

# Q3-2021 Home Health & Hospice Update



## Market Update

M&A activity in the home health, hospice and personal care market remains at all-time highs in the third quarter of 2021. Not only did we see several transformative transactions such as the Honor/Home Instead deal and LHC/HCA deal, but we also saw a large uptick in small-scale tuck-in transactions. The interest level from a very large field of prospective partners has been diverse as ever, causing many investors to go downstream in an attempt to increase their probability of successfully winning the deal in these competitive processes. Furthermore, the disruption in the labor market is hindering providers ability to grow organically due to a lack of caregivers, further increasing the reliance on M&A in order to achieve growth and earnings targets.

## Home Health & Hospice Comparable Multiples

Select Public Post Acute Care Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV / Rev	EV / EBITDA
National Healthcare Corp	\$77.65	\$964	\$160	0.99x	5.97x
Amedisys, Inc.	\$260.62	\$2,196	\$360	2.20x	13.38x
LHC Group, Inc.	\$215.18	\$2,134	\$303	2.20x	15.53x
Addus HomeCare	\$86.79	\$813	\$74	1.58x	17.45x

Share price as of 9/30/2021

Revenue / EBITDA in \$000s

## Select Transactions:

Month	Acquirer	Target	Target – Number of:		Deal Significance
			Locations	States	
September	LHC Group, Inc. (NASDAQ: LHCG)	HCA Healthcare and Brookdale Healthcare Service Venture	47	22	LHC Group, Inc. signed a definitive agreement to purchase 23 home health, 11 hospice, and 13 therapy agencies across 22 states from Brookdale Health Care Services from the recently formed venture between HCA Healthcare and Brookdale Senior Living Inc., amounting to approximately \$146 million in revenue
August	Humana Inc. (NYSE: HUM)	Kindred at Home	775	40	Humana Inc. completed its acquisition of Kindred at Home, the nation's largest home health and hospice provider, strengthening its ability to provide high-quality, whole-person healthcare that can improve patient health outcomes on a much broader scale.
August	Honor Technology, Inc.	Home Instead	1,200+	50	Honor Technology, Inc. acquired Home Instead, Inc. bringing together the largest, high-touch home care network and the leading home care technology and operations platform.
July	HCA Healthcare	Brookdale Senior Living's Home Health and Hospice Business	80	22	HCA Healthcare purchased a majority stake in Brookdale Senior Living's home health and hospice business for \$400 million. Brookdale will retain a 20% equity stake in the healthcare services segment.
July	Addus HomeCare Corporation (NASDAQ: ADUS)	Armada Home Health & Hospice	n/a	1	Addus HomeCare Corporation signed a definitive agreement to acquire Armada Home Health and Hospice for a cash purchase price of approximately \$29.0 million. Armada serves an average daily census of approximately 1,100 patients for home health services and 100 patients for hospice care.
September	LHC Group, Inc. (NASDAQ: LHCG)	Heart of Hospice	20	5	LHC Group, Inc. completed its acquisition of Heart of Hospice from family-owned investment firm Evening Post Industries Group. The transaction is expected to contribute approximately \$92.5 million in annual revenue.

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## Industry Conferences

While industry in-person conferences have been postponed, we would invite the opportunity to connect with executives and shareholders about some of the trends and transactions we are seeing in the home health and hospice space on a confidential basis.