

Q4-2019 Behavioral Health Update

Market Update

Select subsectors within the behavioral health segment continue to attract private equity capital and M&A activity at unprecedented levels. One space within the sector that has been particularly active is the autism services sector, which has recently been characterized by landmark transactions. Centria's \$400m sale to Thomas H. Lee Partners is the latest in a slate of large private equity recapitalizations in the space, a trend that Provident expects to continue as investor demand continues to outpace the supply of sizable, platform-caliber organizations.

The sector has also seen a great deal of strategic acquisition activity as well, as PE-backed platforms have increasingly moved into contiguous business lines by way of acquisition to diversify income streams and realize synergies. Provident's former client, Comprehensive Autism Center's partnership with The Speech Pathology Group is one such example of consolidators seeing synergistic value in aligning with organizations with complementary service lines. Provident expects this trend to continue as platforms continue grow in scope and scale.

Provident Transaction



Select Transactions

Autism Services			
Month	Acquirer	Target	Headquarters
December	ACORN Health	Behavior Therapy Specialists	O'Fallon, IL
December	NMS Capital	Social Dynamics Inc.	Alameda, CA
December	Thomas H. Lee Partners	Centria	Farmington Hills, MI
October	The Speech Pathology Group	Comprehensive Autism Center	Temecula, CA

Telepsychiatry			
Month	Acquirer	Target	Headquarters
November	American Well	Aligned Telehealth	Woodland Hills, CA

Addiction Services			
Month	Acquirer	Target	Headquarters
December	Discovery Behavioral Health	Case Palmera	Del Mar, CA
November	Discovery Behavioral Health	Authentic Recovery Center	Los Angeles, CA
October	Discovery Behavioral Health	New Life Addiction CMHS	Pasadena, MD

Note: Provident served as exclusive financial advisor to Comprehensive Autism Center in its transaction with The Speech Pathology Group

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Upcoming Conference

Members of the Provident Healthcare Partners behavioral healthcare coverage team will be attending the 14th Annual Autism Conference in Miami in February 2020.

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