

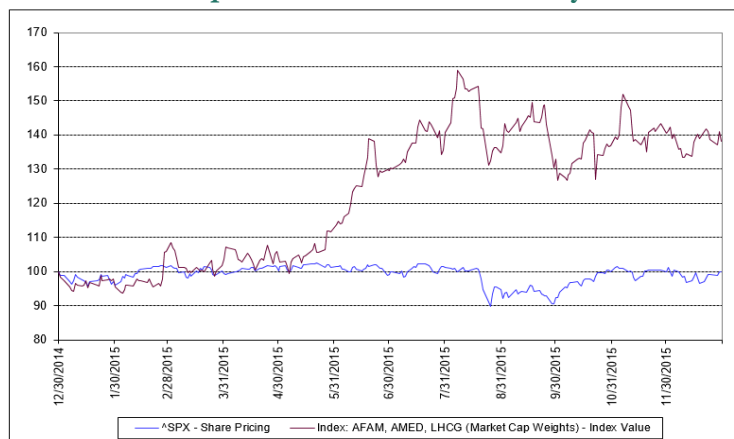
# Q4-2015 Home Health & Hospice Industry Update



## Market Update

M&A activity within the home health and hospice sector finished off an already very active 2015 with a high volume fourth quarter. Investor interest in the space has certainly rebounded, and we've seen valuation multiples rise as both private equity firms and industry consolidators compete for quality platform acquisitions. Provident Healthcare Partners had an active role in several deals that closed this past quarter, including Sentinel Capital Partners' successful exit of Hospice Advantage to Compassus and Addus Home Care's entrance into Virginia through its acquisition of BestCare HomeCare. Provident expects home health and hospice M&A to continue at a strong pace into 2016 as industry growth prospects and capital market conditions remain strong.

## Comparative Performance Analysis



## Select Transactions

Month	Acquirer	Target Company	Details
December 2015	Lincare Holdings, Inc.	American HomePatient	Lincare Holdings, Inc. (Lincare), a leading national provider of respiratory services in the U.S., has announced a definitive agreement to acquire American HomePatient from Highland Capital Management L.P. The transaction, which is expected to close in the first quarter of 2016, will allow Lincare to expand their home healthcare operations and increase the quality of their respiratory care delivered in the home. Specific terms of the deal were not disclosed.
November 2015	Welsh, Carson, Anderson & Stowe	InnovAge	Denver-based InnovAge has partnered with private equity firm Welsh, Carson, Anderson & Stowe to convert from non-profit to for-profit in a transaction valued at \$186.4M. This transaction was primarily motivated by InnovAge's need for greater access to capital in order to expand its operations in Colorado, California and New Mexico.
November 2015	Addus Home Care	BestCare HomeCare	Addus Home Care (NASDAQ: ADUS) has entered northern Virginia through its acquisition of BestCare HomeCare, the personal care segment of Five Points Healthcare of Virginia, LLC. Provident Healthcare Partners served as an advisor in this transaction.
November 2015	Almost Family, Inc.	Home Care by Blackstone	Almost Family, Inc. (NASDAQ: AFAM), has completed an acquisition of Black Stone Operations, LLC, which operates under the name "Home Care by Blackstone". The \$40M transaction increases Almost Family, Inc.'s geographic footprint in Ohio, and the company expects to soon be the largest senior-focused home health provider in the state.
November 2015	Amedisys, Inc.	Infinity HomeCare, LLC	Amedisys, Inc. (NASDAQ: AMED), which had stated earlier in 2015 that it was reviewing a pipeline of nearly 200 possible acquisition targets, has announced the acquisition of Florida-based Infinity HomeCare. Under terms of the agreement, Amedisys, Inc. will acquire 100% of the ownership interests for \$63M.
October 2015	Compassus	Hospice Advantage	Compassus, a nationwide network of community-based hospice programs and palliative care services, has announced the acquisition of Michigan-based Hospice Advantage from private equity firm Sentinel Capital Partners. The service area of the combined company will extend to 150 locations in 28 states serving more than 30,000 patients and their families each year. Provident Healthcare Partners served as an advisor to Sentinel Capital Partners and Hospice Advantage in this transaction.