

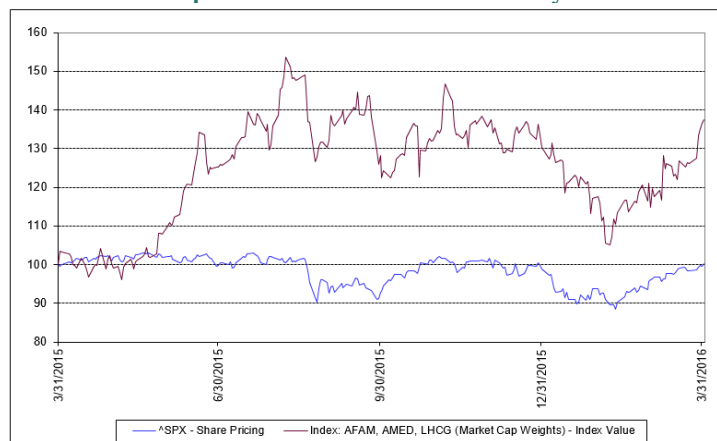
# Q1-2016 Home Health & Hospice Industry Update



## Market Update

The first quarter of 2016 contained several significant home health and hospice transactions, with transaction values markedly higher than in recent quarters. These deals included large-scale acquisitions by private equity-backed companies Compassus (backed by Audax Group), PSA Healthcare (backed by J.H. Whitney Capital Partners) and Curo Health Services (backed by Thomas H. Lee Partners), as well as continued expansion by publically-traded Amedisys, Almost Family, and Addus HealthCare. Driven by strong demand and a relative shortage of quality acquisition targets within the sector, valuations for home health and hospice organizations have risen drastically and are likely near their peak, resulting in a true seller's market.

## Comparative Performance Analysis



## Select Transactions

Month	Acquirer	Target Company	Details
March 2015	Compassus	Genesis HealthCare (NYSE: GEN)	Genesis HealthCare (NYSE: GEN) has signed a definitive agreement to sell the majority of its home health and hospice operations to Compassus for \$84M. The transaction is expected to close within the next 90 days. In 2015, these operations produced revenue of \$70 million and EBITDA of \$9 million.
February 2016	Amedisys (NASDAQ: AMED)	Associated Home Care	Amedisys (NASDAQ: AMED) has signed a definitive agreement to acquire Associated Home Care, a private-duty home care agency headquartered in North Andover, Massachusetts. Under terms of the agreement, Amedisys will acquire 100% of the ownership interests in Associated Home Care for \$28M, plus a \$10M earnout contingent on future performance. Associated Home Care employs approximately 1,500 people and generated \$40M in 2015 revenue.
February 2016	One Equity Partners	All Metro Healthcare	Nautic Partners, LLC has announced the sale of All Metro Health Care, a leading home care provider in New York, Pennsylvania, New Jersey, and Florida, to One Equity Partners. All Metro primarily provides non-skilled personal care services and operates through 31 locations. Specific financial terms were not disclosed.
February 2016	Addus HealthCare (NASDAQ: ADUS)	South Shore Home Health Services, Inc.	Addus HealthCare has officially closed on its previously announced acquisition of New York-based South Shore Home Health Services, Inc., which produced approximately \$52M in 2015 revenues. Provident Healthcare Partners served as an adviser on this transaction.
January 2016	PSA Healthcare	Care Unlimited, Inc.	PSA Healthcare, a portfolio company of J.H. Whitney Capital Partners, has acquired Care Unlimited, Inc. PSA Healthcare is a leader in the pediatric home care sector, and will leverage this acquisition to build market share in Pennsylvania. Specific financial terms were not disclosed.
January 2016	Curo Health Services	New Century Hospice	Curo Health Services, a portfolio company of Thomas H. Lee Partners, has acquired New Century Hospice, a Dallas-based company that provides hospice care to approximately 1,600 patients through 19 branches in 6 states. The acquisition expands Curo's geographic presence to two new states (Oklahoma and Colorado). Specific financial terms were not disclosed.
January 2016	Almost Family (NASDAQ: AFAM)	Long-Term Solutions	Almost Family (NASDAQ: AFAM) has completed a \$37M deal to acquire 100% of the equity of Massachusetts-based Long Term Solutions. The transaction will be structured as \$20M cash-at-close, a \$6M note payable and \$11M in AFAM common stock.