

Q1-2023 Autism Services Update

Market Update

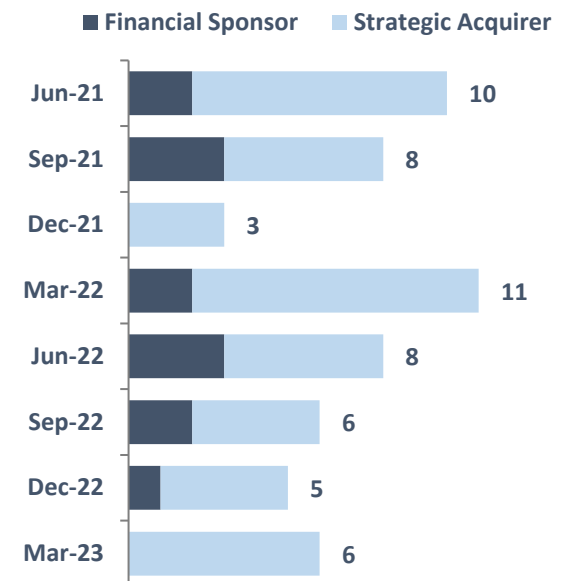
Transaction activity in the ABA/autism services space remained steady in Q1 2023, as evidenced by six add-on acquisitions from larger consolidators. While the number of transactions decrease from Q1 2022, the outsized demand for autism services nationwide continues to draw investor interest. Labor/wage pressures and stagnant reimbursement rates persist across the space, potentially creating a challenging 2023 for smaller independent providers and leading to an uptick in add-on activity as compared to years passed.

Continuing trends from 2022, add-on acquisitions and the movement towards integrated services continue to be key transaction themes. In March, Point Quest, a school-based adolescent behavioral health provider, announced the acquisition of Pacific Coast Speech Services, a provider of speech therapy services to school districts in Southern California. The transaction expands Point Quest's services from the Sacramento area to Los Angeles and San Diego. Furthermore, Trumpet Behavioral Health acquired Therapeutic Pathways in January. The transaction expands Trumpet's ABA services in California and adds speech-language pathology. Lastly, The Stepping Stones Group, a national provider of diversified behavioral and educational services to children in a variety of settings, acquired Catalyst Speech, a school-based provider of speech-language pathology, further expanding its services in the Los Angeles area.

Select Transactions:

Month	Acquirer	Target	Deal Description
March			Point Quest, a provider of adolescent behavioral health services, acquired Pacific Coast Speech Services, a provider of speech therapy to school districts
March			ABA2Day, a provider of autism services, was acquired by Invo HealthCare Associates, a leading provider of autism and childhood behavioral health services
February			Apara Autism Center, a Texas-based ABA provider, acquired the Missouri operations of Early Autism Center, a clinic/home-based provider of ABA services
February			Apara Autism Center, a Texas-based ABA provider, acquired the Autism Learning Collaborative, a home- and clinic-based provider of ABA therapy to children with autism
January			The Stepping Stones Group, a diversified behavioral health provider, acquired Catalyst, a school-based pediatric therapy provider in Los Angeles
January			Trumpet Behavioral Health, a provider of ABA services, acquired Therapeutic Pathways, a clinic-based provider of ABA and Speech therapy in California

Quarterly Transaction Activity



Provident Autism Coverage Team:

Craig Sager Director (617) 226-4218 csager@providenthp.com	Steven Grassa, CFA Vice President (617) 226-4213 sgrassa@providenthp.com
Tommy Spiegel, CFA Senior Associate (617) 226-4216 tspiegel@providenthp.com	Daniel O'Brien Associate (617) 226-4292 dobrien@providenthp.com

Publications, Podcasts & Upcoming Events:

- White Paper: [An Update on Investment & Consolidation in Autism Services](#)
- Podcast: [Autism in the Spotlight: Key differentiators that will set you apart from the competition](#)
- Podcast: [Maximize Your Practice Valuation: How to Build A Strong Foundation with Provident Healthcare Partners](#)

Conferences

Provident will be attending the [CASP](#) conference this year! Please reach out if you are interested in meeting.