






Q3-2022 Autism Services Update

Market Update

Despite ongoing labor challenges and inflationary pressures, the demand for autism services continues to draw outside investor interest. While quarterly deal activity slowed from years past, we still see elevated sponsor activity as private equity-backed platforms continue to create competition for add-on acquisitions. Looking ahead, we expect to see a rise in secondary buyouts, or even consolidation among larger platforms. For Example, NexPhase Capital announced its sale of Action Behavior Centers to Charlesbank Capital in August, garnering a valuation of \$800+ million and an implied 14.0x adjusted EBITDA multiple.

We also continued to see private equity investment in diversified behavioral health providers, or companies with services that span mental health, special education, and pediatric therapy, acquiring ABA practices. As an example, the Stepping Stones Group, a diversified special education and behavioral health provider, acquired the Center for Behavioral, Education, and Social Therapies in July. Further, in August, Avesi Partners announced its investment in Point Quest, a school-based adolescent behavioral health provider, offering a broad suite of services, including speech therapy, ABA therapy, and mental health services. As consolidation continues, financial sponsors and strategic acquirers still see an opportunity to increase accessibility, expand service offerings, and bolster corporate infrastructure, all while striving to improve an individual's experience and outcomes in a treatment program.

Select Transactions:

Month	Acquirer	Target	Deal Description
August			Avesi Partners invested in Point Quest, a provider of adolescent behavioral health and special education services in California
August			Charlesbank Capital Partners acquired Action Behavior Centers from NexPhase Capital in a secondary buyout
July			Theraplay, a PT/OT/ST provider in the Mid-Atlantic partnered with Ivy Rehab, a diversified ABA and pediatric therapy rehabilitation provider
July			Sevita, a diversified IDD provider, acquired Pediatric Partners, a medical home offering a broad suite of behavioral health services
July			The Stepping Stones Group, a diversified behavioral health provider, acquired C.B.E.S.T, a provider of ABA services in California

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Publications:

[White Paper: An Update on Investment & Consolidation in Autism Services](#)

[Podcast: Analyzing Key Developments in the Behavioral Health Space](#)