

Vertical

Home Health & Hospice

Focus

Q3 2021 Acquisition Activity and Outlook

Transaction Volume Continues to Increase Across Home Health & Hospice Reaching Peak Levels

The third quarter of 2021 delivered forty-seven reported home health acquisitions, increasing to peak levels over the past year. In August, LHC Group announced the acquisition of three home health, hospice, and palliative care providers, including Cavalier Healthcare Services, a home health agency serving Alexandria, Virginia and surrounding markets. LHC is now comprised of over 30,000 employees, delivering home health, hospice, home and community-based services, and facility-based care in thirty-five states. In September, Care Hospice announced it had purchased the assets of Alleo Health System, including Hospice of Chattanooga, Palliative Care Services, Good Shepherd Hospice, and Kangaroo Kidz, a pediatric specialty hospice and palliative care provider. Care Hospice now operates over eighty locations in fifteen states.

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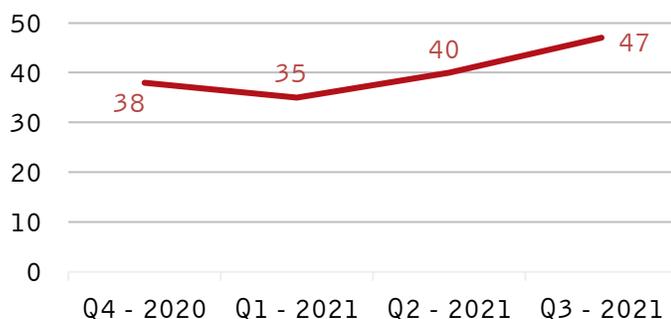
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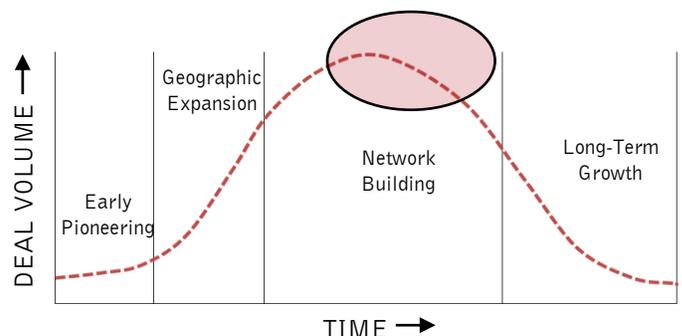
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We expect to see a surge of deals announced in the fourth quarter of 2021. Current legislation suggests a capital gains tax hike to 25% (plus a 3.8% Medicare surtax) in the near future, which remains favorable to sellers compared to historical rates.

12-Month Quarterly Acquisition Trend



PE Consolidation Lifecycle Positioning



Notable Deals in Q3 2021

Buyer	Target	State	Locations	Date
Havencrest Capital Management	Paradigm Health	IN	1	7/7/2021
LHC Group	Cavalier Healthcare Services	VA	1	8/3/2021
BrightSpring	Dare County Home Health and Hospice	NC	1	9/1/2021
Care Hospice	Alleo Health System	TN	4	9/16/2021

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