

Market Update

M&A activity within the behavioral health segment slowed marginally in Q4 in terms of total transaction volume. However, the market witnessed a number of marquee deals within the sector, most notably, Kelso & Co.'s acquisition of Lindsay Goldberg's platform, Refresh Mental Health. Refresh has over 30 mental health affiliates and the transaction marks one of the largest behavioral health transactions to date. Additionally, Latticework Capital, a Dallas-based private equity firm acquired Provident's client Beacon Behavioral Hospital which forms another behavioral platform in the southeast.

The Autism services market saw impressive deal flow with seven publicly announced deal closings in the quarter. Large industry consolidators such as, KKR-backed, Blue Sprig and Ridgemont-backed, Speech Pathology Group, both closed out the year with multiple acquisitions.

Provident expects M&A activity in 2021 to be particularly strong in the behavioral health market as existing platforms and private equity funds look to capitalize on the sector's impressive growth, while seller's look to transact to lock in current capital gains rates.

Select Transactions:

Provident Transaction Spotlight:



- Latticework Capital Management, a leading healthcare investor, has acquired Beacon Behavioral Hospital, an operator of 11 mental health treatment facilities
- With the capital backing and strategic expertise of Latticework, Beacon will be able to execute on their rapid growth strategy with the acquisition of local behavioral health groups and the build-out of a new inpatient facility
- This transaction marks the most recent private-equity platform investment into the behavioral health market and establishes a regional platform to the southeast market

Autism Services & General Mental Health Services

Month	Acquirer	Target	Locations	State(s)
October	Blue Sprig Pediatrics	Momentum Therapy	4	GA, MI
October	The Stepping Stones Group	Ardor School Solutions	2	FL
October	The Speech Pathology Group	Go2Consult / Family Support Center	1 / 4	CA / CO
October	Pathways Health and Community Support, LLC	Three Community Intervention Services, Inc. subsidiaries	43	NC, SC, PA
November	Kelso & Co.	Refresh Mental Health	50+	Nationwide
December	Family Treatment Network	Catalyst Behavioral Solutions	1	UT
December	Caravel Autism Health	Behavioral Therapy Solutions of Minnesota	1	MN

Addiction & Medically Assisted Treatment (MAT)

Month	Acquirer	Target	Locations	State(s)
October	Behavioral Health Group	Wellness Ambulatory Care	1	TN
December	Baymark Health Services	Limestone Health	2	IN
December	Discovery Behavioral Health	Prosperity Wellness Center	3	WA
December	Baymark Health Services	Echo Treatment Center	1	PA

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