

Q4-2022 Autism Services Update

Market Update

2022 proved to be a challenging year for autism services, highlighting several pain points that developed from the COVID-19 pandemic. Labor challenges, wage pressures, and stagnant reimbursement rates forced several providers to make difficult decisions on layoffs or exiting markets all together. 360 Behavioral Health, CARD, and Elemetry all announced layoffs, shining a negative light on private equity's investment in autism services, notwithstanding the expanded access to care brought by outside investors. Despite the negative headlines, the space continues to draw investor interest primarily due to the outsized demand for services nationwide and attractive unit economics for center-based services.

While add-on acquisitions and the movement towards integrated services continue to be key transaction themes, several private equity firms established new platforms in 2022. MBF Healthcare Partners acquired ABA Connect, representing their second investment into the space after selling Acorn Health to Ontario Teachers' Pension Plan in 2021. Furthermore, Joybridge Kids, established in May by Frontline Healthcare Partners, completed their first add-on investment of Independence Behavior in December, demonstrating their commitment to serving children in the Southeastern U.S. by expanding to an adjacent state. Despite the previously discussed challenges, 2022 transaction activity reinforced the notion that there is still investor interest across the autism services landscape.

Select Transactions:

Month	Acquirer	Target	Deal Description
December			Frontline Healthcare Partners-backed JoyBridge Kids acquired Independence Behavior Solutions, a two-location ABA therapy company based in Georgia
December			The Stepping Stones Group, a diversified behavioral health provider, acquired Building Blocks Behavior Consultants, a center-based ABA therapy provider in California
December			MBF Healthcare Partners, a middle-market private equity company, completed its platform investment into ABA Connect, a Texas-based provider of ABA therapy
December			Achieve Beyond, a pediatric therapy and autism services provider, completed the sale of its California assets to Inspira Health, a provider of behavioral therapy in Southern California
October			Acorn Health, a seven-state provider of ABA therapy, acquired seven centers from Breakthrough Behavior, a Florida-based ABA therapy provider

Provident Industry Coverage Team:

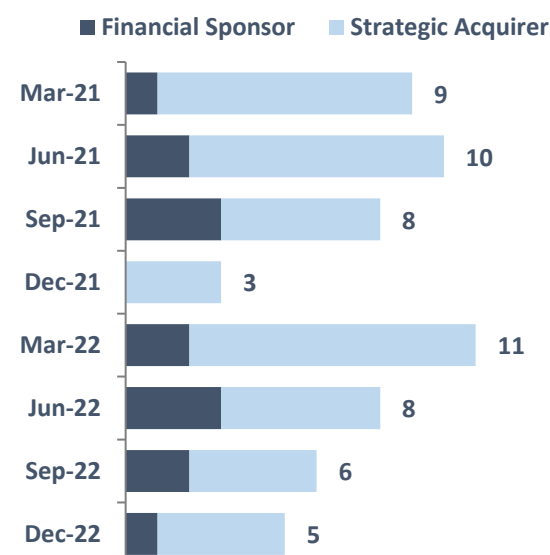
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Transaction Activity



Publications & Podcasts:

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

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