



DealReader Chronic & Elder Healthcare

Q4 2015

Lincoln's Chronic & Elder Care Focus

- In 2015, Lincoln's Healthcare Group completed five chronic & elder care M&A transactions
- The Group remains active with multiple engagements in chronic and elder care services

Inside this Issue

The Newsletter on Chronic & Elder Care Segments

M&A in Chronic & Elder Care Segments

2015 Completed Deals

CLEARVIEW CAPITAL[®]
has sold
SENIOR CARE | ACTIVE DAY
to
Aundax Group

Adult Day Health

SUMMER STREET CAPITAL PARTNERS
has sold
WILLCARE
We care for people.
to
ALMOSTfamily
Excellence Through Senior Advocacy

Home Health

Creadev
has sold
homeperf
to
ARKEA | BNP PARIBAS
PARQUEST CAPITAL | VIVALTO

Home Infusion

MTS | OAKTREE
have sold
Loving Care
and its Pediatric Division to
epic
a portfolio company of
WEBSTERcapital

Home Health

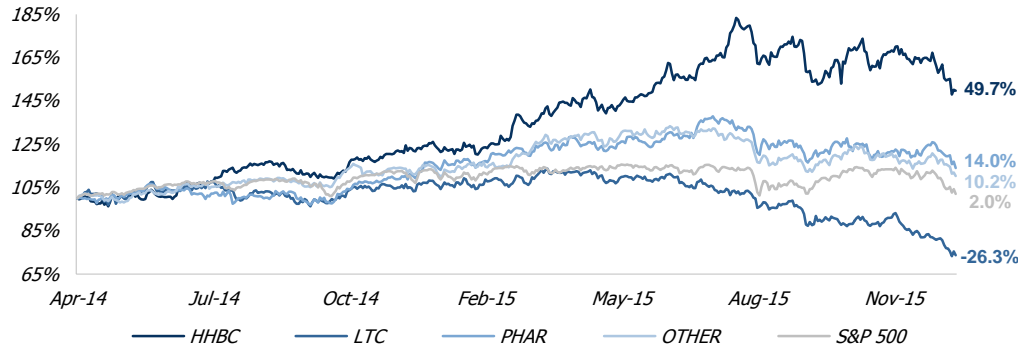
GLENCOE
has sold
Encore
REHABILITATION SERVICES
to
REVELSTOKE CAPITAL PARTNERS LLC

SNF Rehab

The Newsletter on Chronic & Elder Care Segments

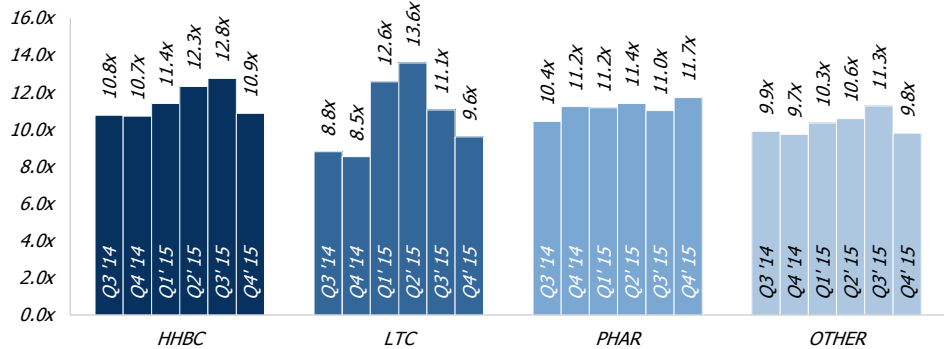
Lincoln International Chronic & Elder Care Indices

Last 7 Quarters Relative Stock Price Performance



HHBC: ADUS, AFAM, AMED, CHE, KND, LHCG
LTC: BKD, FVE, GEN, KND, NHC
PHAR: BIOS, CVS, ESRX, PMC, WBA
OTHER: DVA, FME, HLS, SEM, USPH

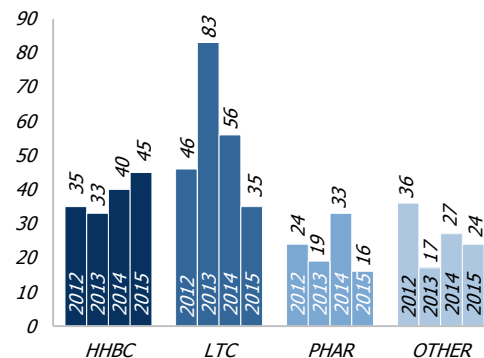
Historical Median Enterprise Value / EBITDA Performance



Note: May exclude outlier multiples

Total Number of M&A Transactions Across Index

U.S. Deals by Segment



Deal Classification

- HHBC: Home Nursing, Home Care, Hospice, Peds Home, PPEC, Adult Day Health, etc.
- LTC: SNF, ALF, RC, ILF and related (excluding real estate deals)
- PHAR: Home IV, Specialty Pharmacy, LTC Pharmacy, Behavioral Pharmacy
- OTHER: Outpatient Rehab, Dialysis, Elder Outpatient, LTAC

Transactions in 2012, 2013, 2014, and 2015

Sources for above graphs: Capital IQ, Lincoln International Healthcare Group

Market Observations by Segment

HHBC (Home Health & Community-Based Care): No let-up in strong M&A activity in HHBC since 2013. We are seeing compelling deals across the entire spectrum of HHBC, including skilled home health (note deals by Amedisys, LHC Group, etc.), unskilled home care (e.g., WellSpring's Help at Home), hospice (e.g., Compassus' deals), and pediatric home health (with Epic as lead buyer). In a new twist, we also saw the bellwether transaction of a sizable adult day health provider: Senior Care / Active Day's (Lincoln as advisor) sale to Audax.

HHBC (International): We will soon begin to publish reports on global HHBC. We observe a tremendous amount of investment / M&A activity in many countries, with deal volume seemingly on a steady rise.

PHAR: More "calmness" in this segment. Certainly fewer home IV deals given prior strong consolidation activity. One transaction stood out: the sale of AxelaCare to OptumRx.

PHAR (International): We will soon begin to report on global deal activity in PHAR. Both specialty pharmacy and IV deals appear to be on the rise in many countries (notably in Europe). Lincoln served as the advisor on a successful platform home IV sale in France in 2015.

LTC and OTHER (Rehab & Dialysis): While there was markedly reduced deal flow in the elder facilities space in the latter part of 2015, rehab service transactions (particularly outpatient and contract PT) saw good activity. Notable deals include the Upstream Rehab and Spectrum Professional transactions.

M&A in Chronic & Elder Care Segments

Sampling of Deals – Last 12 Months

Announced Date	Target	Acquirer	Classification
12/22/2015	Spectrum Professional Services, Inc.	Beecken Petty O'Keefe & Company	OTHER
12/09/2015	Senior Care / Active Day	Audax Group	HHBC
12/07/2015	Upstream Rehabilitation Inc.	Revelstoke Capital Partners	OTHER
12/01/2015	Family Hospice, LLC	New Century Hospice, Inc.	HHBC
11/17/2015	AxelaCare Health Solutions, LLC	OptumRx, Inc.	PHAR
11/04/2015	Black Stone of Cincinnati, LLC	Almost Family Inc.	HHBC
11/03/2015	Infinity HomeCare, LLC	Amedisys Inc.	HHBC
10/28/2015	Nurses' Registry and Home Health Corporation	LHC Group, Inc.	HHBC
10/07/2015	Hospice Advantage, Inc.	Hospice Compassus, Inc.	HHBC
09/30/2015	HomeFirst Healthcare Services, LLC	Epic Health Services, Inc.	HHBC
09/03/2015	Halcyon Hospice	LHC Group, Inc.	HHBC
08/31/2015	Willcare	Almost Family	HHBC
08/31/2015	CareSouth Health System, Inc.	Encompass Home Health	HHBC
08/22/2015	DSI Renal	U.S. Renal Care Inc.	OTHER
08/15/2015	Help at Home, Inc.	WellSpring Capital Management LLC	HHBC
06/25/2015	Star Physical Therapy, LP	MOTION PT Holdings, Inc.	OTHER
06/19/2015	Burman's Apothecary, L.L.C.	Diplomat Pharmacy, Inc.	PHAR
06/05/2015	Levin Homecare	Family Private Care, Inc.	HHBC
06/03/2015	Managed Care At Home, Inc.	Cornerstone Healthcare, Inc.	HHBC
05/29/2015	Northeast Pharmaceuticals, Inc.	Genoa (QoL)	PHAR
05/28/2015	Saint Jude Healthcare, LLC	St. Croix Hospice, LLC	HHBC
05/21/2015	Omnicare Inc.	CVS Pharmacy, Inc.	PHAR
05/20/2015	Aureus Health Services, LLC	Meijer, Inc.	PHAR
05/14/2015	Advanced Care Management, Inc.	LivHOME, Inc.	HHBC
04/27/2015	South Shore Home Health Service Inc. and Acaring Home Care, LLC	Addus HealthCare, Inc.	HHBC
04/16/2015	Heritage Assisted Living, Inc.	The Ensign Group, Inc.	LTC
03/31/2015	Horizon and Midwest Hospice and Palliative Care, Inc.	JourneyCare, Inc.	HHBC
03/25/2015	Integrity Home Health Care, Inc.	Encompass Home Health	HHBC
03/23/2015	PSA Healthcare	J.H. Whitney & Co., LLC	HHBC
02/26/2015	BioRx, LLC	Diplomat Pharmacy, Inc.	PHAR
02/10/2015	National Hospice Holdings, LLC	Hospice Compassus, Inc.	HHBC
02/09/2015	Meridian Healthcare Limited	HC-One Ltd.	LTC
01/30/2015	Encore Rehabilitation Services	Revelstoke Capital Partners LLC	OTHER
01/28/2015	Coastal Pharmaceutical Services Corporation	Amerita, Inc.	PHAR
01/15/2015	Mentis Neuro Rehabilitation	Excellere Partners	OTHER
01/12/2015	Loving Care Agency, Inc.	Epic Health Services, Inc.	HHBC
01/02/2015	Ambient Healthcare, Inc.	AxelaCare Health Solutions, LLC	PHAR

Global Industry Groups

Aerospace & Defense
Automotive & Truck
Building & Infrastructure
Business Services
Chemicals
Consumer
Distribution
Electronics
Energy & Power
Financial Institutions
Food & Beverage
Healthcare
Industrials
Packaging
Technology & Media

Global Locations

Amsterdam
Beijing
Chicago
Frankfurt
London
Los Angeles
Madrid
Milan
Moscow
Mumbai
New York
Paris
São Paulo
Tokyo
Vienna
Zurich

Advisory Services

Mergers & Acquisitions
Debt Advisory
Valuations & Opinions
Special Situations

About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and pension advisory services on a wide range of transaction sizes. With sixteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at www.lincolninternational.com.

Lincoln's Global Healthcare Group

North America

Shahab Fatheazam

Vice Chairman (Chicago)
sfatheazam@lincolninternational.com
+1-312-506-2770

Nick Konstantinou

Co-Head, U.S. Healthcare (Chicago)
nkonstantinou@lincolninternational.com
+1-312-506-2706

Ross Gordon

Managing Director (Chicago)
rgordon@lincolninternational.com
+1-312-506-2772

James Gilmore

Director (Chicago)
jgilmore@lincolninternational.com
+1-312-506-2713

Jeff Carsello

Vice President (Chicago)
jcarsello@lincolninternational.com
+1-312-506-2794

Barry Freeman

Co-Head, U.S. Healthcare (Chicago)
bfreeman@lincolninternational.com
+1-312-506-2775

Tony Crisman

Managing Director (Chicago)
tcrisman@lincolninternational.com
+1-312-506-2771

Michael Weber

Managing Director (Chicago)
mjweber@lincolninternational.com
+1-312-506-2763

Phillip Knotts

Director (Chicago)
pknotts@lincolninternational.com
+1-312-506-2759

Cynthia Goulet

Vice President (Chicago)
cgoulet@lincolninternational.com
+1-312-506-2736

Asia

Gaurav Marathe

Managing Director (Mumbai)
gmarathe@lincolninternational.com
+91-22-4067-0300

Keiji Miyakawa

Managing Director, Chairman (Tokyo)
kmiyakawa@lincolninternational.com
+813-5549-7690

Europe

Kai Ingo Seidel

Managing Director (Frankfurt)
ki.seidel@lincolninternational.com
+49-(0)-69-97-105-437

Disclaimer

This document contains significant assumptions and has been prepared based on publicly available information, or additional information supplied by the owners and/or managers of the company(ies) described in this document, which has not been independently verified. Accuracy and completeness of the information provided has been presumed and, therefore, its content may or may not be accurate and complete. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information or statements made in this document and Lincoln International, its affiliates, directors, officers, employees and representatives expressly disclaim any and all liability with regards thereto. This document has been prepared for informational purposes only, is not a research report (as such term is defined by applicable law and regulations) and is not to be relied on by any person for any purpose. In addition, it is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form, or redistributed, without the prior written consent of Lincoln International.