

Substance Use Disorder Services

Q2 2023


Market Update

Dealmaking activity in the Substance Use Disorder (SUD) space improved slightly in Q2 2023 relative to Q1 2023. Deal flow is still down significantly from the elevated 2021 and 2022 periods. Annualized year-to-date transaction volume is down 26% from 2022. Restricted lending markets, inflation, and continued labor shortages are forcing industry consolidators to put M&A on pause and reallocate resources to internal organic growth and de novo initiatives.

Notable Q2 2023 deal-flow included two new platform investments. Banyan Treatment Centers and Your Behavioral Health both received investment from leading private equity firms, establishing the two newest SUD consolidators. These transactions indicate continued investor interest in the SUD space despite sluggish transaction volume in the current market.


Notable Transaction

Comvest Partners, a well-respected healthcare-focused investment firm, announced the acquisition of Your Behavioral Health, an evidence-based behavioral health company focused on psychiatric, mental health, and substance use-disorder services. Comvest's investment will be focused on improving efficiencies at the practice, including the deployment of 'key technologies' to improve care. In addition to technological innovation, Comvest intends to grow the company footprint across the Southwest, build out a telehealth offering, and execute on strategic add-on acquisitions.



Your Behavioral Health






Has been acquired by

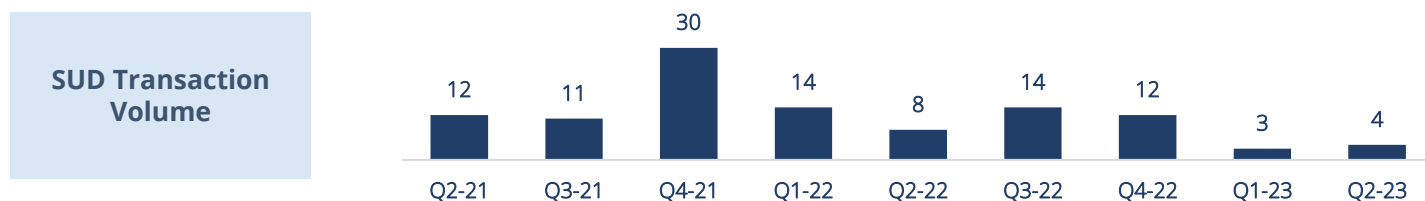


COMVEST PARTNERS

June 2023

Select Transactions

Month	Acquirer	Target	Deal Description
June		 3 Legacy Facilities	Private equity-backed Harmony Health Group has acquired three former Delphi Behavioral Health facilities. The newly acquired facilities, located in New Jersey and Massachusetts, were part of Delphi's Serenity at Summit subsidiary.
May			Leading PE firm, Texas Pacific Group, has made a significant investment into Banyan Treatment Centers, a 20+ location SUD practice with facilities across the Northeast. TPG's investment will be used to expand the company's geographic footprint and build out an eating disorder offering to complement the companies current SUD program.
April		 PA MAT Business	Addiction treatment provider Pinnacle Treatment Centers has acquired four outpatient opioid addiction treatment centers from King of Prussia, Pennsylvania-based Recovery Centers of America. RCA is executing on a strategy to divest its stand-alone MAT locations.



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Publications & Podcasts

Whitepaper

[An Update on Investment and Consolidation in the Addiction Treatment Sector](#)

Upcoming Podcast

Provident Quarterly Behavioral Health Spotlight - Addiction Treatment