











Q1-2023 Home Health & Hospice Update

Market Update

Q1 started off strong with CVS Health and UnitedHealth completing their acquisitions of Signify Health and LHC Group, respectively. Both acquisitions exemplify the trend of payors and large-cap healthcare companies acquiring home-based care providers to broaden their range of services into the home, improve patient outcomes, and better manage costs, which is becoming increasingly important in a value-based care environment.

In addition to the growing interest from payors and large-cap healthcare and tech companies, private equity investors continue to seek acquisition opportunities in the home-based care space, with a growing interest in the private pay sector. This is evident from recent platform investments, including HouseWorks and Family Tree Private Care. The growing investor interest in the private pay sector is attributed to uncertainties around reimbursement seen in 2022, lower levels of turnover, and the highly fragmented nature of the space.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		Deal Significance
			Locations	States	
March			7	CT, MO, NY, OK, SD, TX	CVS closed on its acquisition of Signify Health for \$30.5 a share, which amounts to a valuation of \$8 billion, approximately. The transaction plays a critical role in CVS' future goals of advancing care delivery in the home and growing value-based care initiatives.
February			960	37	UnitedHealth Group completed its acquisition of LHC Group for \$5.4 billion. The transaction highlights the continuing trend of payors investing into home-based care.
February			25	MA, TN	HouseWorks entered into a definitive agreement to acquire Amedisys' Personal Care division for \$50 million. The acquisition aims to help grow the personal care operations of HouseWorks while allowing Amedisys to focus on its core skilled services.
January			10	CO, TX	Firmament, a New York based provider of structured equity and debt, made an investment in Family Tree Private Care. The group offers concierge-level caregiving, private nursing, and care management.
January			8	MA, NH, ME,	InTandem Capital Partners completed a strategic equity investment in HouseWorks. The new platform will focus on home care services for the private pay and Medicaid populations.

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Home Health & Hospice Comparable Multiples

Select Public Post Acute Care Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV/Rev	EV/EBITDA
Addus HomeCare	\$108.56	\$951	\$83	1.87x	21.98x
Amedisys, Inc.	\$73.55	\$2,223	\$209	1.33x	14.09x
Pennant Group	\$14.28	\$454	\$18	1.59x	23.88x
Enhabit	\$13.42	\$1,083	\$142	1.22x	9.37x

Share price as of 3/31/2023

Revenue / EBITDA in millions