

Mental Health

Q4 2023

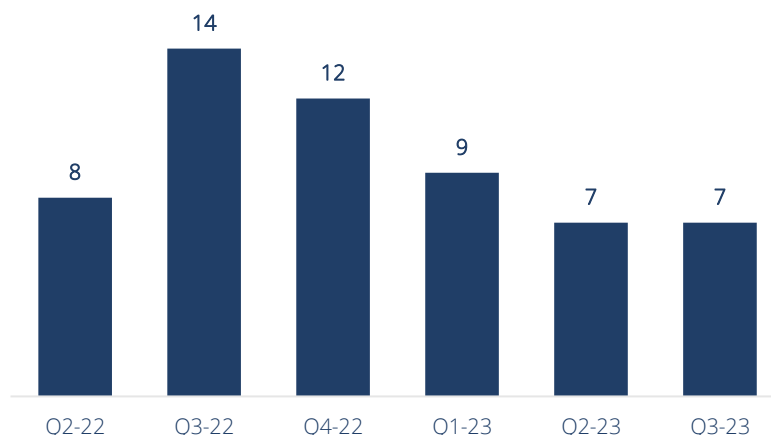
Market Update

The mental health space continued to see tepid deal flow to close out a moderate calendar year for M&A activity. The space, like other verticals within behavioral health, experienced a slowdown relative to 2021 and 2022, which were landmark years both in terms of deal count and new platform formations.

Many of private equity consolidators have focused internal efforts on growing organically and integrating previously acquired businesses. As such, there is a large divide between platforms that continue to be acquisitive and those that have tightened the M&A spigot.

Going forward, Provident expects transaction activity to rebound in 2024, due to more stability within the lending markets, lower interest rates, and consequently more seller friendly valuations.

Quarterly Transaction Volume



Select Transactions

Month	Acquirer	Target	Deal Description
December			ARC Health, a portfolio company of the Thurston Group, has expanded into Central Florida with the acquisition of Advanced Psychiatric Group, a comprehensive behavioral health practice.
November			Thurston Group-backed behavioral health provider ARC Health has acquired Manhattan Psychology Group, a behavioral health practice serving the New York City Metro Area.
November			BlueCrest Health Group was founded to unify BlueCrest Recovery Center, QuickSilver Counseling Center, and Assess With Guidance under one entity. This strategic move aims to improve access to high-quality addiction treatment and mental health care across New Jersey, while establishing cohesion between the three previously independent behavioral health centers
November			Atlanta-based mental health group GROW Counseling was acquired by ARC Health, a Thurston Group company.
October			Beckley Waves, a leading psychedelic venture studio, has acquired digital ketamine-assisted therapy leader Nue Life, expanding its portfolio of psychedelic businesses.
October			Hightop Health, backed by JLL Partners and SV Health Investors, launched its outpatient mental health platform via the acquisition of Psych Atlanta.
October			ARC Health acquired LynLake Centers for WellBeing, an integrative mental health and wellness practice in the Twin Cities, Minnesota.

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Publications & Conferences

Whitepaper

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