

### — Street Talk

# Home care is where the heart is for Quadrant's next roll-up

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Quadrant Private Equity plans to follow the model used to build Icon Cancer Care and Virtus Health after buying a stake in home care business Sue Mann to bolster its latest roll-up.

The stake will be housed in Quadrant's Home Care Holdings portfolio company, which has been created to seize on the government's attempt to push the elderly towards home care, rather than more expensive assisted care. Indeed, the Federal Budget saw a significant increase in the funding for home care services.

Quadrant has taken an even more bullish view; its standpoint is that home care, disability care and rehabilitation services are adjacent sectors, given they all involve a mobile health workforce. So the team is seeking to create a broad-ranging group that covers all these options.

Home Care Holdings, which will follow a similar model to Quadrant's cancer care roll-up (from which came Icon) and its fertility roll-up (which gave birth to Virtus), is building nicely.

Alongside the stake in Sue Mann sits St Ives Home Care, HHL in New Zealand and allied health services firm Injury Treatment. The latter has also spawned a spin-off called Optimise, which focuses on allied health services in disability and cancer care.

As it stands, combining the revenue of these businesses would bring you a total figure above \$500 million.

However, bankers can cool their jets - there won't be a float or trade sale any time soon. The business is only a year old, and Quadrant sees scope to make a few more additions to its stable.

It is betting that the dominant players - church-backed groups and charities - will start to split home care away from their aged care and retirement villages' divisions, as the distinctions between each business become clearer, and their complexities mount.

This may spark a period of industry consolidation - which Quadrant will be well-positioned to benefit from.