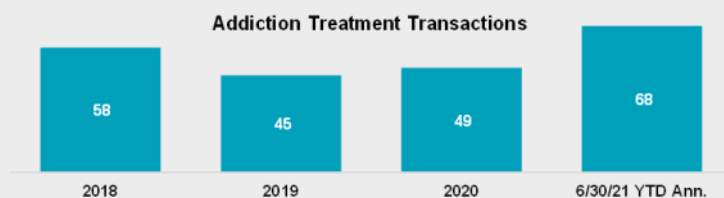




HEALTHCARE: BEHAVIORAL HEALTH

The annual number of behavioral health transactions continues to reach new highs despite a brief pause in activity early in the pandemic. While most inpatient providers experienced depressed volume over an extended period of time as a result of the pandemic, many outpatient providers adapted quickly to using telehealth technology to meet rising demand. Behavioral health M&A activity followed this pattern, returning to its rapid pre-pandemic pace by the end of 2020, as buyers resumed investing given the long-term positive trends in the industry. M&A activity is off to a strong start in the first half of 2021; and we anticipate this to be a record year for behavioral health M&A, boosted in part by sellers hoping to avoid any change in the tax code.

Behavioral health transactions can be separated into several sub-sectors, including addiction, at-risk youth, autism, I/DD, and mental health, among others. The addiction treatment sector has long been the most active for M&A, with investors favoring providers who offer the full spectrum of care, including detox, 30-day inpatient programs, and long-term outpatient services. In-network programs, and those that treat co-occurring mental health conditions, are particularly attractive to buyers.



Addiction Treatment Industry Key Statistics

 \$18.7bn Revenue <i>3.6% Projected Annual Growth 2020-2025</i>	 \$1.2bn Profit <i>6.7% Annual Growth 2015-2020</i>	 8,521 Businesses <i>2.3% Projected Annual Growth 2020-2025</i>
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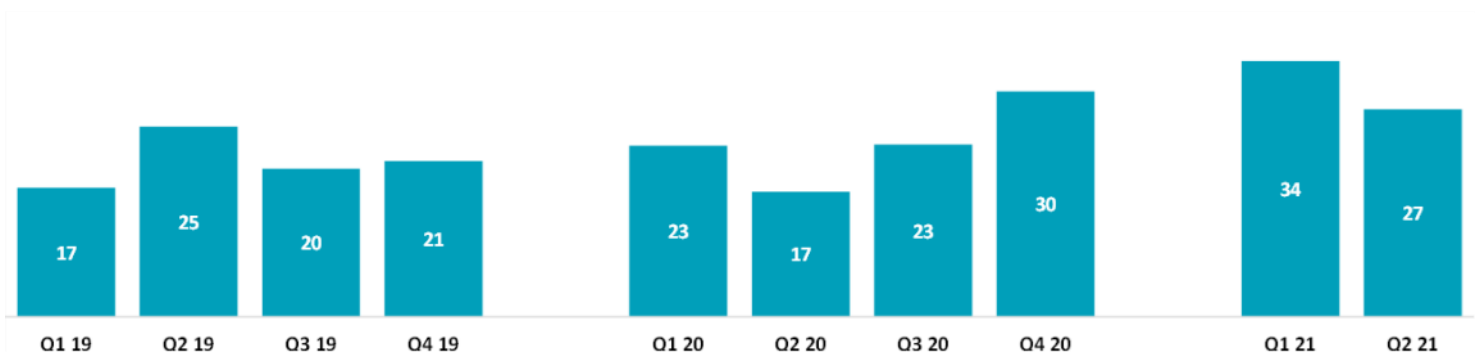


Source: IBIS World—Mental Health & Substance Abuse Centers in the US

Notable Behavioral Health Transactions

Date Closed	Specialty	Target	Buyer / Investor
06/29/2021	Addiction Treatment	Aspire Treatment & Recovery Center of Virginia, Inc.	BrightView , LLC (Shore Capital Partners, LLC)
06/24/2021	Addiction Treatment	New Day Recovery LLC	BayMark Health Services Inc. (Webster Equity Partners, LLC)
06/22/2021	VDD	Residential and support programs of Bethesda Lutheran Homes And Services Inc.	Broadstep Behavioral Health, Inc. (Bain Capital Double Impact)
6/15/2021	Addiction Treatment	CARMAhealth	MAP Health Management, LLC (Aetna, Inc., Triton Pacific Capital Partners, LLC)
06/10/2021	Autism Services	LEAP Behavior Analysis, LLC	Acorn Health, Inc. (MBF Healthcare Partners, LLC)
06/09/2021	Mental Health	Carolina Behavioral Care, P.A.	Refresh Mental Health, Inc (Kelso & Company, L.P.)
06/07/2021	At Risk Youth	Monroe Operations LLC	Onex Corporation (TSX:ONEX)
05/26/2021	Addiction Treatment	Hope For Tomorrow LLC	BayMark Health Services Inc. (Webster Equity Partners, LLC)
05/25/2021	Mental Health	AMFM Healthcare	HCAP Partners
05/19/2021	Addiction Treatment	BLA Partners, LLC	Rothschild Merchant Banking; Avertest, LLC; Five Arrows Managers (USA) LLC
05/16/2021	Addiction Treatment	The Centers, Inc.	SMA Behavioral Healthcare, Inc.
05/13/2021	Autism Services	The Center for Autism Treatment, Inc	Caravel Autism Health, LLC (Frazier Management, LLC)
05/11/2021	VDD	Pinelands Group Homes, Inc.	Broadstep Behavioral Health, Inc. (Bain Capital Double Impact)
05/11/2021	Mental Health	MindPath Care Centers, PLLC	Community Psychiatry Management, LLC (Centerbridge Partners, L.P.)
05/06/2021	Addiction Treatment	IAC Associates PLLC	Vertava Health (Summit Partners, L.P.)
05/04/2021	Addiction Treatment	Life Spring Recovery	BrightView , LLC (Shore Capital Partners, LLC)
05/04/2021	Autism Services	JF Autism Services, LLC	Center for Social Dynamics, LLC (NMS Capital)
04/23/2021	Addiction Treatment	Omega Recovery/Breakthrough Recovery Group/Alpine Recovery Services Inc/Colonial Clinic	Recovery Ways, LLC (Chicago Pacific Founders)
04/19/2021	Mental Health	Greenville Psychiatric Associates, PA	MindPath Care Centers, PLLC
04/15/2021	Autism Services	Child Counseling & Behavior Therapy Clinic, Inc.	The Speech Pathology Group, Inc. (Ridgmont Equity Partners)

Quarterly Behavioral Health Transactions



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