

Q3-2018 Behavioral Health Update



Market Update

Transaction activity within the behavioral health segment continued in the third quarter of the year, with transactions occurring across substance abuse, autism, eating disorder, and telepsychiatry sub-verticals. The continued appetite from the private equity community to partner with founders of behavioral healthcare businesses and guide their organizations' growth and expansion from a financial perspective has driven valuations throughout the sector to new heights for platform quality, high-growth businesses. Despite significant investment from private equity investors into the substance abuse industry over the past decade, the industry remains fragmented, promoting continued investment from experienced multi-site healthcare investors.

Select Transactions

Substance Abuse				
Month	Acquirer	Target	Headquarters	Locations
July	Rosecrance	Jackson Recovery Centers	Sioux City, IA	12 locations
July	Delphi Behavioral Health Group	Family Recovery Specialists	Miami, FL	1 location
July	Tulip Hill Recovery	Magnolia Ranch Recovery	Taft, TN	1 location
July	Pyramid Healthcare	WaldenSierra	Charlotte Hall, MD	8 locations
August	Hackensack Meridian Health	Carrier Clinic	Belle Mead, NJ	2 facilities on 1 campus
August	BayMark Health Services	Counseling Solutions	Chatsworth, GA	2 locations
September	City Line Behavioral Healthcare LLC	Life of Purpose Treatment Centers	Fort Washington, PA	5 locations
September	Windrose Health Investors	Kolmac Clinic	Baltimore, MD	6 locations

Autism Services				
Month	Acquirer	Target	Headquarters	Locations
July	Century Park Capital Partners	Dominion Youth Services	Richmond, VA	9 locations
August	360 Behavioral Health (DW Healthcare Partners)	California Psychcare	Van Nuys, CA	23 locations
September	360 Behavioral Health (DW Healthcare Partners)	Passport to Adaptive Living Inc.	Ventura, CA	2 locations

Other Behavioral Health Transactions				
Month	Acquirer	Target	Headquarters	Locations
July	Civitas Solutions	Creative Connections Inc	Bakersfield, CA	2 locations
July	Refresh Mental Health	Fairhaven Treatment Center	Memphis, TN	1 location
August	SOC Telemed	JSA Health Telepsychiatry, LLC	Houston, TX	National

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