

HEALTHCARE SERVICES MONTHLY FLASH REPORT

OCTOBER 2024



**SECTOR SPOTLIGHT:
HOME-BASED CARE**

Home-Based Care

Sector Spotlight: October 2024

While the M&A market had a slow start to 2024 with only 14 deals in Q1, Q2 and Q3 have seen a return to historical norms, with 26, and 23 transactions, respectively. Thanks to cooling inflationary conditions and the first interest rate cut of 2024, the stage has been set for a strong finish to 2024.

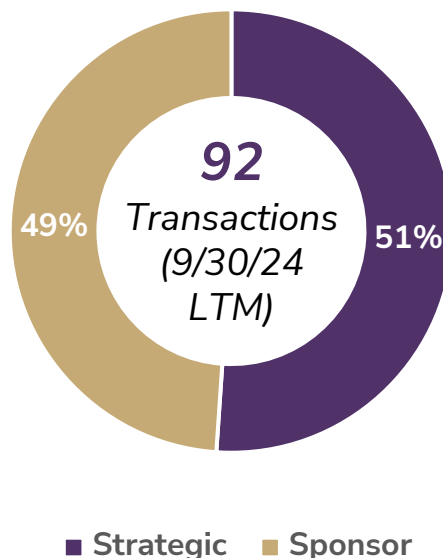
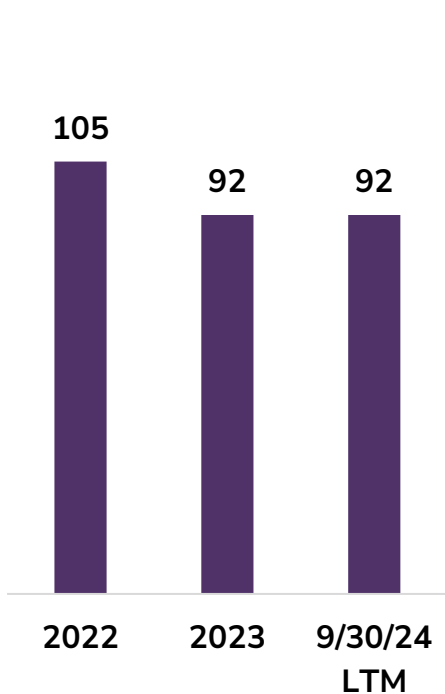
As of Q3, transactions continue to be evenly split on a trailing basis between strategic and financial acquirers – a trend which has continued since 2022. Publicly traded, The Ensign Group, which is heavily focused on rehabilitative facility markets, inked six deals in Q3. Sponsor-backed Health at Home was the most prolific financial acquirer, with five transactions in Q3.

M&A through the end of the year will be driven by geographic market growth (particularly deeper penetration, as seen across the broader market), census expansion, and Private Equity investment.

Notable Home-Based Care Transactions

 <p>Help at Home Care to Live Your Life.</p> <p>has acquired</p> <p>Three Georgia home care agencies</p>	 <p>OhioHealth</p> <p>Home and Hospice Care Division</p> <p>has been acquired by</p>  <p>COMPASSUS®</p>	 <p>DESERT WILLOW HEALTH AND REHABILITATION CENTER</p> <p>has been acquired by</p>  <p>ENSIGN GROUP</p>	 <p>HAVEN</p> <p>has been acquired by</p>  <p>BRIGHTSPRING HEALTH SERVICES</p>	 <p>Select Hospice</p> <p>Assets have been acquired by</p>  <p>Agape Care</p>
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Home-Based Care Transaction Activity (as of Q3:2024)



Key Takeaways

- **Annualized transaction activity** is on par with 2023
- **Home Care** transactions represented 35% of total transaction activity
- **Diversified providers** represented the largest value of transactions (42%)
- **Pure-play Hospice and Home Health** had the lowest share of deal volume, 12% and 11%, respectively



equinoxe
Jeremy Altman
CEO
Equinoxe LifeCare



DAK
Melvyn Peters
Director,
Healthcare Services

DAK's Melvyn Peters, talks with Jeremy Altman, CEO of Equinoxe, to discuss the future of home care, emphasizing the company's vision, recent acquisition, and innovative use of technology. The conversation, explored the intricacies of the Canadian home care market, Equinoxe's recent growth, and their strategy for integrating technology to meet the rising demand for elderly care.

Jeremy's Journey to Equinoxe

Jeremy explained that his entry into the home care space was somewhat serendipitous. Initially from France and with a background in fintech and mergers and acquisitions, he had spent 15 years working in Europe and then moved to North America, where he began to explore different industries. Jeremy recalled meeting the founder of Equinoxe, during his search for a new venture. "We had a great conversation, and one thing led to another," Jeremy noted, recounting how he transitioned from fintech to running Equinoxe in 2022.

Equinoxe's Mission and Care Model in Canada

Equinoxe focuses on providing home care services in Canada, primarily in the Greater Montreal area, with a significant focus on remote monitoring services. "We do care management and caregiving," Jeremy said, stressing that the company aims to provide flexible services for families without strict contracts. The flexibility offered by Equinoxe is a differentiator in the Canadian market, where larger players dominate, but Equinoxe stands out by offering customized care options that fit clients' evolving needs.

Jeremy noted that Canada's home care market differs from that of the U.S. due to cultural and regulatory differences.

He highlighted how the Canadian government provides certain public health services for seniors,

but often families need more extensive care, which is where private companies like Equinoxe step in.

Canada's Supply-Demand Imbalance

By 2050, the number of Canadians over the age of 85 is expected to triple. This demographic shift creates a significant need for innovative solutions in the caregiving space, reinforcing the need for integrated technology and care. Jeremy explained that tools like Sensei.ai allow Equinoxe to provide continuous supervision for seniors, even when caregivers aren't physically present, thus addressing the shortage of caregivers. "If a senior has 20 hours of care a week, that still leaves 148 hours unattended," Jeremy pointed out, underscoring the need for tech-driven solutions.

The Technology Edge: Remote Patient Monitoring

Jeremy explained that technology had always been integral to Equinoxe's operations. Before his tenure, Equinoxe had developed its own software for client management, which was ahead of its time. However, with technological advances, Jeremy pushed for a modernized tech stack, integrating cloud-based systems to streamline operations.

He then introduced the audience to one of Equinoxe's latest innovations: the partnership with Sensei.ai, an acoustic-based monitoring system. "It's seamless," Jeremy explained, "there's nothing

to wear, and no dead angles.” This technology listens for critical sounds such as falls or distress calls, providing real-time alerts to the care team.

Jeremy emphasized that this system doesn’t require family members to monitor their loved ones 24/7, but it does keep them informed if there is a significant event. “We’re not trying to replace caregivers; we’re trying to augment their work and fill in the gaps,” Jeremy said, stressing that the future of home care will require a blend of human and technological intervention.

Equinoxe's Expansion Through Acquisition

Equinoxe’s acquisition of SC Health’s private pay division supports its long-term vision to expand its footprint across Canada. SC Health, is a not-for-profit organization, and acquiring its private pay division allowed Equinoxe to strengthen its presence in Quebec.

“Quebec is a unique market,” Jeremy explained, citing the region’s bilingual nature and distinct legal framework. While challenging to navigate, Jeremy believes that Equinoxe’s presence in Quebec offers a strategic advantage. “We want to be coast-to-coast,” he said, outlining the company’s plans to expand into new markets in Canada over the coming years.

Jeremy pointed out that partnering with established local providers would be key to Equinoxe’s expansion. “We’re not trying to start from scratch in every market,” he clarified, adding that building trust with local partners is essential for successful growth.

The Future of Home Care: Data and Personalization

Jeremy described how data from remote monitoring tools can provide insights into a senior’s health patterns, allowing caregivers to identify potential risks early on. For instance, data might reveal signs of a urinary tract infection or pneumonia, enabling preemptive action before the condition worsens. Jeremy also mentioned the potential for developing a “wellness score” that

tracks a senior’s progress over time, providing family members with peace of mind and helping healthcare providers make informed decisions.

“Data is everything right now,” Jeremy stated, emphasizing that technology will play a critical role in keeping seniors healthier and in their homes longer. Melvyn echoed this sentiment, noting that keeping seniors out of institutionalized care is not only better for their quality of life but also significantly more cost-effective.

Conclusion: A Long-Term Vision for Equinoxe

Jeremy reiterated his commitment to growing the company sustainably, focusing on both in-person care and technological innovation. He stressed that Equinoxe is in it for the long haul, with plans to expand across Canada while maintaining its core mission of providing high-quality, flexible care for seniors.

“We have plenty of time,” Jeremy said confidently, reflecting the company’s steady approach to growth. By combining innovative technology with compassionate care, Equinoxe aims to lead the way in Canada’s evolving home care landscape.



Jeremy Altman
CEO, Equinoxe LifeCare

“By 2050, the number of Canadians over the age of 85 is expected to triple. This demographic shift creates a **significant need for innovative solutions** in the caregiving space, like our remote patient monitoring”.

For more information on Equinoxe please visit www.equinoxelifecare.com or watch the full interview [here](#)

Key September Healthcare Transactions

Diversified Healthcare Services (Staffing)



Acquirer



Target

Triage, a Nebraska-based healthcare staffing firm, acquired fellow NE-based staffing firm **RTG Medical**. Triage is headquartered in Omaha while RTG is based in nearby Fremont. The acquisition helps Triage to get closer to breaking the top 10 largest staffing firms in the U.S. –it is already the 12th-largest. [Press Release](#)

The acquisition showcases an **M&A strategy for tuck-in deals based on strategic fit, brand, and proximity.**

Home-Based Care



Acquirer



Target(s)

Help at Home, a Chicago-based provider of Medicaid and community-based personal care services with 180 branches across 11 states, backed by private equity firms **The Vistria Group** and **Centerbridge**, acquired three companies in Southern Georgia: **Care By Your Side**, **One Care Health** and **AAMedcare**. [Press Release](#)

The acquisitions showcase HaH's **strategy to deepen market penetration in a key geography (sub-state).**

Behavioral Healthcare



Acquirer



Target

CentralReach, a leading provider of Autism and IDD care software acquired **Behavior Science Technology Inc. (BST)**, a research-backed treatment fidelity platform designed to collect, measure, and track treatment fidelity for Applied Behavior Analysis (ABA) therapy in a standardized way. [Press Release](#)

The acquisition highlights Central's **strategy to expand the scope of its AI-care management platform.**

Healthcare IT




Acquirer



Target

Kipu Health, a leading provider of technology solutions for behavioral health, announced the acquisition of **Hatch Compliance**, a leading compliance and risk management software provider of EMR, CRM, and RCM solutions tailored to behavioral health organizations. [Press Release](#)


The deal illustrates a **strategy to enhance platform governance, risk, and compliance (GRC) capabilities.**




40
YEARS



42
STATES
28
COUNTRIES



750+
TRANSACTIONS



65%
OF DEALS WITH
STRATEGIC BUYERS



\$8B
TOTAL DEAL VALUE

Transaction Characteristics

Private Businesses Closely held, entrepreneurial, family owned and multi-generational

Financial Sponsors Committed funds, independent sponsors, and family offices

\$2-40 MM EBITDA

\$10-400 MM enterprise value

\$10-300 MM annual revenue

Focused Middle Market Coverage

Healthcare Services



A portfolio company of
BERENSON
has been recapitalized by management



has been acquired by
sonas
HOME HEALTH CARE



has been acquired by
KYON
VETERINARY SURGICAL PRODUCTS



has been acquired by
SGS

Generalist Coverage



received an investment from
STRIPES GROUP



has been acquired by
TestEquity
a subsidiary of
LABSON HOLDINGS



has been acquired by
LENOX
a portfolio company of
CENTRE LANE PARTNERS



has sold substantially all of its assets to
LOVELL MINNICK PARTNERS


Diversified Industrials



has been acquired by
HIDDEN HARBOR



has been acquired by
CMT CONSOLIDATED
MACHINE & TOOL
a portfolio company of
WHITEWOLF CAPITAL LLC



has been acquired by
Audax Group



has been acquired by
SAFE FLEET

Pro Audio Visual



has been acquired by
AVI SPL
a portfolio company
MARLIN EQUITY PARTNERS



has been acquired by
ERMAN
PRD AV



has received an investment from
TAILWIND



has acquired the systems business unit of
EarthLink

Advisory Focused Investment Banking

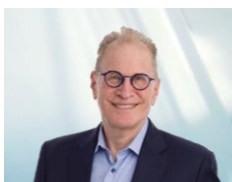
M&A Advisory

Buy and sell-side domestic and cross-border transactions including sales, divestitures, mergers, acquisitions

Strategic Advisory & Valuation

Preparation of strategic advisory & planning, business plan, pre-transaction planning, valuation, fairness opinion, and market feasibility analysis

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