

Q1-2018 Home Health & Hospice Update



Market Update

The home health & hospice sector continues to consolidate at a rapid pace, as some of the largest industry players set a clear precedent with deals of their own at the end of 2017. The first quarter of 2018 exemplified the trend of strategic consolidators fueling expansion through mergers and acquisitions, with several middle-market providers completing transactions to grow patient census, add new locations, and enter new geographies. As is the case with nearly all areas of healthcare, the supply of sellers in the market due to heightened valuation levels has created ample opportunities for buyers, and Provident expects transaction volume to remain strong.

Public Comparable Companies

Select Public Home Health & Hospice Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV/REV	EV/EBITDA
Kindred Healthcare, Inc.	\$9.15	\$6,034,123	\$804,755	0.7x	5.0x
Amedisys, Inc.	\$60.34	\$1,533,680	\$132,832	1.3x	15.5x
LHC Group, Inc.	\$61.56	\$1,072,086	\$89,795	1.2x	14.6x
Almost Family, Inc.	\$56.00	\$796,965	\$35,134	1.1x	25.8x
Addus HomeCare, Inc.	\$48.65	\$425,715	\$25,501	1.2x	20.7x

As of 3/31/2018

Select Transactions:

Month	Acquirer	Target	Target – Number of:		Deal Significance
			Locations	States	
March	Stonehenge Partners, Inc.	Queen City and Capital City Hospice	2	1	Queen City and Capital City Hospice provides hospice services to the Cincinnati and Central Ohio area.
February	ComForCare Senior Services	CarePatrol	150	40	CarePatrol has over 200 senior placement franchise locations in the U.S., Canada, and the U.K.
February	Simplura Health Group	SarahCare Adult Day Care Center	26	13	Simplura Health Group (formerly "All Metro Health Care"), a home care services platform backed by One Equity Partners, acquired SarahCare Adult Day Care Center. SarahCare is a provider of home health services and adult day care facilities headquartered in Jenkintown, PA.
February	Addus HomeCare, Inc.	AmberCare	15	1	Addus HomeCare, Inc., has acquired AmberCare, a provider serving roughly 2,600 consumers through 15 locations across New Mexico. The Company's 2017 revenues were \$57 million.
January	Jordan Health Services, Inc.	Pyramid Home Health Services	20	1	Pyramid Home Health Services has been providing community based health services, home health, and hospice services in the Missouri area since 1972.
January	Five Points Healthcare	Millennium Home Health Care	6	2	Five Points Healthcare, a home health services provider backed by Fulcrum Equity Partners, has merged with Millennium Home Health Care. Millennium is a Broomall, Pennsylvania based provider of home health services. This acquisition expands the geographic footprint of Five Points Healthcare into the mid-Atlantic region.

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Industry Conferences

The Provident Healthcare Partners investment banking team regularly attends conferences and other events related to the home health & hospice sector. We invite industry executives and shareholders to reach out for a confidential meeting to gain a more detailed perspective on valuations and transaction activity within the sector.