

Home Health & Hospice

Q4 2023

Market Update

In the last quarter of 2023, there were several notable transactions including H.I.G. Capital's sale of its portfolio company, Just Home Healthcare services, and Gentiva's market-shaping acquisition of Heartland Hospice Care. Although the total transaction volume for 2023 decreased compared to previous years, investor interest remains robust. As we enter 2024, Provident anticipates a rebound in transaction activity driven by several factors. Private equity investors are facing heightened pressure to deploy capital due to the overall slowdown in the M&A markets in 2023. Additionally, there continues to be a growing interest in vertical integration, particularly driven by Payors, as exemplified by Optum's activities over the past two years. Lastly, the anticipation of several IPOs entering the market in 2024 is poised to have a downstream effect on the middle and lower middle market, positively influencing transaction activity and valuations.

Home Health & Hospice Comparable Multiples



Company	Share Price	Revenue	EBITDA	EV/Rev	EV/EBITDA
Addus HomeCare	\$92.85	\$1,029	\$97	1.52x	14.17x
Amedisys Inc.	\$94.57	\$2,227	\$137	1.60x	14.26x
Pennant Group	\$13.97	\$523	\$29	1.41x	19.04x
Enhabit Inc.	\$10.35	\$1,048	\$113 ⁽¹⁾	1.08x	10.08x

Share price as of 12/31/2023

⁽¹⁾ Adjusted EBITDA

Revenue / EBITDA in millions

Select Transactions

Month	Acquirer	Target	Locations	State(s)	Deal Description
December	Undisclosed	 BROOKDALE SENIOR LIVING	N/A	N/A	Brookdale Senior Living (NYSE: BKD) sold its 20% stake in a home health, hospice, and therapy joint venture with HCA (NYSE: HCA), for \$27 million.
December	 RHA HEALTH SERVICES	 Just Home Healthcare Services	11	NJ	H.I.G. Capital announced the sale of its portfolio company, Just Home Healthcare Services. H.I.G sold the agency in two parts, the personal care division in April 2023 and the group home/ independent living in October 2023.
November	 HOPE Hospice & Health Services	 MISSION HOME HEALTH & HOSPICE it's about life	33	CA	Hope Hospice will merge with Mission Home Health & Hospice and By the Bay Health, creating the largest non-profit hospice network in northern California.
October	 gentiva	 Heartland Hospice Care	120	26 states	Gentiva completed the acquisition of ProMedica's Heartland Home Health and Hospice, a previously announced deal that was delayed due to federal regulatory approval. The total transaction was valued at \$710 million.

Provident Industry Coverage Team

Kevin Palamara
Managing Director
(617) 226-4221
kpalamara@providenthp.com

AJ Shekar
Director
(617) 226-4251
ashekar@providenthp.com

Jake Vesely
Vice President
(617) 226-4293
jvesely@providenthp.com