

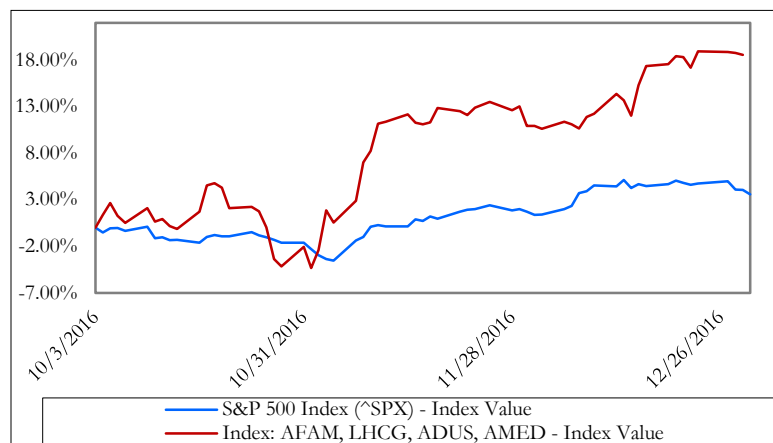
Q4-2016 Home Health & Hospice Industry Update



Market Update

The end of 2016 saw private equity investors re-enter the personal care, skilled home healthcare, and hospice markets in a resounding fashion, with three of the largest transactions of the year trading to private equity firms. Though no financial details were disclosed, it is likely that Altaris Capital Partners' acquisition of Senior Helpers, Blue Wolf Capital Partners' acquisition of Great Lakes Caring, and Bain Capital's pending acquisition of Epic Health Services represented a combined transaction value of nearly \$2 billion. With high market fragmentation, less ambiguous reimbursement risk, and increasing opportunities in value-based payments, Provident expects continued strength in interest from private equity investors in 2017.

Comparative Performance Analysis



SELECT TRANSACTIONS

| Month | Acquirer | Target Company | Details |
|---------------|----------------------------|--|---|
| December 2016 | Bain Capital | Epic Health Services | Bain Capital, a global private equity firm with more than \$75 billion in assets under management, has agreed to acquire Dallas-based Epic Health Services (Epic). This transaction is expected to close in the first quarter of 2017, and will mark an exit for private equity firm Webster Capital, which invested in Epic Health Services in 2010 and subsequently grew the organization from a single-state operator to a comprehensive provider with locations in 22 states. Provident served as exclusive financial advisor to Epic during the Company's initial recapitalization by Webster Capital in 2010. |
| November 2016 | Blue Wolf Capital Partners | Great Lakes Caring | Blue Wolf Capital Partners, a middle market private equity firm with significant holdings in healthcare services, has recapitalized Great Lakes Caring, replacing Wellspring Capital Management as the Company's private equity sponsor. This transaction occurs only a few months after Blue Wolf Capital Partners acquired northeast-based National Home Health Care Corporation. Provident served as the exclusive financial advisor to Great Lakes Caring during their initial private equity recapitalization with Pouschine Cook Capital Management in 2007. |
| November 2016 | Care Finders Total Care | Secura Home Health | Care Finders Total Care has acquired Secura Home Health, formerly a division of Loving Care Agency, a portfolio company of private equity firm MTS Health Investors, which provides non-skilled home care services in the greater New Jersey marketplace. |
| November 2016 | PSA Healthcare | Innovations Health Services & Assure Home Healthcare | PSA Healthcare, a leading provider of home care services for children under 18, has announced two acquisitions that broaden the organization's footprint in Texas. With the additions of Innovations Health Services and Assure Home Healthcare, PSA Healthcare now has 12 offices throughout Texas. |
| October 2016 | Altaris Capital Partners | Senior Helpers | Senior Helpers, a national home care franchisor with approximately 285 active territories across 39 states, has announced that the company has been acquired by Altaris Capital Partners, a leading private equity firm. This transaction marks an exit for private equity firm Levine Leichman Capital Partners. |
| October 2016 | Epic Health Services | Pediatric Healthcare for Kids | Epic Health Services (Epic), a national provider of personal care, home healthcare, and behavioral healthcare services to children and adults across the U.S., has announced the acquisition of Pediatric Healthcare for Kids (Pediatric), effectively expanding its footprint as a comprehensive provider of home-based healthcare services to three additional states. Pediatric serves over 700 patients through 29 locations, and was previously a portfolio company of private equity firm MidMark Capital. |