

Market Update

29 deals occurred in the behavioral health space in Q2, marking a slight decrease from the previous quarter, but building momentum for the overall expected growth of acquisitions in the behavioral health space for this year. Private equity has demonstrated an increasing desire to acquire platforms in the space, with 22 of 29 deals coming through PE sponsors.

As COVID-19 begins to move into the periphery, more individuals are anticipated to use behavioral health services than in 2020. Mental health consciousness has risen sharply alongside a 25% increase in claims over the course of the pandemic, resulting in a greater awareness and therefore demand for services in the space.

Provident anticipates deal flow in the space to increase over the remainder of the year, with private equity facilitating many of these transactions. The firm also anticipates a general increase in IPOs in behavioral health as it becomes increasingly consolidated.

Transaction Spotlight



LifeStance
HEALTH

Has raised over **\$720 million** in their **initial public offering** – valuing the company at **\$7.2 billion**

- LifeStance, founded in 2017, operates 370 centers and employs 3,300 psychiatrists, advanced practice nurses, psychologists and therapists across 27 states
- LifeStance's performance in their IPO highlights the pent-up demand for mental health services during the COVID-19 pandemic and investor optimism within the behavioral health sectors
- In 2020, LifeStance was acquired by private equity firms, TPG, Summit Partners and Silversmith

Select Transactions

Autism Services & General Mental Health Services

Month	Acquirer	Target	Location(s)	State(s)
June	Broadstep Behavioral Health	Bethesda Lutheran Communities	3	IL, IN, WI
June	Hudson Investment Group	Talkspace	n/a	n/a
June	MAP Health Management, LLC	CARMAhealth	4	TX, FL, VA
June	Acorn Health	LEAP Behavior Analysis	2	TN
May	Community Psychiatry	MindPath Care Centers	14	NC, SC
May	BayMark Health Services	Hope for Tomorrow	1	WV
April	Recovery Ways	Omega Recovery, Breakthrough Recovery Group, Colonial Clinic, Alpine Recovery	4	TX, WA
April	KNR Therapy	Forbes Behavioral Services	1	FL
April	Speech Pathology Group	Child Counseling & Behavior Therapy Clinic	1	CA
April	Refresh Mental Health	Carolina Behavioral Care	3	NC

Addiction & Medication-Assisted Treatment (MAT)

Month	Acquirer	Target	Location(s)	State(s)
June	BrightView Partners	Aspire Addiction Treatment	1	OH, KY, DE, VA
June	BayMark Health Services	New Day Recovery	2	LA
June	Delic Holdings	Ketamine Infusion Centers	4	AZ, CA
May	Sanare Today	PACE Addiction Program	3	DE
May	KKR	Therapy Brands	n/a	n/a
May	Vertava Health	Integrated Addiction Care Associates	4	TN

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BH Whitepaper

[*Investment & Consolidation in Mental Health Services*](#)

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