

# Home Health & Hospice

Q1 2024

## Market Update

Home health and hospice deal volume continued its upward trend into the first quarter of this year, building on the momentum from a strong finish in 2023. The first quarter of 2024 showcased continued non-profit deal activity, a growing interest among providers in joint-venture opportunities, a landmark IPO shaping the market, and a successful private equity exit, all contributing to continued activity and sustained valuations throughout the lower middle market.

Looking ahead to the rest of the year, Provident expects continued transaction activity and competitive valuations for top-tier assets across all sub verticals of post-acute care. However, buyers are closely monitoring the potential impact of 80/20 on Medicaid personal care businesses, along with the effects of the increasing transition from Medicare to Medicare Advantage within skilled home health businesses.








## Home Health & Hospice Comparable Multiples

Company	Share Price	Revenue	EBITDA	EV/Rev	EV/EBITDA
Addus HomeCare	\$103.34	\$1,059	\$105	1.55x	15.63x
Amedisys Inc.	\$92.16	\$2,236	\$247	1.60x	14.48x
BrightSpring Health Services	\$10.87	\$8,826	\$350	0.73x	18.47x
Pennant Group	\$19.63	\$545	\$41 <sup>(1)</sup>	1.41x	18.74x
Enhabit Inc.	\$11.65	\$1,046	\$98 <sup>(1)</sup>	1.08x	11.53x

Share price as of 3/31/2024  
<sup>(1)</sup> Adjusted EBITDA

Revenue / EBITDA in millions

## Select Transactions

Month	Investor	Target	Location(s)	State(s)	Deal Description
March			8	AL, FL	VITAS Healthcare, a wholly owned subsidiary of Chemed (NYSE: CHE), acquired all hospice operations and an assisted living facility from Covenant Health for an aggregate purchase price of \$85M.
February			21	FL, KY, MD, OH, VA	Bon Secours Mercy Health ("BSMH") signed an agreement to form a 50/50 joint venture under which Compassus will manage operations for 10 home health agencies and 11 hospice operations spanning five states.
January			7	CO, TX, AZ, NC, SC, PA, FL	Nautic Partners acquired Angels of Care, headquartered in McKinney, Texas, from Varsity Healthcare Partners. This acquisition represents Nautic Partners' second addition to its portfolio in the home health sector, alongside VitalCaring.
January	Initial Public Offering (NYSE)		900+	All 50 States	BrightSpring Health Services, backed by private equity firm KKR & Co, priced its initial public offering below its targeted range to raise \$633 million. BrightSpring sold roughly 53.3 million shares at \$13 per share. The IPO values BrightSpring at \$2.2 billion.

## Provident Industry Coverage Team

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## Upcoming Conferences

### Home Care 100 2024

PHP is attending Home Care 100 in Monarch Beach, CA from June 3–6. Please contact Jake Vesely if you will be in attendance.