDA, Adjusted EBITDA, and Adjusted EPS as supplemental measures of our performance.

EBITDA, Adjusted EBITDA, and Adjusted EPS

The following are key financial metrics and, when used in conjunction with U.S. GAAP measures, we believe they provide useful information for evaluating our core business performance, enable comparison of financial results across periods, and allow for greater transparency with respect to key metrics used by management for financial and operational decision-making. We define EBITDA as net income (loss) before income tax expense (benefit), interest expense, net, and depreciation and amortization. Adjusted EBITDA and Adjusted EPS exclude certain other items that are either non-recurring, infrequent, non-cash, unusual, or items deemed by management to not be indicative of the performance of our core operations, including non-cash, share-based compensation; acquisition, integration, and transaction-related costs; restructuring and divestiture-related and other costs; legal costs associated with certain historical matters for PharMerica and settlement costs; significant projects; and management fees. In determining which adjustments are made to arrive at Adjusted EBITDA and Adjusted EPS, management considers both (1) certain non-recurring, infrequent, non-cash, or unusual items, which can vary significantly from year to year, as well as (2) certain other items that may be recurring, frequent, or settled in cash but which management does not believe are indicative of our core operating performance. The financial measure calculated under U.S. GAAP which is most directly comparable to Adjusted EBITDA is net income (loss). The financial measure calculated under U.S. GAAP which is most directly comparable to Adjusted EPS is diluted EPS.

We have historically incurred substantial acquisition, integration, and transaction-related costs. The underlying acquisition activities take place over a defined timeframe, have distinct project timelines, and are incremental to activities and costs that arise in the ordinary course of our business. Therefore, we have excluded these costs from our Adjusted EBITDA and Adjusted EPS because it provides management a normalized view of our core, ongoing operations after integrating our acquired companies.

The legal costs and settlements adjustment represents defense costs associated with certain PharMerica litigation matters, all of which have been finalized as of September 30, 2025, that commenced prior to KKR Stockholder's and Walgreen Stockholder's acquisition of PharMerica in December 2017, as well as settlement costs associated with these historical PharMerica cases including the Silver matter, which settled in November 2023. We have excluded defense costs associated with these PharMerica litigation matters from our Adjusted EBITDA and Adjusted EPS due to the magnitude of these cases and the costs attributable to them, the timing of the commencement of the cases and the fact that no similar cases have been brought against the Company since the acquisition of PharMerica, and the fact that these cases are unlike our routine legal and regulatory proceedings that we see in the normal course of business. Further, we have excluded settlement costs associated with the Silver matter from our Adjusted EBITDA and Adjusted EPS due to the magnitude of the case and the costs attributable to it, as well as the fact that the Silver matter is unlike our routine legal and regulatory proceedings that we see in the normal course of business.

The significant projects adjustment represents costs associated with certain transformational projects, which are not considered to be a part of our normal and recurring business operations and are not expected to recur in our future business plans. Moreover, the costs associated with significant projects, which are incurred on an infrequent and limited basis, are not reflective of our operating performance. Due to the aforementioned reasons, we have excluded the costs related to significant projects from our Adjusted EBITDA and Adjusted EPS, as such adjustment provides a more meaningful understanding to investors and others of our ongoing results.

The management fees adjustment represents fees paid historically under the Monitoring Agreement related to either (i) activities that are expected to be performed by our existing personnel upon the termination of the Monitoring Agreement, and thus not expected

to result in incremental costs subsequent to the IPO Offerings, or (ii) acquisitions, divestitures, and external financing activities, which costs would otherwise be excluded from our Adjusted EBITDA and Adjusted EPS. Therefore, we have excluded management fees from our Adjusted EBITDA and Adjusted EPS, as such fees are no longer applicable and representative of our ordinary operating performance as a result of the completion of the IPO Offerings.

EBITDA, Adjusted EBITDA, and Adjusted EPS are not measures of financial performance under U.S. GAAP and should be considered in addition to, and not as a substitute for, net income (loss), diluted EPS or other financial measures calculated in accordance with U.S. GAAP. Our method of determining non-GAAP financial measures may differ from other companies' financial measures and therefore may not be comparable to methods used by other companies.

Given our determination of adjustments in arriving at our computations of EBITDA, Adjusted EBITDA and Adjusted EPS, these non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes or alternatives to net income or loss, operating income or loss, earnings or loss per diluted share, cash flows from operating activities, total indebtedness, or any other financial measures calculated in accordance with U.S. GAAP.

The following table reconciles net income (loss) to EBITDA and Adjusted EBITDA:

(\$ in thousands)	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 37,488	\$ (25,672)	\$ 55,245	\$ (73,213)
Income tax expense (benefit)	12,120	8,155	13,118	(31,464)
Interest expense, net	38,235	46,614	118,776	144,366
Depreciation and amortization	40,753	40,533	123,424	119,469
EBITDA	\$ 128,596	\$ 69,630	\$ 310,563	\$ 159,158
Non-cash share-based compensation (1)	14,173	12,720	46,155	49,793
Acquisition, integration, and transaction-related costs (2)	5,462	11,766	34,811	25,328
Restructuring and divestiture-related and other costs (3)	12,212	12,904	42,493	47,642
Legal costs and settlements (4)	—	8,920	—	21,886
Significant projects (5)	—	1,000	—	2,604
Management fee (6)	—	—	—	23,381
Total adjustments	\$ 31,847	\$ 47,310	\$ 123,459	\$ 170,634
Adjusted EBITDA	\$ 160,443	\$ 116,940	\$ 434,022	\$ 329,792

- (1) Represents non-cash share-based compensation to certain members of our management and full-time employees. The nine months ended September 30, 2024 includes \$15.0 million of previously unrecognized share-based compensation expense related to performance-vesting options under the 2017 Stock Plan, a portion of which vested upon completion of the IPO.
- (2) Represents transaction costs incurred in connection with planned, completed, or terminated acquisitions, which include investment banking fees, legal diligence and related documentation costs, finance and accounting diligence and documentation; costs associated with the integration of acquisitions, including any facility consolidation, integration travel, or severance; and costs associated with other planned, completed, or terminated non-routine transactions. The three and nine months ended September 30, 2025 includes other non-routine transaction costs of \$1.1 million and \$23.4 million, respectively, as compared to \$0.7 million and \$1.4 million in the three and nine months ended September 30, 2024.
- (3) Represents costs associated with restructuring-related activities, including closure, and related license impairment, and severance expenses associated with certain enterprise-wide or significant business line cost-savings measures. These costs include \$3.8 million and \$18.5 million of costs that did not meet the criteria for discontinued operations related to the Community Living divestiture for the three and nine months ended September 30, 2025, respectively, as compared to \$6.2 million and \$19.6 million for the three and nine months ended September 30, 2024, respectively. These costs also include \$12.7 million of unamortized debt issuance costs associated with the extinguishment of our Second Lien Facility in the nine months ended September 30, 2024.
- (4) Represents settlement and defense costs associated with certain historical PharMerica litigation matters, including the Silver matter, all of which were finalized in 2024. See Note 13 within the unaudited condensed consolidated financial statements and related notes in this Quarterly Report on Form 10-Q for additional information.

- (5) Represents costs associated with certain transformational projects and for the periods presented primarily included general ledger system implementation, pharmacy billing system implementation, and ransomware attack response costs, all of which were finalized in 2024.
- (6) Represents annual management fees payable to the Managers under the Monitoring Agreement through the date of the IPO, and \$22.7 million of termination fees resulting from the termination of the Monitoring Agreement upon completion of the IPO Offerings. All management fees ceased following the completion of the IPO in 2024.

The following table reconciles diluted EPS to Adjusted EPS:

(shares in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Diluted EPS	\$ 0.17	\$ (0.13)	\$ 0.26	\$ (0.37)
Non-cash share-based compensation (1)	0.07	0.06	0.21	0.25
Acquisition, integration, and transaction-related costs (1)	0.03	0.06	0.16	0.13
Restructuring and divestiture-related and other costs (1)	0.06	0.06	0.19	0.24
Legal costs and settlements (1)	—	0.04	—	0.11
Significant projects (1)	—	0.00	—	0.01
Management fee (1)	—	—	—	0.12
Income tax impact on adjustments (2)(3)	(0.03)	(0.06)	(0.13)	(0.29)
Adjusted EPS	\$ 0.30	\$ 0.03	\$ 0.69	\$ 0.20
Weighted average common shares outstanding used in calculating diluted U.S. GAAP net income (loss) per share	217,982	198,491	218,519	190,541
Weighted average common shares outstanding used in calculating diluted Non-GAAP income per share	217,982	208,694	218,519	199,930

- (1) This adjustment reflects the per share impact of the adjustment reflected within the definition of Adjusted EBITDA.
- (2) The income tax impact of non-GAAP adjustments is calculated using the estimated tax rate for the respective non-GAAP adjustment.
- (3) For the nine months ended September 30, 2024, the income tax impact on adjustments is inclusive of a discrete tax benefit related to the Silver matter that was finalized in connection with the signing of the settlement agreement during the second fiscal quarter of 2024.

Liquidity and Capital Resources

Our principal sources of cash have historically been from operating activities. Our principal source of liquidity in excess of cash from operating activities has historically been from proceeds from our debt facilities and issuances of common stock. Our principal uses of cash and liquidity have historically been for acquisitions, debt service requirements, and financing of working capital. We believe that our operating cash flows, available cash on hand, and availability under our Revolving Credit Facility and the LC Facility will be sufficient to meet our cash requirements for the next twelve months and beyond. Our cash flows are primarily provided by the continuing operations of the Company. Cash provided by operating activities of the discontinued operations is expected to be offset at the closing of the transaction through proceeds from the sale, which may be utilized for the paydown of debt. Our future capital requirements will depend on many factors that are difficult to predict, including the size, timing, and structure of any future acquisitions, future capital investments, and future results of operations. We cannot assure you that cash provided by operating activities or cash and cash equivalents will be sufficient to meet our future needs. If we are unable to generate sufficient cash flows from operations in the future, we may have to obtain additional financing. If we obtain additional capital by issuing equity, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain significant financial and other covenants that may significantly restrict our operations. We cannot assure you that we could obtain refinancing or additional financing on favorable terms or at all.

We evaluate our liquidity based upon the availability we have under our First Lien Facilities in addition to the net cash provided by (used in) operating, investing, and financing activities. Specifically, we review the activity under the Revolving Credit Facility and the LC Facility and consider period end balances outstanding under the Revolving Credit Facility and the LC Facility. Based upon the outstanding borrowings and letters of credit under the Revolving Credit Facility and the LC Facility, we calculate the availability for incremental borrowings under the Revolving Credit Facility and the LC Facility. Such amount, in addition to cash on our balance sheet, is what we consider to be our "Total Liquidity."

The following table provides a calculation of our Total Liquidity:

(\$ in thousands)	For the Nine Months Ended	
	September 30, 2025	December 31, 2024
<i>Revolving Credit Facility Rollforward</i>		
Beginning Revolving Credit Facility balance	\$ 63,300	\$ 50,700
(Repayments) borrowings of the Revolving Credit Facility, net	(63,300)	12,600
Ending Revolving Credit Facility balance	\$ —	\$ 63,300
<i>Calculation of Revolving Credit Facility and LC Facility availability</i>		
Revolving Credit Facility and LC Facility limit	\$ 540,000	\$ 540,000
Less: outstanding Revolving Credit Facility balance	—	63,300
Less: outstanding letters of credit subject to LC Sublimit	—	—
Less: outstanding letters of credit under the LC Facility	62,790	61,821
End of period Revolving Credit Facility and LC Facility availability	477,210	414,879
End of period cash balance	140,344	60,954
Total Liquidity, end of period	\$ 617,554	\$ 475,833

Cash Flow Activity

The activity discussed in this section relates to our consolidated company results and includes the impacts of discontinued operations.

Nine Months Ended September 30, 2025 and 2024

The following table sets forth a summary of our cash flows provided by (used in) operating, investing, and financing activities for the periods presented:

(\$ in thousands)	For the Nine Months Ended September 30,		
	2025	2024	Variance
Net cash provided by (used in) operating activities	\$ 258,610	\$ (66,838)	\$ 325,448
Net cash used in investing activities	\$ (71,195)	\$ (124,457)	\$ 53,262
Net cash (used in) provided by financing activities	\$ (107,368)	\$ 214,197	\$ (321,565)

Operating Activities

Net cash provided by operating activities was \$258.6 million for the nine months ended September 30, 2025 compared to net cash used in operating activities of \$66.8 million for the nine months ended September 30, 2024. The change was primarily due to the following:

- a \$157.7 million increase in operating income in 2025 as compared to 2024;
- a \$30.9 million decrease in one-time cash outflows for direct and indirect remuneration (“DIR”) fees paid in connection with the conclusion of the DIR program;
- a \$100.0 million decrease in cash outflows attributable to the timing of Silver legal settlement payments;
- a \$27.1 million decrease in cash outflows for interest, net primarily as a result of a reduction in the variable interest rates applicable to our outstanding term debt; and
- a \$9.5 million decrease in cash outflows for income taxes.

Investing Activities

Net cash used in investing activities decreased by \$53.3 million, from \$124.5 million in the nine months ended September 30, 2024 to \$71.2 million in the nine months ended September 30, 2025. The decrease was primarily due to a \$51.4 million decrease in cash paid for acquisitions in 2025 compared to 2024.

Financing Activities

Net cash used in financing activities was \$107.4 million for the nine months ended September 30, 2025, primarily attributable to repayments on our long-term debt of \$37.9 million, net repayments on our Revolving Credit Facility of \$63.3 million, and payment of finance lease obligations of \$10.1 million, offset by other financing activities.

Net cash provided by financing activities was \$214.2 million for the nine months ended September 30, 2024, primarily attributable to net proceeds received from the IPO Offerings of \$1,045.5 million, offset by extinguishment of and net repayments on our long-term debt of \$818.6 million, net borrowings on our Revolving Credit Facility of \$46.4 million, payment of debt issuance costs of \$43.2 million, and other financing activities.

Debt

We typically incur debt to finance mergers and acquisitions, and we borrow under our Revolving Credit Facility for working capital purposes, as well as to finance acquisitions, as needed. Below is a summary of our long-term indebtedness as of September 30, 2025 and December 31, 2024.

We were in compliance with all applicable financial covenants as of September 30, 2025 and December 31, 2024.

First Lien Credit Agreement

On March 5, 2019, the Company entered into the First Lien Credit Agreement, among Phoenix Intermediate Holdings Inc., as Holdings, Phoenix Guarantor Inc., as the Borrower, the several lenders from time to time parties thereto and Morgan Stanley Senior Funding, Inc., as the Administrative Agent and Collateral Agent (the "First Lien Credit Agreement"). The First Lien Credit Agreement originally consisted of a principal amount of \$1,650.0 million. In 2019, an additional delayed draw of \$150.0 million was made on the First Lien Credit Agreement ("Tranche B-1"). The First Lien Credit Agreement was further amended in 2020 ("Tranche B-2") and 2021 ("Tranche B-3") to establish additional borrowings of \$550.0 million and \$675.0 million, respectively, resulting in a total gross borrowings of \$3,025.0 million.

On June 30, 2023, the Company amended the terms of the First Lien Credit Agreement to reflect a change in reference rate to the Secured Overnight Financing Rate ("SOFR").

On February 21, 2024, we used a portion of the net proceeds received from the IPO Offerings to repay \$343.3 million of the borrowings under the First Lien, and established Tranche B-4 to refinance the remaining \$2,566.0 million of borrowings under the First Lien Credit Agreement at a rate equal to SOFR plus 3.25%. Tranche B-4 has a maturity date of February 21, 2031. On December 11, 2024 we amended the First Lien to refinance Tranche B-4 by establishing Tranche B-5 in an aggregate principal amount of \$2,553.2 million at a rate equal to SOFR plus 2.50% or ABR plus 1.50% with a maturity date of February 21, 2031.

For additional information about our First Lien Credit Agreement, see Note 6 of the unaudited condensed consolidated financial statements and related notes in this Quarterly Report on Form 10-Q.

The First Lien Credit Agreement described above contain customary negative covenants, including, but not limited to, restrictions on the Company and its restricted subsidiaries' ability to merge and consolidate with other companies, incur indebtedness, grant liens or security interests on assets, make acquisitions, loans, advances, or investments, pay dividends, sell or otherwise transfer assets, prepay or modify terms of certain junior indebtedness, enter into transactions with affiliates, or change their lines of business or fiscal year. In addition, under the Revolving Credit Facility, the Company will not permit the consolidated first lien secured debt to consolidated EBITDA (as defined in the First Lien Credit Agreement) ratio to be greater than 6.90 to 1.00, which shall be tested as of the end of the most recent quarter at any time when the aggregate revolving credit loans exceed 35% of the total revolving credit commitments.

Revolving Credit Facility

The total borrowing capacity under the Revolving Credit Facility included in the First Lien Credit Agreement (the "Revolver") was \$475.0 million as of September 30, 2025 and December 31, 2024. As of September 30, 2025, the Company had \$475.0 million of borrowing capacity available under the Revolver as there were no borrowings under the Revolver or letters of credit outstanding. As of December 31, 2024, the Company had \$63.3 million of borrowings outstanding under the Revolver and no letters of credit, reducing the available borrowing capacity to \$411.7 million.

The First Lien Credit Agreement, as amended on September 17, 2024, provides for an additional \$65.0 million of letter of credit commitments, or the LC Facility, which are not subject to the LC Sublimit. As of September 30, 2025, there were \$62.8 million of letters of credit outstanding under the LC Facility, resulting in an available borrowing capacity of \$2.2 million. As of December 31, 2024, there were \$61.8 million of letters of credit outstanding under the LC Facility, resulting in an available borrowing capacity of \$3.2 million.

For additional information about our Revolving Credit Facility and LC Facility, see Note 6 of the unaudited condensed consolidated financial statements and related notes in this Quarterly Report on Form 10-Q.

Second Lien Credit Agreement

On March 5, 2019, the Company entered into a \$450.0 million Second Lien Facility. Borrowings under the Second Lien Facility were subordinated to the First Lien Credit Agreement. On January 30, 2024, we used a portion of the net proceeds received from the IPO Offerings to repay all outstanding borrowings under the Second Lien Facility. No further obligation exists related to the Second Lien Facility. This transaction was accounted for as a debt extinguishment and the Company incurred a loss on extinguishment of debt of \$12.7 million related to the write-off of unamortized debt issuance costs.

Interest Rate Swap Agreements

To manage fluctuations in cash flows resulting from changes in the variable interest rates, the Company entered into pay-fixed interest rate swap agreements. For the nine months ended September 30, 2025 and the year ended December 31, 2024, interest expense, net includes interest income received related to cash flow hedges of interest rate risk of \$13.4 million and \$35.3 million, respectively. Refer to Note 6 within our unaudited condensed consolidated financial statements and related notes in this Quarterly Report on Form 10-Q for further discussion.

Tangible Equity Units

Concurrently with the IPO, we issued 8,000,000 TEUs, which have a stated amount of \$50.00 per unit. Each TEU is comprised of a prepaid stock purchase contract ("Purchase Contract") and a senior amortizing note ("Amortizing Note") due February 1, 2027, each issued by the Company. The Company will pay equal quarterly cash installments of \$0.8438 per Amortizing Note on February 1, May 1, August 1 and November 1, commencing on May 1, 2024, except for the May 1, 2024 installment payment, which was \$0.8531 per Amortizing Note, with a final installment payment date of February 1, 2027. In the aggregate, the annual quarterly cash installments will be equivalent of 6.75% per year. Each installment payment constitutes a payment of interest and a partial repayment of principal. Each TEU may be separated by a holder into its constituent Purchase Contract and Amortizing Note. Refer to Note 7 within our unaudited condensed consolidated financial statements and related notes in this Quarterly Report on Form 10-Q for further discussion.

The table below summarizes the total outstanding debt of the Company:

	Rate		Long-term obligation and note payable		Interest Expense	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	Nine Months Ended September 30, 2025	Fiscal Year 2024
First Lien - payable to lenders at SOFR plus applicable margin	—	—	\$ —	\$ —	\$ —	\$ 18,151
First Lien Incremental Term Loans Tranches B-2 and B-3 - payable to lenders at SOFR plus applicable margin	—	—	—	—	—	12,923
First Lien Incremental Term Loan Tranche B-4 - payable to lenders at SOFR plus applicable margin	—	—	—	—	—	150,759
First Lien Incremental Term Loan Tranche B-5 - payable to lenders at SOFR plus applicable margin	6.66%	6.86%	2,527,638	2,546,787	110,975	8,857
Second Lien - payable to lenders at SOFR plus applicable margin	—	—	—	—	—	4,482
Revolving Credit Loans - payable to lenders at SOFR plus applicable margin	6.91%	7.61%	—	—	—	331
Swingline/Base Rate - payable to lenders at ABR plus applicable margin	9.25%	9.75%	—	63,300	6,321	10,602
Amortizing Notes			37,181	53,804	3,350	4,899
Notes payable and other			17,267	19,428	663	316
Amortization of deferred financing costs and other, net of interest income from cash flow hedges			—	—	(2,533)	(20,774)
Total debt			\$ 2,582,086	\$ 2,683,319	\$ 118,776	\$ 190,546
Less: debt issuance costs, net			64,882	72,736		
Total debt, net of debt issuance costs			2,517,204	2,610,583		
Less: current portion of long-term debt			51,870	48,725		
Total long-term debt, net of current portion			\$ 2,465,334	\$ 2,561,858		

Our Company leverage, as calculated under our First Lien Credit Agreement, was 3.31x and 4.16x at September 30, 2025 and December 31, 2024, respectively. The results of the Community Living business are included in such calculation pursuant to the terms of our First Lien Credit Agreement and the Second Lien Credit Agreement.

Critical Accounting Policies and Use of Estimates

In preparing our unaudited condensed consolidated financial statements in conformity with U.S. GAAP, we must use estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures and the reported amounts of revenue and expenses. In general, our estimates are based on historical experience and various other assumptions we believe are reasonable under the circumstances. We evaluate our estimates on an ongoing basis and make changes to the estimates and related disclosures as experience develops or new information becomes known. Actual results could differ from those estimates.

We consider our critical accounting policies and estimates to be those that involve significant judgments and uncertainties and may potentially result in materially different results under different assumptions and conditions. There have been no material changes to our critical accounting policies and estimates from those disclosed in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024, which are hereby incorporated by reference.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Impact of Inflation

Wages and other expenses increase during periods of inflation and when labor shortages occur in the marketplace. The impact of inflation on the Company is primarily in the area of labor costs. The healthcare industry is labor intensive. There can be no guarantee we will not experience increases in the cost of labor, particularly given the shortage of qualified caregivers in our markets, and the demand for homecare services is expected to grow.

In addition, increases in healthcare costs are typically higher than inflation and impact our costs under our employee benefit plans. Managing these costs remains a significant challenge and priority for us. While we believe the effects of inflation, if any, and labor shortages on our results of operations and financial condition have not been significant, there can be no guarantee we will not experience the effect of inflation in the future.

In addition, suppliers pass along rising costs to us in the form of higher prices, which impacts us primarily in the area of pharmaceutical drug costs in our Pharmacy Solutions segment. Changes in costs of drugs can be accompanied by a change in rate that we pass along to our customers. Additionally, our supply chain efforts have enabled us to effectively manage and mitigate any inflationary impacts in our supply chain over recent years. However, we cannot predict our ability to cover future cost increases.

We have little or no ability to pass on certain of these increased costs associated with providing services to Medicare and Medicaid patients due to federal and state laws that establish fixed reimbursement rates.

Interest Rate Risk

The Company is exposed to interest rate risk related to changes in interest rates for borrowings under our First Lien Facilities. Although we hedge a portion of our interest rate risk through interest rate swaps, any borrowings under our First Lien Facility in excess of the notional amount of the swaps will be subject to variable interest rates. By using a derivative instrument to hedge exposures to changes in interest rates, we expose ourselves to credit risk due to the possible failure of the counterparty to perform under the terms of the derivative contract.

As of September 30, 2025, our debt outstanding was \$2.6 billion and we had four existing interest rate swaps with a combined notional value of \$1.5 billion that were designated as cash flow hedges of interest rate risk. A hypothetical 1% increase in interest rates would decrease our net income and our cash flows by \$10.3 million on an annual basis based upon our borrowing level at September 30, 2025. The market risks associated with our debt obligations as of September 30, 2025 have not changed from those reported in “Part II. Item 7A. Quantitative and Qualitative Disclosure About Market Risk” in our Annual Report on Form 10-K for the year ended December 31, 2024. See Note 6 within the unaudited condensed consolidated financial statements and related notes, included elsewhere in the Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Under the supervision and with the participation of the Company’s management, including its Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company’s disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are involved in various legal and/or administrative proceedings and subject to claims that arise in the ordinary course of business. We do not believe the ultimate liability, if any, for outstanding proceedings or claims, individually or in the aggregate, in excess of amounts already provided in our consolidated financial statements, will have a material adverse effect on our business, financial condition, or results of operations. It is reasonably possible that an adverse determination might have an impact on a particular period. Regardless of the outcome, litigation has the potential to have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

For a summary of our material legal proceedings, refer to Note 13 of the unaudited condensed consolidated financial statements and related notes in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.

There have been no material changes to the risk factors affecting our business, financial condition, or results of operations from those set forth under the heading “Summary Risk Factors” or in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, or results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Second Amended and Restated Certificate of Incorporation of BrightSpring Health Services, Inc.	8-K	001-41938	3.1	1/30/2024
3.2	Amended and Restated Bylaws of BrightSpring Health Services, Inc.	8-K	001-41938	3.2	1/30/2024
4.1	Purchase Contract Agreement, dated as of January 30, 2024, between BrightSpring Health Services, Inc. and U.S. Bank Trust Company, National Association, as purchase contract agent, as attorney-in-fact for the Holders from time to time as provided therein and as trustee under the indenture referred to therein.	8-K	001-41938	4.1	1/30/2024
4.2	Form of Unit (included in Exhibit 4.1).	8-K	001-41938	4.2	1/30/2024
4.3	Form of Purchase Contract (included in Exhibit 4.1).	8-K	001-41938	4.3	1/30/2024
4.4	Indenture, dated as of January 30, 2024, between BrightSpring Health Services, Inc. and U.S. Bank Trust Company, National Association, as trustee.	8-K	001-41938	4.4	1/30/2024
4.5	First Supplemental Indenture, dated as of January 30, 2024, between BrightSpring Health Services, Inc. and U.S. Bank Trust Company, National Association, as trustee, paying agent and security registrar.	8-K	001-41938	4.5	1/30/2024
4.6	Form of Amortizing Note (included in Exhibit 4.5).	8-K	001-41938	4.6	1/30/2024
4.7	Registration Rights Agreement, dated December 7, 2017, by and among Phoenix Parent Holdings Inc., KKR Phoenix Aggregator L.P., and Walgreens Co.	S-1/A	333-276348	4.1	1/10/2024
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.				
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents				
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

BRIGHTSPRING HEALTH SERVICES, INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jon Rousseau, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2025 of BrightSpring Health Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 28, 2025

Date

/s/ Jon Rousseau

Jon Rousseau

Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

BRIGHTSPRING HEALTH SERVICES, INC.

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jennifer Phipps, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2025 of BrightSpring Health Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 28, 2025

Date

/s/ Jennifer Phipps

Jennifer Phipps

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

BRIGHTSPRING HEALTH SERVICES, INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of BrightSpring Health Services, Inc. (the Company) on Form 10-Q for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date of the signatures below (the Report), Jon Rousseau, Chairman, President, and Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their respective knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 28, 2025

Date

/s/ Jon Rousseau

Jon Rousseau

Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of BrightSpring Health Services, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

BRIGHTSPRING HEALTH SERVICES, INC.

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of BrightSpring Health Services, Inc. (the Company) on Form 10-Q for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date of the signatures below (the Report), Jennifer Phipps, Executive Vice President and Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their respective knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 28, 2025

Date

/s/ Jennifer Phipps

Jennifer Phipps

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of BrightSpring Health Services, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.
