



As a low-cost provider of post-acute and other patient care, home health agencies are an important component of the healthcare industry. They can further an integrated healthcare provider's population health and quality initiatives, tend to have solid margins, and generate strong returns on capital for their investors due to low capital requirements.

KEY FACTORS THAT INFLUENCE HOME HEALTH VALUATIONS

- Control-level of subject interest
- Size of the agency or company
- Reputation and quality scores
- Growth opportunities
- Staff composition and utilization
- Profit margins
- Payer mix
- Local competition and barriers to entry

MARKET DATA FROM CONTROLLING INTEREST TRANSACTIONS

	Size Characteristics			Benchmarks		
	Price (EV)	Revenue	EBITDA	EBITDA Margins	Revenue Multiple	EBITDA Multiple
10th Percentile	\$ 2,724,000	\$ 2,859,739	\$ 543,530	7.8%	0.5	4.7
25th Percentile	\$ 23,893,000	\$ 24,705,000	\$ 3,025,000	8.7%	0.7	5.9
Median	\$ 61,500,000	\$ 58,800,000	\$ 8,330,000	12.1%	0.9	8.2
75th Percentile	\$ 153,000,000	\$ 146,500,000	\$ 16,500,000	14.0%	1.1	10.0
90th Percentile	\$ 670,880,000	\$ 438,080,000	\$ 64,070,000	17.5%	1.3	11.1

Source: Scope Research