



## HEALTHCARE: HOME CARE

After a pause in M&A activity in the second and third quarters of 2020 due to COVID-19, M&A activity roared back as pent-up demand and paused deals resumed, mirroring the quickly returning patient volume. Investors continue to demonstrate an unwavering appetite for home healthcare companies, pursuing deals even though the full impact of PDGM implementation is not fully understood.

Home healthcare continues to increase market share relative to the broader continuum of care; and as care continues to shift to the in-home-setting, more investor dollars will follow. Despite recent challenges, home care companies are well-positioned to capitalize on a multitude of tailwinds, including serving an aging population, the ability to reduce the cost of care, and a highly

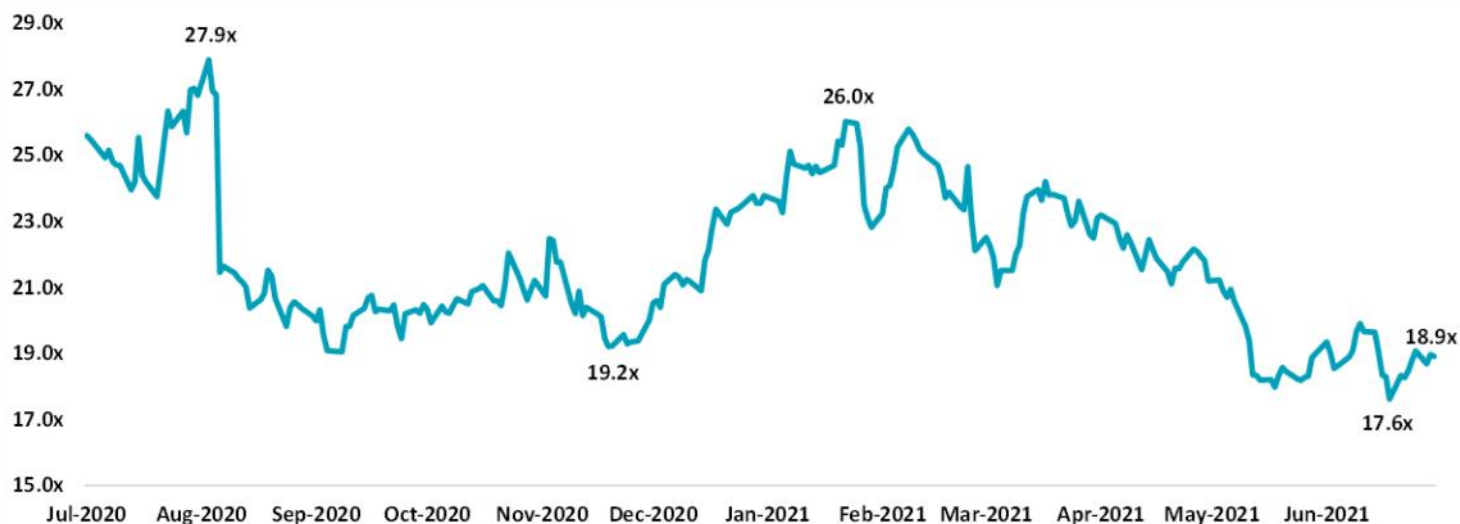
fragmented market poised for consolidation. As more players are establishing platforms and competing for add-on acquisitions, owners considering a sale have never been in a better position.

The first two quarters of 2021 have witnessed the return of larger players to the M&A space, eager to continue the path of consolidation, with many having completed multiple deals already. As the year progresses, sellers are increasingly anxious to complete a transaction before year-end, hopefully avoiding the anticipated increase in capital gains tax. As such, we anticipate the next two quarters to see significant activity, potentially setting new records for transaction volume.

## EdgePoint Public Comparable Index

(\$ in millions, except per share data)											
Homecare Index	Share Price	% of 52 Week High	Market Cap.	Enterprise Value	Debt / EBITDA	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA	EV / NTM Revenue	EV / NTM EBITDA
<b>Company Name</b>											
Chemed Corporation (NYSE:CHE)	\$ 474.50	84.7%	\$ 7,568.5	\$ 7,495.0	0.3x	\$ 2,121.2	\$ 428.0	3.5x	17.5x	3.5x	16.6x
Amedisys, Inc. (NasdaqGS:AMED)	244.93	75.3%	7,977.8	8,237.0	0.8x	2,196.1	317.5	3.8x	25.9x	3.5x	27.0x
LHC Group, Inc. (NasdaqGS:LHCG)	200.26	84.6%	6,341.5	6,257.9	0.4x	2,133.8	275.3	2.9x	22.7x	2.7x	20.4x
Addus HomeCare Corporation (NasdaqGS:ADUS)	87.24	67.6%	1,374.0	1,488.4	2.4x	813.2	78.7	1.8x	18.9x	1.6x	14.8x
The Pennant Group, Inc. (NasdaqGS:PNTG)	40.90	287.9%	1,157.6	1,490.4	4.8x	404.8	69.0	3.7x	21.6x	3.3x	16.7x
ModivCare Inc. (NasdaqGS:MODV)	170.07	132.6%	2,384.2	2,601.5	2.9x	1,647.2	216.9	1.6x	12.0x	1.2x	14.4x
Encompass Health Corporation (NYSE:EHC)	78.03	529.1%	7,768.0	11,519.3	3.1x	4,906.4	1,000.9	2.3x	11.5x	2.1x	10.7x
<b>Median</b>		<b>84.7%</b>	<b>\$ 6,341.5</b>	<b>\$ 6,257.9</b>	<b>2.4x</b>	<b>\$ 2,121.2</b>	<b>\$ 275.3</b>	<b>2.9x</b>	<b>18.9x</b>	<b>2.7x</b>	<b>16.6x</b>
<b>Mean</b>		<b>180.3%</b>	<b>\$ 4,938.8</b>	<b>\$ 5,584.2</b>	<b>2.1x</b>	<b>\$ 2,031.8</b>	<b>\$ 340.9</b>	<b>2.8x</b>	<b>18.6x</b>	<b>2.6x</b>	<b>17.2x</b>

## TTM Median EV/EBITDA



Source: S&P CapIQ (As of June 30, 2021)

## Notable Home Care Transactions

Date Closed	Specialty	Target	Buyer / Investor
06/29/2021	Hospice	Serenity Hospice Care, LLC	Agape Care Group (The Vistria Group)
06/28/2021	Private Duty	Family Staffing Solutions, Inc.	Arosa LLC (Bain Capital Private Equity, LP)
06/28/2021	Hospice, Home Health	Southeastern Home Health Services of PA, LLC	AccentCare, Inc. (Advent International Corporation)
06/17/2021	Hospice	Assets of First Call Hospice	The Pennant Group, Inc. (NasdaqGS:PNTG)
06/16/2021	Hospice	Caris Healthcare, L.P. / National Hospice, Inc.	NHC/OP, L.P. (NYSEAM: NHC)
06/09/2021	Home Health	Preble Home Health Services, LLC	Absolute Home Care; Horizon Health Network, LLC
06/03/2021	Hospice	Angelic Family Hospice LLC	Choice Health at Home, LLC (Coltala Holdings)
06/03/2021	Home Health, Private Duty	Restore Home Health, LLC	Choice Health at Home, LLC (Coltala Holdings)
06/03/2021	Home Health, Private Duty	Home Therapy Of Austin, LLC	Choice Health at Home, LLC (Coltala Holdings)
05/25/2021	Hospice	Heart 'n Home Hospice & Palliative Care, LLC	LHC Group, Inc. (NasdaqGS:LHCG)
05/18/2021	Hospice	Two hospice providers in Tucson of La Casa de la Raza, Inc.	LHC Group, Inc. (NasdaqGS:LHCG)
05/18/2021	Hospice, Home Health	AmeraCare Family Hospice and Home Health	Traditions Health, LLC (Dorilton Capital Advisors, LLC)
05/18/2021	Private Duty	Area Community Hospice, Inc.	Traditions Health, LLC (Dorilton Capital Advisors, LLC)
05/11/2021	Hospice, Home Health	Home Health and Hospice Operations of Visiting Nurse Association	Amedisys, Inc. (NasdaqGS:AMED)
05/03/2021	Private Duty	Assets of Cardiovascular Home Care	The Pennant Group, Inc. (NasdaqGS:PNTG)
04/27/2021	Hospice, Home Health	Hearts for Hospice & Home Health	Valeo Home Health and Hospice (Grant Avenue Capital)
04/26/2021	Home Health, Private Duty	BrightStar Group Holdings, Inc.	Moving Health Home
04/26/2021	Hospice, Home Health	Home Health and Hospice Assets of Frontier Home Health and Hospice	Encompass Health Corporation (NYSE:EHC)
04/20/2021	Hospice, Home Health	Five Points Healthcare, LLC	Aveanna Healthcare Holdings Inc. (NasdaqGS:AVAH)

## Annual Number of Home Care Transactions



## Healthcare Investment Banking Team

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