

Q3-2017 Home Health & Hospice Industry Update



Market Overview

The surge in investment activity within the home health and hospice sectors continued in the third quarter, as both private equity investors and public companies put capital to work in order to establish regional platforms or enter new service lines. Notable trends to highlight include the proliferation of the private equity community's interest in home care franchisors, with two such transactions occurring in the third quarter (one platform and one add-on). In addition, consolidation amongst Medicaid personal care providers has accelerated, likely driven primarily by state Medicaid expansion and shifts to managed care. While much uncertainty still shrouds the sector, investors clearly remain bullish, which is translating into heightened valuation levels.



SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
September 2017	Authority Brands	Homewatch Caregivers	Authority Brands, a portfolio company of PNC RiverArch Capital, has acquired Homewatch CareGivers, a provider of home care services with more than 200 franchise locations in seven countries. The Company delivers a variety of professional at-home services including elder care, care for individuals with developmental and physical conditions, after-surgery care and care for those living with dementia. Financial terms of the deal were not disclosed.
September 2017	The Ensign Group (NASDAQ: ENSG)	Comfort Hospice Care	Cornerstone Healthcare, the home health and hospice division of The Ensign Group (NASDAQ: ENSG), has acquired Comfort Hospice Care. Comfort Hospice Care is a hospice provider serving Las Vegas, Pahrump, and surrounding communities in Southern Nevada. Financial terms of the deal were not disclosed.
August 2017	Addus HomeCare (NASDAQ: ADUS)	Options Home Care	Addus HomeCare (NASDAQ: ADUS), a comprehensive provider of personal care services provided in the home, has acquired Options Home Care, a wholly-owned subsidiary of HB Management Group. Options Home Care is a provider of personal care services focused on serving the dual-eligible population in more than 20 counties across New Mexico. Provident Healthcare Partners served as an advisor in this transaction. Financial terms of the deal were not disclosed, though it's reported that Options Home Care generates annual revenues of approximately \$20 million.
August 2017	Amedisys (NASDAQ: AMED)	Intercity Home Care	Associated Home Care, a subsidiary of Amedisys, Inc. (NASDAQ: AMED), one of the nation's leading home healthcare, hospice and personal care companies, has announced a definitive agreement to acquire Intercity Home Care. Intercity Home Care is a family-owned company providing services including personal care, homemaking and companionship, professional nursing, transportation and grocery and laundry delivery in Massachusetts. Financial terms of the deal were not disclosed.
July 2017	The Riverside Company	ComForCare Senior Services	The Riverside Company, a New York-based private equity firm, has acquired ComForCare Senior Services. ComForCare Senior Services is a Michigan-based home care franchisor with approximately 200 locations across the United States and Canada. The Company had approximate revenues of \$8.8 million in 2016. Financial terms of the deal were not disclosed.
July 2017	Boyne Capital Partners	AmeriBest Home Care, Inc.	Boyne Capital Partners, a Miami-based private equity firm, has acquired AmeriBest Home Care, Inc., a home care provider that serves seniors and disabled residents across Pennsylvania through State waiver programs. This transaction marks the first private equity investment into a Medicaid home care provider in 2017. Financial terms of the deal were not disclosed.