



27 acquisitions
15 months
One mission

KPMG client story

"At Sevita, our long history of acquisitions is rooted in our mission. It is a way to reach and better serve more individuals. As we accelerated M&A, completing 27 acquisitions in fifteen months, KPMG was a valued adviser with the expertise and adaptability to help us scale faster while enhancing services."

— **Dan Berenson**
Vice President, Performance Excellence
Sevita



About our client

Client Name: Sevita

Client Industry: Health care and life sciences

Client Sector: Home and community-based health care

With a mission to help individuals grow, learn, and be as independent as possible, Sevita has provided home and community-based health care for more than 50 years.

Sevita serves approximately 50,000 children and adults with intellectual and developmental disabilities, complex care needs, people recovering from brain injuries, seniors in need of assistance, and other individuals who may require lifetime care.

Today, Sevita has approximately 45,000 employees in nearly 40 states.

Situation at a glance

Sevita has extensive experience in M&A and a commitment to treat each acquisition as a partnership for the benefit of their stakeholders, including individuals served, employees, companies seeking partnership or acquisition, payors, and regulatory agencies. Along with rapid organic growth, Sevita attributes much of its success as the industry leader to this distinct approach to M&A.

In 2020, Sevita accelerated its M&A activities. With the stress of COVID-19—and a highly fragmented provider network—many providers faced staffing and reimbursement challenges. This led to more small providers considering strategic acquisitions, seeking a larger, mission-aligned organization to help continue operations and invest in their growth and success. In response, Sevita pursued 27 acquisitions.

Challenges

While Sevita was experienced in M&A, conducting dozens of acquisitions in such a short time frame was a new challenge. Success would require managing a complex portfolio of overlapping acquisitions—assessing, integrating, and improving companies across multiple states without disrupting services.

Culture was front of mind. Many small providers in this space are highly mission-oriented and often family-led. They are seeking buyers who have a similar mission focus and will honor their company's purpose and values.

Sevita strives to provide a conscientious, high-touch approach and a positive experience for individuals served and employees. Even as Sevita accelerated its M&A, each acquisition had to come with that high standard of thought and care.

Sevita chose KPMG LLP to support their M&A activity and help reach more individuals.

Key initiatives

Sevita and KPMG worked together through the acquisition life cycle—from due diligence (e.g., financial, HR, compliance, clinical coding, tax and operational), to integration, growth, and performance improvement. Identifying opportunities and challenges during pre-close diligence propelled Sevita to more efficiently integrate.



Integration at scale: Sevita sought to scale its small but mighty integration team. KPMG helped staff the integration management office for daily support with the surge in workload. For the long-term, KPMG brought extensive expertise in upgrading frameworks, tools, and methods for a larger portfolio. For example, the teams created new process flow reports to map and resolve different billing, payroll, and other complex systems. These repeatable processes helped enhance the overall integration capability.



Performance improvement and investment: Sevita often made extensive improvements after acquisitions. For example, Sevita acquired group homes which had fallen behind on upkeep due to lack of funds. Sevita renovated the homes—replacing roofs and HVACs, upgrading IT systems, and more—to provide the individuals they support in those programs a modern, comfortable place to live and work.



Team member engagement: Acquisitions can sap morale and cause attrition—a pressing risk with national healthcare staff challenges. KPMG resources supported Sevita’s strategy to utilize early, frequent communications with employees at acquired organizations, including town hall meetings and regular communications and FAQs. Sevita created new training programs to onboard and equip employees for success. The teams also regularly sought employee feedback with surveys and interviews.

“My perspective comes from both sides of the acquisition process. We joined Sevita through an acquisition and have been heavily involved in acquiring companies since then.

Our two core concepts in any acquisition are: transparency in the entire process with our new employees; and ensuring the individuals in the programs experience no change in what is working well.

KPMG understands this and works with us in an efficient process to achieve the goals.”

— Robert Ham
Vice President, Operations
Sevita

Business impact

Completing these 27 acquisitions enabled Sevita to serve 19,800 more individuals. Sevita onboarded 11,600 new employees, bringing in new talent and leaders while achieving retention rates far exceeding industry benchmarks.

Since 2020, Sevita accelerated revenue and earnings growth—leading to continued de-leveraging, organic growth in new regions, and re-investment. Through these acquisitions, Sevita was able to expand services and support and build on its legacy for high-touch M&A that benefits all stakeholders.

Sevita's journey is just getting started. Sevita is continuing the rapid pace of M&A activity and investing in new services to realize further growth and benefit more individuals.

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KPMG helped Sevita expand and enhance services in challenging times

Why KPMG?

Our approach to M&A provides differentiated teams, technology, and solutions. We are uniquely positioned to assist throughout the deal life cycle.

Experience that matters. We bring deep industry and functional experience—working with a leading health care and life sciences client base.

Value-focused outcomes. Our approach focuses on continuous value identification, protection, and creation.

Built for speed. With more than \$100 million invested in data analytics and technology, we provide advanced insights to quickly drive results.

End-to-end, integrated solutions. Our fully integrated teams operate as a single, cohesive advisor to create solutions throughout the deal cycle.

Great relationships, great results. Our culture is based on integrity, accountability, and collaboration—clients rank us #1 for quality of work and ability to implement (Source Global Research).

Let's start a conversation.

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