

Q2-2019 Behavioral Health Update



Market Update

In the second quarter of 2019, the volume of investment activity within behavioral health surpassed many other areas of healthcare where operators are partnering with private equity firms to achieve levels of scale.

Autism services continues to be one of the most highly sought-after sectors within the healthcare services universe as both new investors and existing private equity-backed organizations compete for deals within the space. Demand for the sector, due to a favorable reimbursement environment, increased incidence levels and heavy fragmentation within the sector continues to outweigh supply, leading to a favorable market for companies looking to take on investment and/or partner with established platforms.

Select Transactions

Autism Services				
Month	Acquirer	Target	Headquarters	Locations
June	BlueSprig	Verbal Behavior Consulting	Lexington, KY	N/A
June	Pine Tree Equity Management	Spectrum of Hope	Houston, TX	3 locations
June	Stepping Stones Group	StaffRehab	Newport Beach, CA	N/A
May	K radiant Partners	Central Valley Autism Project	Modesto, CA	N/A
May	Arsenal Capital Partners	Hopebridge	Indianapolis, IN	41 locations
April	Autism Centers of Michigan	Compass Wellness ABA Services	Otsego, MI	1 location
April	BlueSprig	West Texas Autism Center	San Angelo, TX	3 locations

Substance Abuse				
Month	Acquirer	Target	Headquarters	Locations
June	Kolmac Outpatient Recovery Centers	BioCare Recovery	Yardley, PA	1 location
June	Newport Academy	Gray Wolf Ranch	Port Townsend, WA	1 location
June	Baymark Health Services	AMC Nashville	Nashville, TN	1 location
June	Next Chapter Treatment Center	All Points North Lodge	Edwards, CO	1 location
June	Anthem	Beacon Health Options	Boston, MA	N/A
May	Perimeter Healthcare	Two inpatient hospitals	Dallas/Fort-Worth, TX	2 locations
May	Pinnacle Treatment Centers	Addiction Medicine Care	Columbus, OH	18 locations
April	Baymark Health Services	Recovery Services of New Mexico	Albuquerque, NM	5 locations
April	Bridges Fund Management	Sunrise	Cincinnati, OH	5 locations
April	Sprout Health Group	Endeavor House North	Kearny, NJ	1 location
April	Pinnacle Treatment Centers	AATC & AMS	Williamsburg, VA	4 locations

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