

# Q1-2022 Home Health & Hospice Update



## Market Update

The first quarter of 2022 marked a continuation of strong consolidation activity within the home health and hospice sectors. Both private equity firms and strategic investors remain bullish on home-based care, evidenced by several new platforms and transformational acquisitions in Q1. The most notable acquisition of the 1st quarter is United Health Group's (UNH) acquisition of LHC Group. In the past few years, Optum has made significant investment in its at-home care programs including the launch of Optum Housecalls and acquisitions of Landmark Health, NaviHealth, AbleTo, remaining stake in Kindred, and now LHC Group. By leveraging their existing provider bases and value-based care offerings, UHG and other "payviders" are realizing tremendous synergistic value by expanding into home-based care, serving as a catalyst for continued investment activity in the sector.

## Select Transactions:

Month	Acquirer	Target	Target – Number of:		Deal Significance
			Locations	States	
March	The Vistria Group	Professional Health Care Network	1	AZ	The Vistria Group announced its investment in Professional Health Care Network marking its 4 <sup>th</sup> active investment in the home care space.
March	United Health Group	LHC Group	250+	Nationwide	UnitedHealth Group announced its acquisition of LHC group for \$170/share. The transaction values LHC at roughly \$6.4 billion including debt.
February	Addus HomeCare	JourneyCare	4	IL	Addus HomeCare completed the acquisition of nonprofit hospice and palliative care provider, JourneyCare for \$85 million. JourneyCare serves an average daily census of 750 patients in 13 counties complimenting Addus's existing home health presence in Illinois.
January	Fulcrum Equity Partners	HomeFirst Home Healthcare	6	GA, NC, TN	Fulcrum Equity Partners invested \$11 million in HomeFirst Home Healthcare, a home-based care platform company formed in September 2020 by a team of home health veterans. The capital enabled two acquisitions expanding the company into new markets in Georgia and North Carolina
January	InTandem Capital Partners	Providence Care	3	SC	InTandem Capital Partners completed a growth equity investment in Providence Care, a leading provider of post-acute and end-of-life services in South Carolina.

## Home Health & Hospice Comparable Multiples

Select Public Post Acute Care Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV / Rev	EV / EBITDA
Addus HomeCare	\$93.29	\$864	\$95	1.83x	16.62x
Amedisys, Inc.	\$172.29	\$2,214	\$343	2.78x	17.94x
LHC Group, Inc.	\$168.60	\$2,220	\$331	2.71x	18.19x
Aveanna	\$3.41	\$1,679	\$185	1.13x	10.27x

Share price as of 4/15/2022

Revenue / EBITDA in \$000s

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## Upcoming Conference

Members of the Provident Healthcare Partners Post-acute care team will be attending the NAHC Financial Management Conference in Las Vegas, Nevada in July 2022.