

Q1-2020 Home Health & Hospice Update



Market Update

Demand for home health and hospice deals remains strong as healthcare investors look to diversify away from other sectors that could be impacted longer term due to COVID-19. Provident is currently working on several engagements within the home care and hospice sectors that are moving forward, on schedule and at healthy valuation multiples, despite the COVID-19 situation. Additionally, several of the large strategics allocated significant amounts of capital for home health and hospice acquisitions in 2020 and remain committed to their growth strategies. Provident also expects several larger scale acquisitions in the latter half of 2020 as many of the private equity-backed platforms in the space are approaching the tail-end of the traditional 3-7 year holding period.

Home Health & Hospice Comparable Multiples

Select Public Post Acute Care Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV / Rev	EV / EBITDA
National Healthcare Corp	\$80.51	\$966	\$126	1.38x	10.30x
Amedisys, Inc.	\$191.89	\$1,996	\$239	3.01x	25.46x
LHC Group, Inc.	\$139.31	\$2,080	\$203	2.31x	24.50x
Addus HomeCare Corp	\$81.76	\$598	\$37	2.16x	34.05x

As of 4/10/2020

Revenue / EBITDA in \$000s

Select Transactions:

Month	Acquirer	Target	Target – Number of:		Deal Significance
			Locations	States	
March	St. Croix Hospice	Serenity Care Hospice	1	1	St. Croix Hospice, portfolio company of Chicago-based private equity firm Vistria Group, has acquired Serenity Care Hospice marking its entry into the Missouri market.
March	Bristol Hospice	Sojourn Hospice & Palliative Care	8	2	Bristol Hospice, a portfolio Company of Webster Equity Partners, has acquired the Utah and California operations of Sojourn Hospice & Palliative Care, marking its ninth acquisition.
January	Abode Healthcare	Springhill Home Health & Hospice	2	1	Abode Healthcare has acquired Springhill Home Health & Hospice further expanding its services in the Alabama region.
January	Hospice Care of South Carolina	Agape Hospice	2	1	Hospice Care of South Carolina has acquired Agape Hospice, becoming the largest hospice care provider in the state of South Carolina.
January	Amedisys	Asana Hospice	8	5	Amedisys has completed the acquisition of Asana Hospice, marking its third acquisition in the hospice space and adding approximately 540 ADC under its care.
January	LHC Group	Egan Home Health and Hospice	5	1	LHC Group and its joint venture partner Ochsner Health Systems have completed the acquisitions of five Egan home health and hospice locations in Louisiana as part of LHC's effort to double its hospice locations in the next 12 to 18 months.

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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.