

Home Healthcare & Hospice Monthly Newsletter

April 2020

PRIVATE AND CONFIDENTIAL



Home Healthcare & Hospice— Monthly News

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Public Market Overview

Company	Share Price (\$)	52-Week		% Change in Share Price			Market Cap (\$mn)	Enterprise Value (\$mn)	EV / Sales		EV / EBITDA		
		High (\$)	Low (\$)	1 Week	1 Month	1 Year			LTM	CY19E	LTM	CY19E	
Encompass Health Corporation	69.8	83.3	48.0	0.0%	21.3%	18.5%	6,829.5	10,641.8	2.31x	2.31x	11.7x	11.0x	
Chemed Corporation	451.8	513.8	313.5	0.0%	23.8%	39.5%	7,003.3	7,390.4	3.81x	3.81x	23.3x	21.1x	
Amedisys, Inc.	205.9	208.0	106.7	0.0%	50.1%	77.7%	5,388.9	6,882.9	3.52x	3.51x	NM	NM	
LHC Group, Inc.	134.2	159.5	98.4	0.0%	28.0%	34.5%	4,269.5	4,658.8	2.24x	2.24x	22.1x	22.0x	
Genesis Healthcare Inc Class A	0.8	1.9	0.7	(7.2%)	(12.1%)	(36.3%)	178.2	4,140.2	0.91x	0.91x	14.2x	24.5x	
National HealthCare Corporation	74.4	89.5	56.5	0.0%	30.5%	1.8%	1,325.2	1,140.7	1.14x	NA	12.1x	NA	
Addus HomeCare Corporation	75.8	104.6	43.1	0.0%	43.0%	19.2%	891.0	1,018.6	1.70x	1.57x	24.8x	18.1x	
									Low	0.91x	0.91x	11.7x	11.0x
									Mean	2.23x	2.39x	18.0x	19.3x
									Median	2.24x	2.28x	18.1x	21.1x
									High	3.81x	3.81x	24.8x	24.5x

NM implies outlier multiples; NA implies Not Available

EV/Sales 0.0x – 5.0x; EV/EBITDA: 0.0x – 30.0x

As of 16/04/2020

Source: FactSet

M&A News

- April 14, 2020: Spiro Health Created Platform of Regionals**

Spiro Health has been formed by merging America's HealthCare at Home, Cape Medical Supply and Health Complex Medical. The combined company will have operations across seven states (Connecticut, Maine, Maryland, Massachusetts, New Hampshire, Rhode Island and Virginia), as well as the District of Columbia. The leadership at each company will remain involved and will make up the Spiro Health management team and each company will continue to operate under its existing name in each of its local markets, but under the umbrella of Spiro Health, focusing on total sleep health and wellness, and respiratory care.

Source: [Link](#)

- April 13, 2020: Nurses & Company Home Health Rolls Out Ally® Connected Care to Engage COVID-19 Patients Heading Home from St. Louis Area Hospitals**

Nurses & Company, Inc., a private and locally owned Home Health Care, Hospice Care and Private Services company announced it has partnered with Continuity Health Solutions to utilize the "Ally® Connected Care" platform to manage care for COVID-19 patients headed home from hospitals in the greater St. Louis area. While the hospitals have been heavily involved on the front end of this pandemic, home health care providers are now being called on to manage these patients when they are ready to head home.

Source: [Link](#)

- April 01, 2020: Missouri Home Hospice Announced Acquisition of Homecare of Mid Missouri Home Health and Hospice to Significantly Expand Its Service Coverage in Missouri**

Missouri Home Hospice, LLC, a Missouri company solely focused on post-acute home-based healthcare investments, has completed its fourth transaction in nine months by acquiring Homecare of Mid Missouri, a hospice and home health provider based in Moberly, Missouri. Transaction takes Missouri Home Hospice's hospice coverage into 22 Missouri counties and its home health coverage into 28 Missouri counties plus 7 Illinois counties.

Source: [Link](#)

- March 31, 2020: Bristol Hospice Acquired Sojourn for Undisclosed Sum**

Bristol Hospice has acquired the Utah and California locations of Sojourn Hospice & Palliative Care, a Healthy Living Network company, for an undisclosed amount. The acquired operations include eight Sojourn locations that will rebrand as Bristol Hospice. As part of the transaction, Sojourn's parent company the Healthy Living Network absorbed Bristol's home health operations in Salt Lake City and Porterville, Cali.

Source: [Link](#)

- March 26, 2020: Two New England VNA Hospice Providers to Merge**

Concord Regional Visiting Nurse Association (VNA) and Central New Hampshire VNA & Hospice have signed a letter of intent signaling a merger. The non-binding letter starts the ball rolling towards the merger as the two organizations collaborate expand hospice and home- and community-based care in the region. Concord VNA is a palliative care, home health and hospice care provider, merging with Central New Hampshire VNA & Hospice (Central VNA), an organization offering similar services, came as an opportunity to address the increasing needs of the state's rapidly growing aging population.

Source: [Link](#)

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- **March 19, 2020: Caregiver Inc. Announced Acquisitions of Four More Companies**

On March 13, Caregiving closed the acquisition of Indiana-based Houston Group Homes. The company operates in Boone and Montgomery counties serving approximately 40 individuals in intermediate care group homes. The company also acquired Cori Care, Absolute Care and Mosaic earlier.

Source: [Link](#)

Industry News

- **April 14, 2020: Home Health-Care Workers in US at Tipping Point Amid Coronavirus Outbreak**

The in-home workforce is caring for millions of the most vulnerable Americans, yet they lack personal protective equipment. According to a March survey of 1,200 in-home workers by the Home Care Association of America, 77% don't have enough masks and 57% don't have enough gloves. Many are underpaid and lack health insurance and paid sick leave. The pandemic is putting additional pressure on a workforce already in crisis suffering from shortages, especially in hard-hit states such as New York, New Jersey, Louisiana and Washington.

Source: [Link](#)

- **April 13, 2020: Post-Acute Care Transaction Activity Remained Robust During the First Quarter Of 2020**

Despite the continued transition to the Patient-Driven Groupings Model (PDGM), as well as the emergence of the COVID-19 national health emergency and other strong health sector headwinds, post-acute care transaction activity remained robust during the first quarter of 2020. Overall, the home health, hospice and home care industries saw a combined 27 transactions during Q1, a slight uptick from the 25 total transactions reported in the same period a year ago, according to the latest M&A update from advisory firm Mertz Taggart.

Source: [Link](#)

- **April 01, 2020: Elara Caring Turned to Telehealth to Solve Coronavirus Pain Points**

In the midst of the COVID-19 pandemic, Elara Caring has announced it will be rolling out telephonic home visits and telehealth services for its skilled home health and hospice patients, through a partnership with Health Recovery Solutions (HRS), a Hoboken, New Jersey-based telehealth company that provides medical centers and home care agencies with a comprehensive remote monitoring platform. Elara Caring is making the move to solve several pain points related to the coronavirus outbreak, including an industry-wide personal protective equipment (PPE) shortage. Turning to telehealth will also help ease clients' anxieties around allowing caregivers into their homes, the company hopes. the company's telehealth services will be made available.

Source: [Link](#)

- **March 30, 2020: CARES Act Offered Relief for Healthcare Industry**

Under CARES Act the Medicare "accelerated payment program" has been expanded during the COVID-19 emergency period to allow providers to request acceleration of cash payments from the Medicare program. Eligible providers include critical access hospitals, cancer hospitals, children's hospitals, skilled nursing facilities, home health, and hospice providers. Providers can request up to 100% acceleration of payments for up to six months of services (125% for critical access).

Source: [Link](#)

- **March 25, 2020: Home Health Workers 'Drowning in The Need to Be Tested' For COVID-19**

Although the U.S. has ramped up the production and distribution of kits in recent days, many Americans with suspected cases or possible exposure are still having a difficult time getting tested for COVID-19. Many health care professionals including the country's in-home care workers — are experiencing the exact same challenge. The National Association for Home Care & Hospice (NAHC), the Partnership for Quality Home Healthcare (PQHH) and other home-based care advocates have repeatedly highlighted the need to increase the accessibility of COVID-19 testing for the safety of workers and patients alike. Still, most emergency response efforts associated with test production largely focus on testing within in-patient settings.

Source: [Link](#)

- **March 27, 2020: U.S. Home Healthcare Industry Warns of Possible 'Collapse'**

In recent weeks, many home health companies have launched safety programs to protect caregivers and patients from coronavirus. One of the nation's most comprehensive approaches required the caregivers to ask clients five questions about emerging or worsening respiratory problems; contacts with other people diagnosed or screened for the virus; and recent domestic and foreign travel. If a client answers 'Yes' to any of the questions, an alert trigger and the caregivers are instructed to stop the visit, leave the residence, and contact the supervisor immediately. In turn, supervisors complete a one-page incident report and notify local health departments in cases of suspected infection. Caregivers must answer the same five questions for supervisors at the start of each shift.

Source: [Link](#)

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• **March 19, 2020: Coronavirus: Hospices Can Help**

By temporarily allowing telehealth hospice visits (including certification and face to face visits) during this crisis, Medicare would mitigate risk of spread, ensure continuity of hospice care, and multiply force effectiveness of hospice. Allow any patient suffering generally from respiratory distress (do not require CV19 diagnosis (testing)) to elect hospice. Hospices are a mobile work force, they know how to reach people in their homes, and deliver services. Patients should not be forced to forego curative treatment to get help during this crisis.

Source: [Link](#)

• **March 18, 2020: Home Healthcare Looked to Step into Care For COVID-19 Patients**

The country's home healthcare providers are preparing to see a rise in demand for their services as more elderly patients and those with underlying health conditions stay home to lessen their risk of exposure to COVID-19. But they see challenges in making sure providers remain healthy—both physically and financially specially as they compete against hospitals for limited resources.

Source: [Link](#)

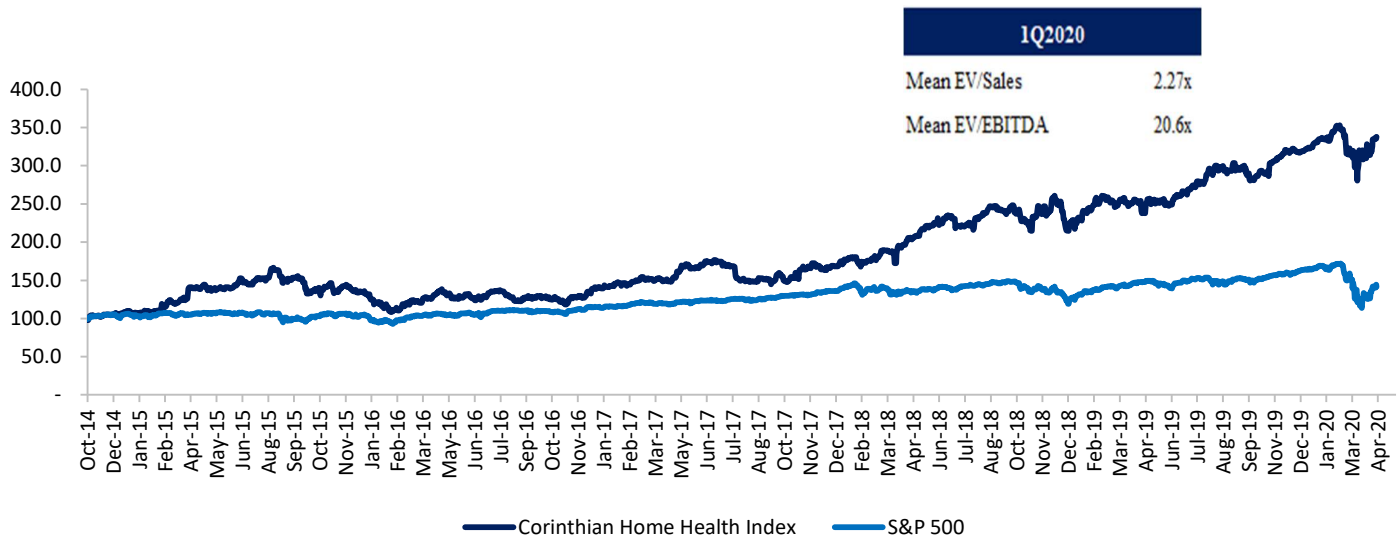
Company-Specific News

• **March 23, 2020: Addus Home Care Announced Continuation of Its Services in California, New York And Illinois**

Addus Home Care Corporation announced that it will continue providing its services in California, New York and Illinois even after the recently announced "shelter in place" orders from those states. The Company also anticipates that it will be exempted from the scope of similar restrictions other states may implement as the U.S. Department of Homeland Security has advised that it views home care and hospice staff as members of the country's Essential Critical Infrastructure Workforce.

Source: [Link](#)

Corinthian Home Health Index Stocks vs. S&P 500



Note: Corinthian Home Health Index is comprised of 8 tocks of publicly traded companies that provide home health and hospice services. The companies included in the index include Genesis Healthcare, Inc., LHC Group, Inc., Amedisys, Inc., National Healthcare Corporation, Chemed Corporation, and Addus Homecare Corporation. The index includes Almost Family Inc. till April 1, 2018 after which the company was acquired by LHC Group and Kindred Healthcar, Inc. till July 1, 2018 after which it it was completely acquired by Humana, Inc. and ceased to trade publicly.

Source: FactSet; Corinthian Analysis

Private Transaction Comps Summary

Year	Mean EV/Sales	Mean EV/EBITDA	Mean EBITDA (\$ mm)	Median EBITDA (\$ mm)
2020 YTD	3.70x	NA	NA	NA
2019	2.36x	9.3x	11.1	11.1
2018	0.57x	12.3x	26.9	26.9
2017	0.91x	12.8x	237.6	237.6
2016	0.94x	7.3x	11.1	9.0
2015	0.96x	8.9x	14.4	9.6
2012- Present	1.01x	8.5x	36.4	12.7

Note: Mean calculated on multiples ranging EV/Sales 0.0x – 5.0x, EV/EBITDA: 0.0x – 30.0x

Source: FactSet

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