

# Q1-2017 Behavioral Health Update



## Market Overview

The behavioral health sector continues to be one of the most attractive spaces within healthcare for investment and consolidation. Significant reimbursement tailwinds have created a highly active mergers and acquisitions marketplace, both in terms of volume and valuations. Well-known healthcare private equity investors, MTS Health and The Riverside Company, made sizeable acquisitions into the space with their recapitalizations of Trumpet Behavioral and Castlewood Treatment, respectively. Provident expects to see this heightened activity continue as patient demand for behavioral services grows and the reimbursement environment continues to strengthen.

## SELECT TRANSACTIONS:

Date	Acquirer	Target	Description
March 2017	New Vista	Avalon Malibu	New Vista Behavioral Health, a provider of addiction treatment, acquired Avalon Malibu. Avalon Malibu provides licensed mental health and chemical dependency treatment. The financial terms of the deal were not disclosed.
March 2017	MTS Health Investors	Trumpet Behavioral Health	MTS Health Investors, a lower middle market private equity firm, recapitalized Trumpet Behavioral Health. Trumpet Behavioral Health is a provider of behavioral health services to children and adults with Autism Spectrum Disorder and developmental disabilities. The financial terms of the deal were not disclosed.
March 2017	Constellation Behavioral Health	Hanbleceya Recovery Network	Constellation Behavioral Health, a developer of specialized treatment programs for individuals and families suffering from addiction, mental health, and co-occurring behavioral health disorders, acquired Hanbleceya Recovery Network. Hanbleceya Treatment Center treats individuals and families affected by mental illness, including those who have a co-occurring substance use disorder. The financial terms of the transaction were not disclosed.
February 2017	Walden Behavioral Health	Atlanta Center for Eating Disorders	Walden Behavioral Health, an operator of hospitals that specialize in treating eating disorders and other psychiatric disorders, acquired Atlanta Center for Eating Disorders. Atlanta Center for Eating Disorders is an operator of three intensive outpatient facilities for individuals with eating disorders.
February 2017	Behavioral Health Group	TLC Clinic Of Tifton and Private Clinic Albany	Behavioral Health Group, an operator of treatment centers that provide opioid addiction treatment services to patients, acquired TLC Clinic Of Tifton and Private Clinic Albany. The TLC Clinic Of Tifton and Private Clinic Albany provide addiction treatment programs in Georgia. The financial terms of the deal were not disclosed.
January 2017	Vizion Health	Willow Crest Hospital	Vizion Health acquired Willow Crest Hospital and Moccasin Bend Ranch. Willow Crest Hospital, based in Miami, Oklahoma, is a 50-bed acute care psychiatric hospital, and Moccasin Bend Ranch is a 28-bed residential treatment center. The financial terms of the deal were not disclosed.
January 2017	The Wicks Group	Invo Healthcare Associates	The Wicks Group acquired Invo Healthcare Associates, a national provider of school and community behavioral health and other therapeutic services to individuals with special needs, including Autism Spectrum Disorder. Invo Healthcare was previously backed by Post Capital Partners. The financial terms of the deal were not disclosed.
January 2017	The Riverside Company	Castlewood Treatment	The Riverside Company, a private equity firm, acquired Castlewood Treatment Center. Castlewood Treatment Center operates a chain of residential eating disorder treatment centers that provide eating disorder treatment services to patients in Missouri. The company was founded in 1999 and is based in St. Louis, Missouri. The financial terms of the deal were not disclosed.