

Q3-2015 Home Health & Hospice Industry Update



Market Update

M&A activity remained strong throughout the third quarter of 2015 within the home health & hospice sector, as several large strategic players completed acquisitions on both sides of the skilled and non-skilled spectrum. Additionally, private equity interest in the space seems to have grown substantially, driven by strong upward demand trends and greater certainty in the reimbursement outlook going forward. Wellspring Capital's investment in Help at Home was of particular importance, as it marked a resurgence of activity in Medicaid non-skilled home care, an area that had not seen investor interest for several years.

Comparative Performance Analysis



Select Transactions

Month	Acquirer	Target Company	Details
September 2015	Epic Health Services	Unifour Nursing	Epic Health Services, a portfolio company of Webster Capital, has entered the North Carolina marketplace with its acquisition of Newton-based Unifour Nursing. This acquisition marks the 16 th state that Epic has entered since its partnership with Webster, in which Provident Healthcare Partners served as the company's exclusive sell-side advisor.
September 2015	Almost Family	Willcare Healthcare	Almost Family (NASDAQ: AFAM) has acquired Buffalo, New York-based Willcare Healthcare, a non-skilled homecare provider with locations in New York, Connecticut, and Ohio. This acquisition increases Almost Family's personal care segment by over 30%.
September 2015	LHC Group	Halcyon Hospice	LHC Group (NASDAQ: LHCG), a national provider of post-acute healthcare services, has acquired Halcyon Hospice LLC for approximately \$58.5 million in cash. Halcyon is one of the largest independent providers of hospice services in the southeastern U.S., with 16 locations across Georgia, Mississippi, and South Carolina.
August 2015	Encompass Home Health	CareSouth Health	Encompass Home Health, a subsidiary of HealthSouth Corporation, has acquired national home health, post-acute care and senior living services provider CareSouth Health. As a result of the transaction, CareSouth Health will be rebranding itself as Careity, effective Q4 2015.
August 2015	Cornerstone Healthcare	Apismellis Homecare	Cornerstone Healthcare, the home health & hospice segment of The Ensign Group, has acquired Apismellis Homecare, a Medicare and Medicaid certified home health agency serving regions in Arizona and California. Cornerstone subsidiaries now operate 15 home health, 13 hospice and 3 home care operations in 9 western states.
August 2015	Wellspring Capital Management	Help at Home	Wellspring Capital Management, a New York-based private equity firm, has acquired Help at Home, a provider of home care services with locations in 12 states. The acquisition adds to Wellspring Capital Management's portfolio interest in the home health & hospice sector.

Source: SFC Filings, Company Press Releases, and Reports; IBISWorld; Capital IQ; PIP Estimates and Research. This document has been compiled with publicly available information. Provident Healthcare Partners, LLC makes no guarantee of its accuracy or completeness. No data or statement should be construed to be a recommendation for the purchase, sale, or retention of any security.