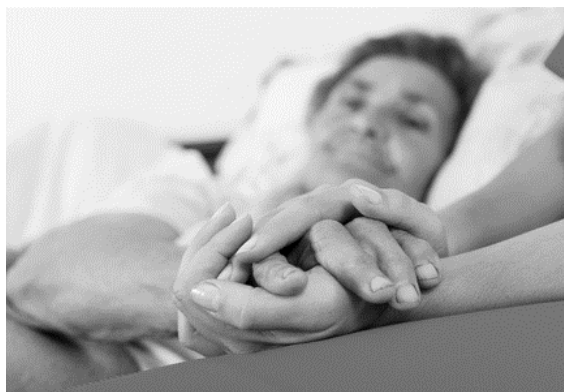


## Hospice Valuation Overview



*Caring for patients in the last year of their life accounts for approximately 25% of Medicare spending, and hospice agencies often are able to reduce these costs while improving care and quality of life. They can also further an integrated healthcare provider's population health initiatives, tend to have solid margins, and generate strong returns on capital for their investors due to low capital requirements.*

### KEY FACTORS THAT INFLUENCE HOSPICE VALUATIONS

- Control-level of subject interest
- Size of the agency or company
- Reputation and quality scores
- Growth opportunities
- Staff composition and utilization
- Profit margins
- 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	\$ 21,500,000	\$ 16,269,479	\$ 2,438,559	12.0%	0.8	6.7
25th Percentile	\$ 67,125,000	\$ 47,425,000	\$ 8,130,000	13.4%	1.2	7.7
Median	\$ 111,000,000	\$ 121,800,000	\$ 15,565,000	15.2%	1.4	8.8
75th Percentile	\$ 300,000,000	\$ 204,835,000	\$ 30,000,000	20.2%	1.6	10.0
90th Percentile	\$ 908,507,500	\$ 436,500,000	\$ 88,500,000	21.6%	1.8	11.0

Source: Scope Research