

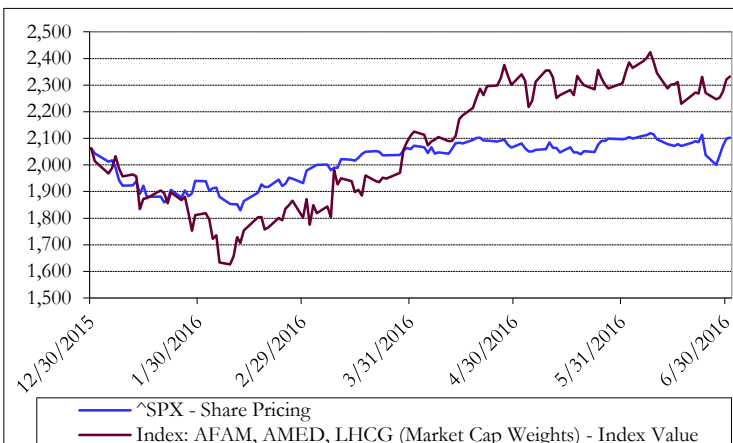
Q2-2016 Home Health & Hospice Industry Update



Market Update

The home health and hospice sector has continued to see considerable interest from both private equity investors and strategic consolidators. Although the second quarter of 2016 did not yield as many large-scale transactions as previous quarters, transaction volume remained strong and robust M&A market competition among buyers and investors has resulted in aggressive valuation multiples. Even as the industry is facing newly implemented regulatory measures and reimbursement pressure, the outlook for exit opportunities or raising private equity capital continues to be strong, and Provident expects this to be the case for the remainder of 2016.

Comparative Performance Analysis



SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
June 2016	LHC Group (NASDAQ: LHCG)	Professional Healthcare Resources & East Arkansas Health Holdings	LHC Group (NASDAQ: LHCG) has signed a definitive purchase agreement to acquire home health, hospice, and community-based service providers in Arkansas and the greater Washington, D.C. area. East Arkansas Health Holdings is expected to contribute about \$10.5 million of revenue, and Professional Healthcare Resources is expected to contribute about \$33.5 million of revenue. Both acquisitions are expected to be accretive to 2016 earnings of LHC Group (NASDAQ: LHCG).
May 2016	Almost Family (NASDAQ: AFAM)	ResCare Inc.	After the Company's CEO declared earlier in the second quarter that they would continue to be "a consolidator", Almost Family (NASDAQ: AFAM) has announced its entrance into the Wisconsin marketplace through the strategic acquisition of certain assets from ResCare Inc. This transaction was announced in May and is expected to close in early Q3 2016. Financial terms of the transaction were not disclosed.
May 2016	Blue Wolf Capital	National Home Health Care Corporation	Private equity firm Blue Wolf Capital has completed a recapitalization of New York-based home care provider National Home Health Care Corporation (NHHC). The total enterprise value of this transaction was about \$103 million, making it one of the largest private equity deals within the space over the past several quarters.
May 2016	Care Finders Total Care	Emerald Health Care Services & Family First Home Care	Care Finders Total Care has announced the acquisitions of private duty providers Emerald Health Care Services and Family First Home Care, marking the ninth and tenth acquisitions the Company has completed in the past 24 months. The completion of these acquisitions now gives Care Finders Total Care a total of nine locations throughout the state of New Jersey. Financial terms of these transactions were not disclosed.
May 2016	Covenant Care	Peoples Home Health	Not-for-profit home health, hospice, and palliative care provider Covenant Care has announced an expansion of its market position in Florida through the acquisition of Peoples Home Health, a Medicare-certified home health provider serving numerous counties throughout Florida. Financial terms of the transaction were not disclosed.
April 2016	SV Life Sciences & Health Enterprise Partners	Jet Health	Healthcare-focused private equity firms SV Life Sciences and Health Enterprise Partners have collaborated to form Jet Health, a California-based provider of home health and home care services. In conjunction with industry executive Jim Glynn, who will lead the new platform as CEO, the groups hope to build a national home health organization. Through this transaction, Jet Health raised \$16.65 million in funding. The total enterprise value of the transaction was not disclosed.