

Home Health & Hospice

Q2 2023









Market Update

Home health and hospice continue to play a pivotal role in payors' value-based care strategies. Building on the successful completion of UHC's acquisition of LHC Group earlier this year, the company has now set its sights on acquiring Amedisys in a landmark deal. This pending transaction follows the previously disclosed merger between Option Care Health and Amedisys. Following this announcement, a lead investor in Enhabit Inc. expressed interest to explore strategic alternatives, including exploring a sale. On the regulatory side, CMS continues to exert downward pressure on reimbursement. This June, CMS unveiled its FY 2024 proposed payment rule that includes a 2.2% decrease in aggregate home health payments. The proposed rule has garnered significant backlash from the market, including a federal lawsuit by The National Association for Home Care and Hospice.

Home Health & Hospice Comparable Multiples

Company	Share Price	Revenue	EBITDA	EV/Rev	EV/EBITDA
Addus HomeCare	\$87.05	\$976	\$105	1.59x	14.74x
Amedisys Inc.	\$91.28	\$2,230	\$301	1.55x	11.51x
Pennant Group	\$11.42	\$486	\$34	1.37x	19.56x
Enhabit Inc.	\$11.96	\$1,060	\$11	1.15x	115.76x
Share price as of 6/30/2023			Revenue / EBITDA in millions		

Select Transactions

Month	Acquirer	Target	Locations	States	Deal Description
June	 UnitedHealth Group	 amedisys HOME HEALTH • HOSPICE • PERSONAL CARE	538	37	UnitedHealth Group agreed to acquire Amedisys for \$101 per share, which values the company at roughly \$3.3 billion. The transaction is subject to shareholder and regulatory approval and is likely to face antitrust scrutiny.
June	 PENNANT GROUP	 bluebird health	3	ID	The Pennant Group acquired Bluebird Home Health, Bluebird Hospice, and Bluebird Home Care, expanding its presence in the Idaho market.
May	 HouseWorks	 4theseniors.com CARE & HELP HOME CARE AGENCY	4	PA	HouseWorks, backed by InTandem Capital Partners, announced its acquisition of Care and Help Home Care, a leading home care provider serving the greater Philadelphia, Allentown, Harrisburg, and Pittsburgh area.
April	 LHC GROUP	 SUMMIT ORTHOPAEDIC HOME CARE	3	DE	LHC acquired Delaware-based Summit Home Care. This is the Company's first transaction since being acquired by UnitedHealth.

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