

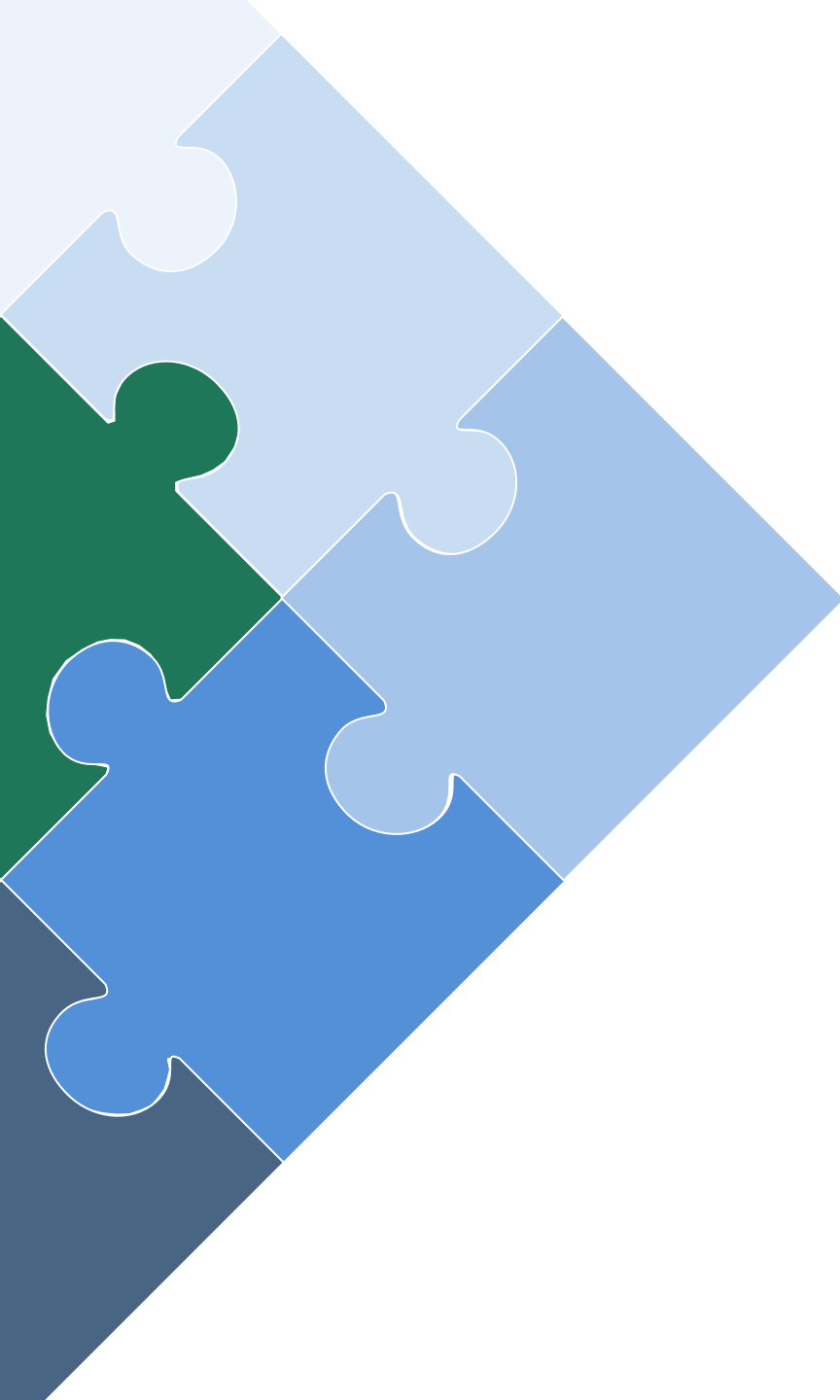
An illustration of four hands of different skin tones (light blue, light skin, dark skin, and medium brown skin) reaching from the top and bottom edges of the frame to assemble a central puzzle. The puzzle consists of several interlocking pieces in various colors: light blue, light skin, dark skin, medium brown skin, yellow, green, orange, and blue. The hands are wearing cuffs of different colors: light blue, orange, light blue, and light blue. The background is a solid light beige color.

# Autism Services Market Update

Spring 2024



**Provident**  
Healthcare Partners



## Provident Overview

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**Provident**  
Healthcare Partners

# Provident Overview

## Areas of Expertise and Coverage

- 1 Mergers & Acquisitions
- 2 Recapitalizations & Growth Capital
- 3 Debt Raises
- 4 Strategic & Shareholder Advisory

Behavioral Health	Provider Services	Post-Acute Care	Other Sectors
<div><ul style="list-style-type: none"><li>• Autism Services</li><li>• I/DD Services &amp; Support</li><li>• Substance Use Disorder</li><li>• Mental Health</li><li>• Adolescent Behavioral Health</li></ul></div>	<div><ul style="list-style-type: none"><li>• ASC &amp; Surgical Facilities</li><li>• Multi-Specialty</li><li>• Primary Care</li><li>• Single Specialty</li></ul></div>	<div><ul style="list-style-type: none"><li>• Home Health</li><li>• Hospice &amp; Palliative Care</li><li>• Physical Therapy</li><li>• Senior Living</li></ul></div>	<div><ul style="list-style-type: none"><li>• Healthcare Staffing</li><li>• Healthcare Education</li><li>• Healthcare Technology</li><li>• Outsourced Pharma Services</li></ul></div>

### Select Behavioral Health Experience

To discuss Select Behavioral Health Experience, please contact the Behavioral Health Coverage Team at: [behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

## Provident

### Key Statistics

To discuss Key Statistics, please contact the Behavioral Health Coverage Team at: [behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

### Behavioral Health Coverage Team

Provident's behavioral health coverage team is comprised of four bankers with 25+ years of healthcare M&A experience.



Craig Sager, CPA  
Managing Director



Steve Grassa, CFA  
Vice President



Tommy Spiegel, CFA  
Vice President

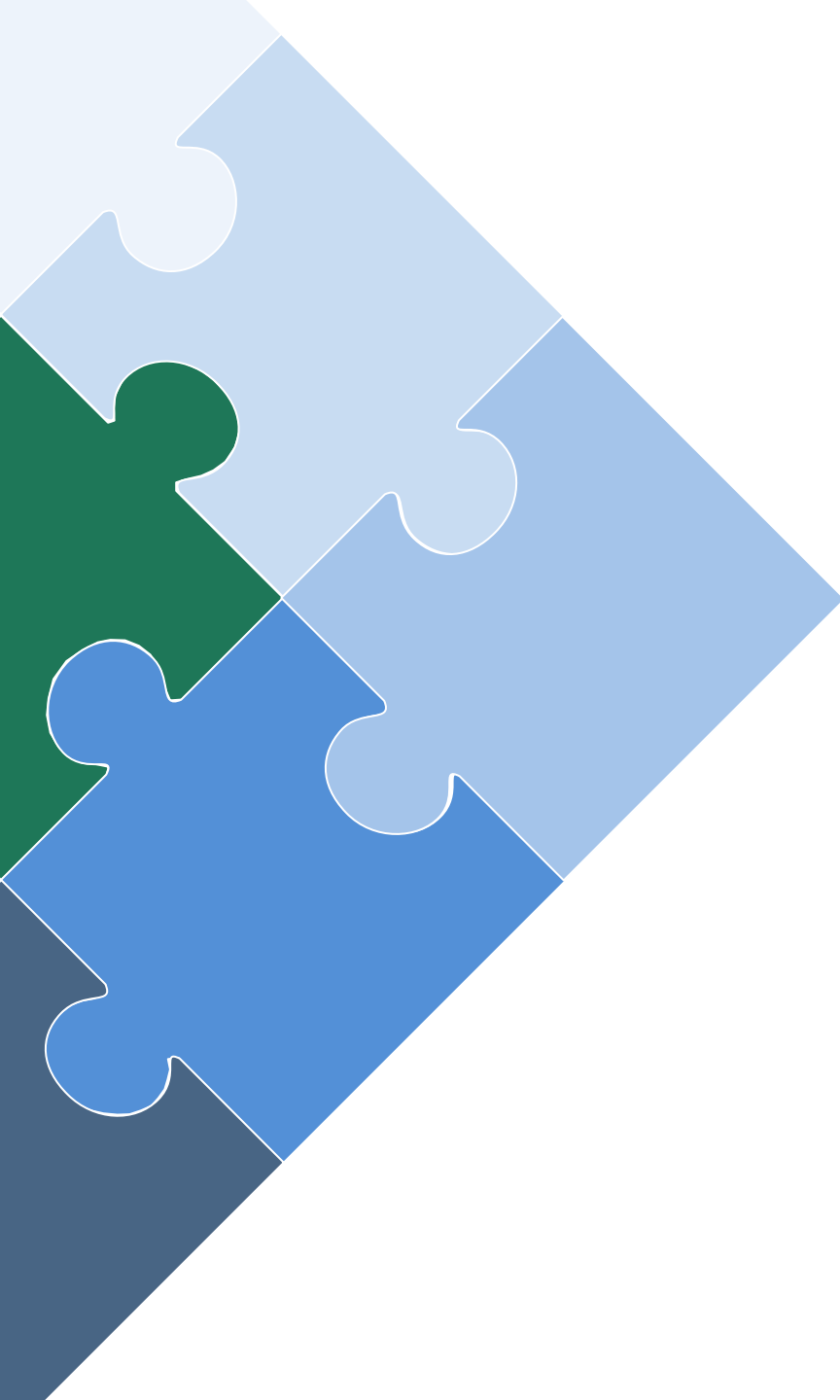


Dan O'Brien  
Associate

# Why Provident is the Most Qualified Advisor

Behavioral Health	1	24/7 Healthcare Services	25 years of experience and thought leadership in healthcare services only
	2	Self-Care MHM Advisory	Over 100 self-management – an outlier of interest with unique thought leadership
	3	MHMH Caregiving Model Test	Alignment with client's commitment to retention in the community through healthcare needs
	4	Research-Driven Investment Bank	First with unique focus, decades experience and data-driven and evidence-based approach
	5	Health & Wellness	25, 30 years, and 100+ years of experience in the industry
Financial Services	6	Local Member with	Over 100 years of experience in the industry and 100+ years
	7	Significant Behavioral Health Infrastructure in Place	200+ years of experience in the industry and 100+ years
	8	Investment Financial & Budgetary Management	200+ years of experience in the industry and 100+ years
	9	Management Thought Leadership Series MHMH coverage	200+ years of experience in the industry and 100+ years
	10	Behavioral & Investment Bank Team	200+ years of experience in the industry and 100+ years

To discuss Provident's Qualifications, please contact the Behavioral Health Coverage Team at: [behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)



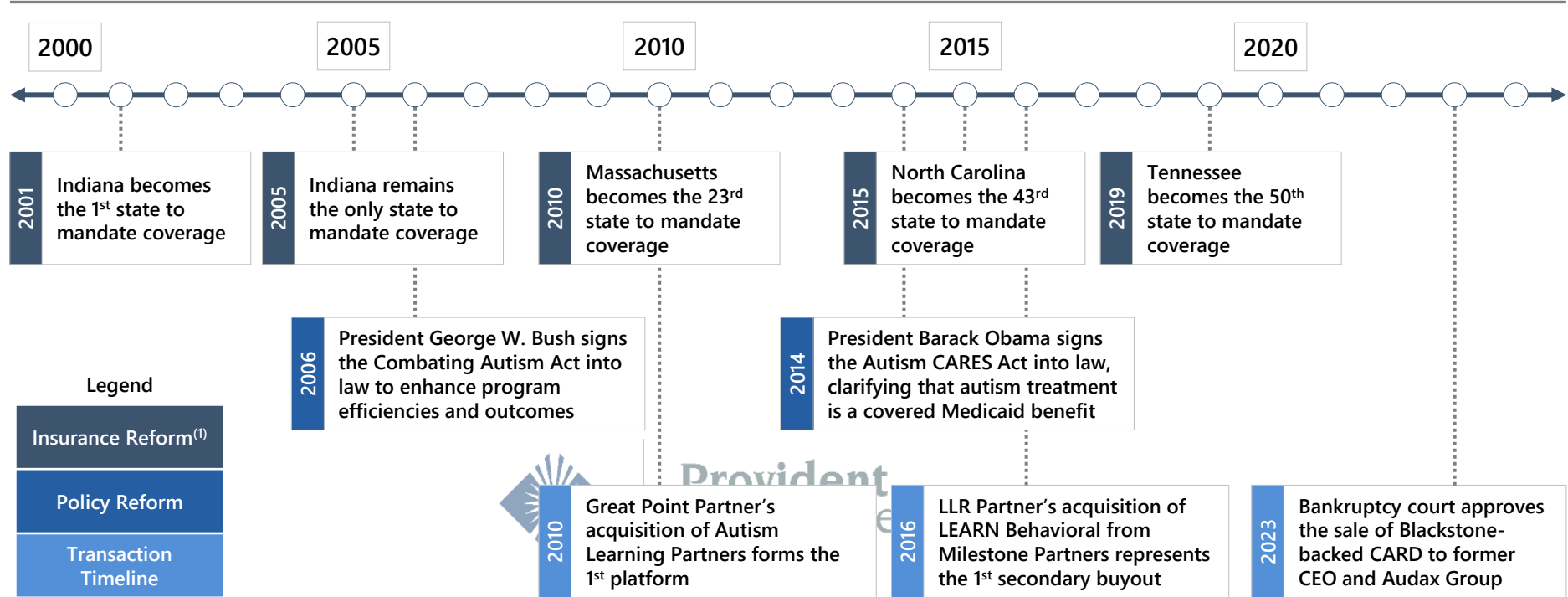
## Autism Services Market Update

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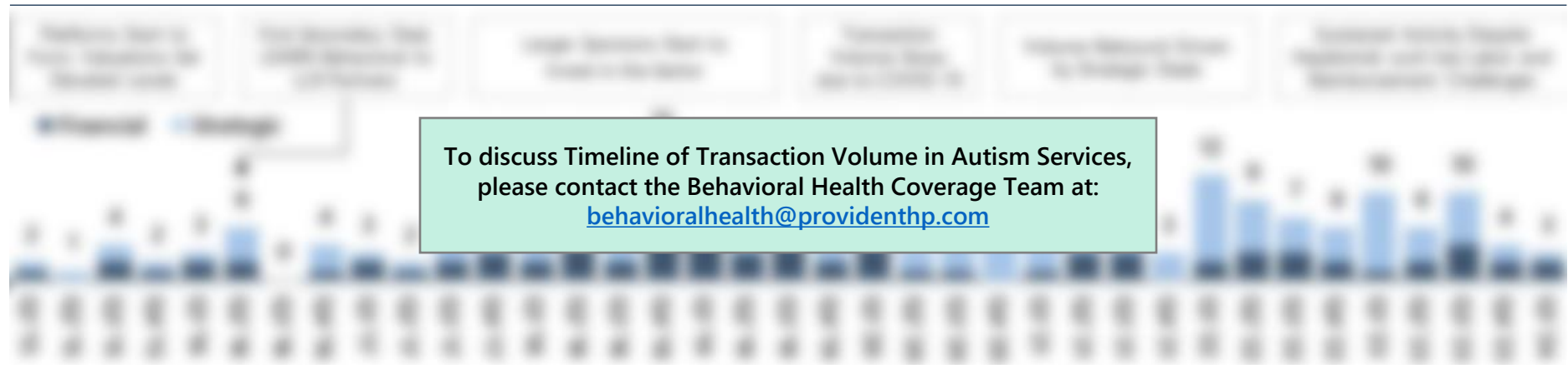


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# Timeline of Autism Services Market Activity



Timeline of Transaction Volume in Autism Services



(1) Autism Speaks

# Market Trends

## Investment Thesis & Market Growth Drivers<sup>(1)</sup>

- The prevailing thesis in the autism space, which is centered on favorable business fundamentals and demand dynamics, continues to attract outside investor interest
- Outsized demand for services, increased incidence levels, expanded coverage, and heightened awareness all point to sustained future growth in the space

To discuss Investment Thesis, please contact the Behavioral Health Coverage Team at: [behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

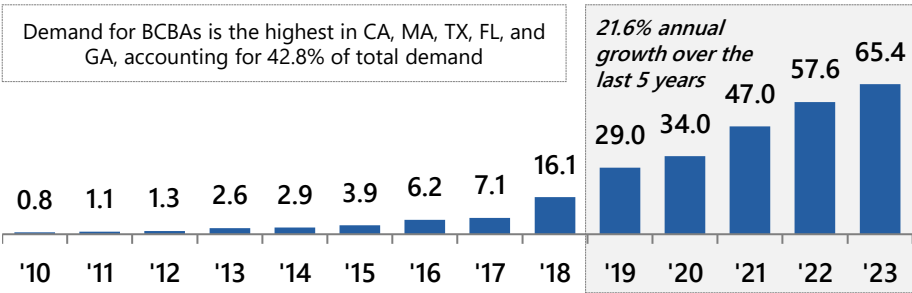
## Market Statistics<sup>(1)</sup>

<b>2.0M</b> <i>Est. Number of Children with Autism</i>	<b>\$7.4B</b> <i>Market Value (2023)</i>	<b>4.0X</b> <i>More Common in Boys vs. Girls</i>	<b>66K</b> <i>BCBAs Nationwide (2023)</i>	<b>160K</b> <i>RBTs Nationwide (2023)</i>
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## Market Headwinds<sup>(1)</sup>

- Labor challenges, rising wages, and the nationwide provider shortage continues to be the primary headwind facing the autism sector
- There are currently less than 70,000 Board Certified Behavior Analysts (“BCBAs”) in the US
- The number of BCBAs would have to almost double to meet the current needs of families nationwide

### BCBA Job Postings by Year (Thousands)



### Reimbursement

Despite expanded coverage, several payors across the country have not increased rates to offset rising wage pressures

### Executive Talent

Elevated industry-wide demand for experienced CEOs and other executives to support multi-site operations

<sup>(1)</sup> Centers for Disease Control and Prevention, Behavior Analyst Certification Board, and Fortune Business Insights



# Supply & Demand Dynamics

## Supply of Providers<sup>(1)</sup>

<b>66K</b> <i>BCBAs Nationwide (2023)</i>	<b>160K</b> <i>RBTs Nationwide (2023)</i>	<b>65K</b> <i>BCBA Job Postings (2023)</i>
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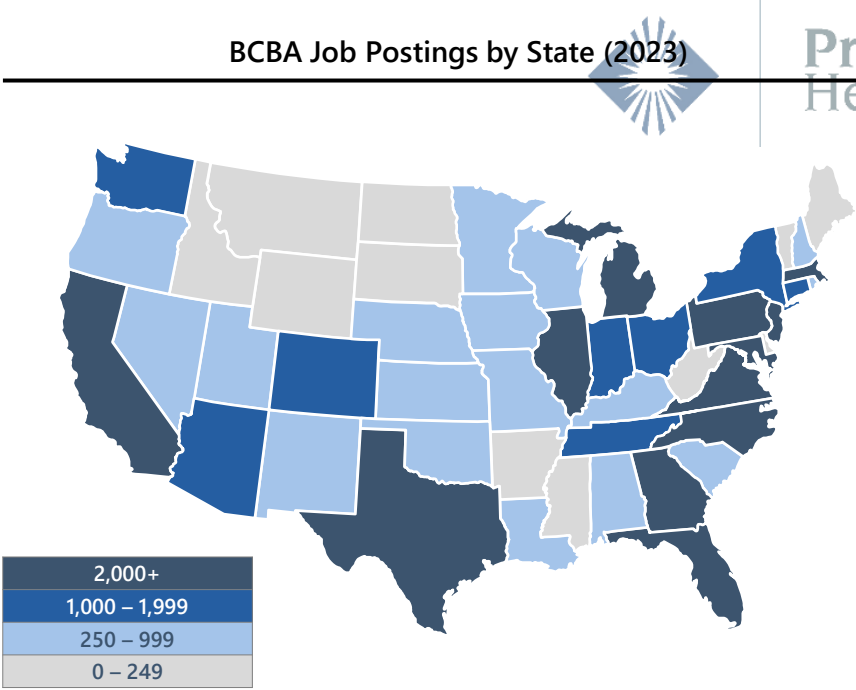
- The demand for BCBAs increased by 13.5% from 2022 to 2023 and 81.9x since 2010 (40.5% CAGR from 2010 to 2023)<sup>(2)</sup>
- Job growth in the ABA field is expected to increase by 20.0%+ over the next eight years
- Demand for BCBAs is driven by rising awareness, expanded payor coverage, increased demand for services, and recognition on the efficacy of ABA therapy

## Demand for Services<sup>(1)</sup>

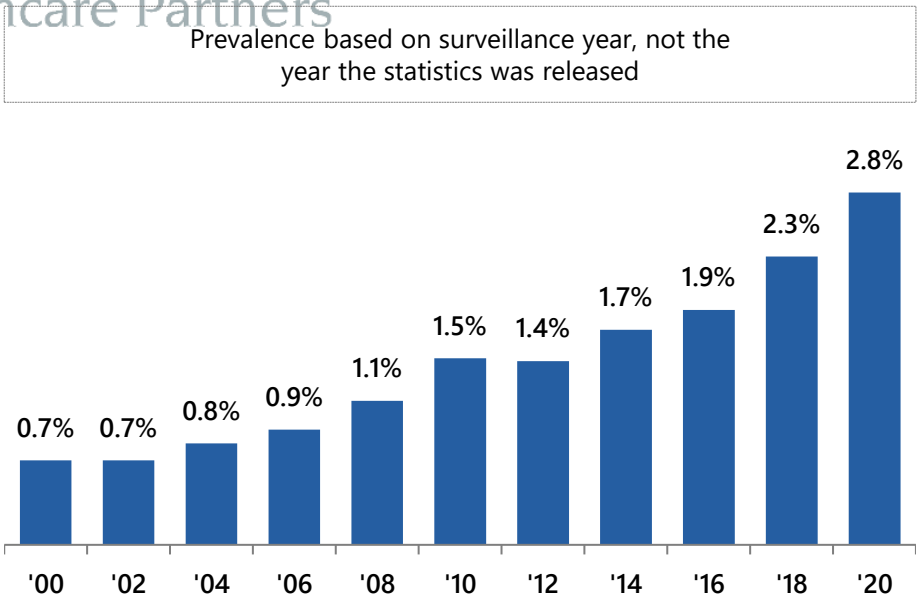
<b>4.1X</b> <i>Increase in Prevalence since 2000</i>	<b>17.0%</b> <i>Children (3-17) with a Developmental Disability</i>	<b>52 Months</b> <i>Median Age of ASD Diagnosis</i>
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- Despite rising awareness and the nationwide expansion of services, the autism space is still unable to meet the growing demand for therapy
- Most organizations operate with prolonged waitlists for evaluations and treatment, supporting the need for additional clinics to open in most regions across the country
- 75%+ of children seeking ABA therapy spend time on a wait list; 20%+ of providers reported that they no longer accept referrals due to wait times of one year or more

BCBA Job Postings by State (2023)



Prevalence of Autism Spectrum Disorder



<sup>(1)</sup> Behavior Analyst Certification Board, Centers for Disease Control and Prevention, Bureau of Labor Statistics, and Autism Alliance of Michigan; <sup>(2)</sup> Based on the number of open job postings by state



# Care Setting Overview

## Center-Based

Therapy is provided in a structured environment, facilitating socialization with peers and exposure to several well-trained therapists

## School-Based

Therapy is provided in a controlled classroom setting, encouraging social peer interaction with a consistent educator leading learning sessions

## Home-Based

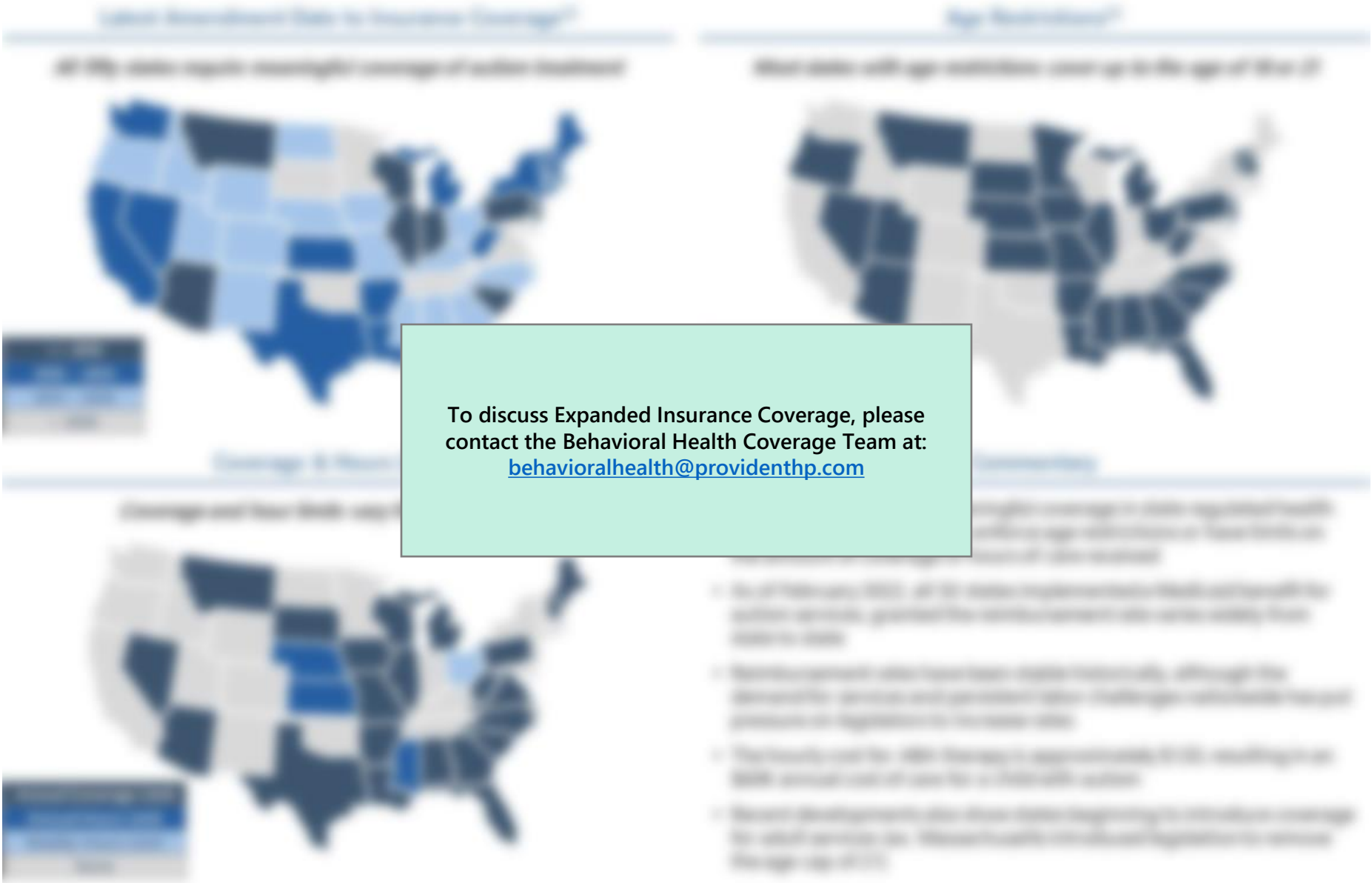
Therapy is provided in the child's home environment, offering a familiar and comfortable setting that encourages active family involvement

To discuss Care Setting Overview, please contact the Behavioral Health Coverage Team at: [behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

## % of ABA Platforms

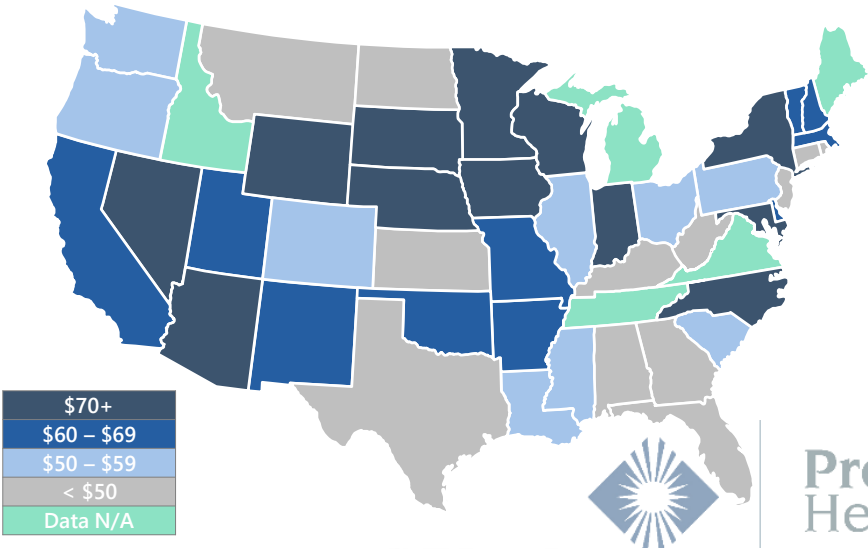
To discuss % of ABA Platforms, please contact the Behavioral Health Coverage Team at: [behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

# Expanded Insurance Coverage

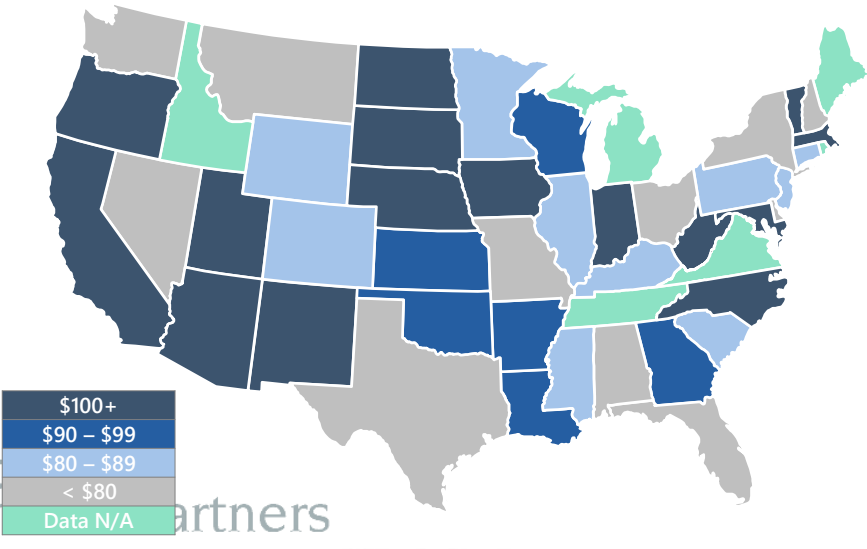


# Medicaid Reimbursement by State

Direct Care<sup>(1)</sup>



Supervisory Care<sup>(1)</sup>

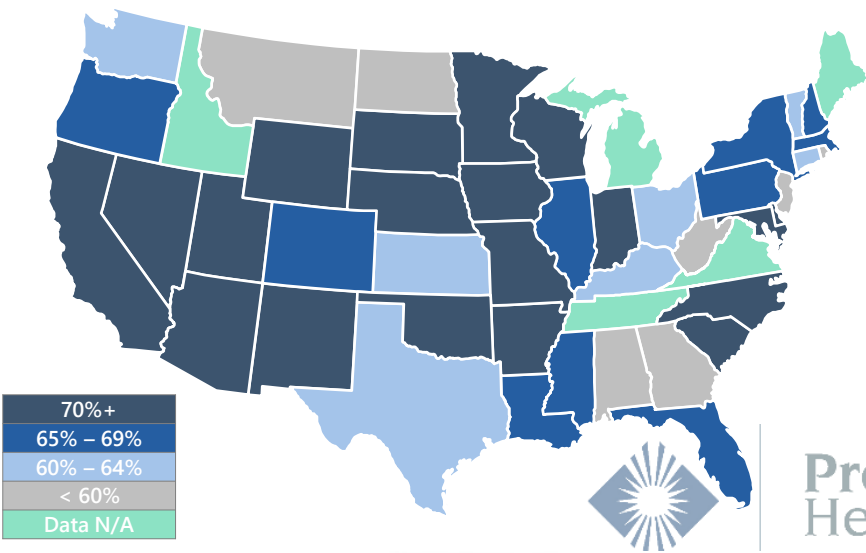


To discuss Medicaid Reimbursement by State,  
please contact the Behavioral Health Coverage Team at:  
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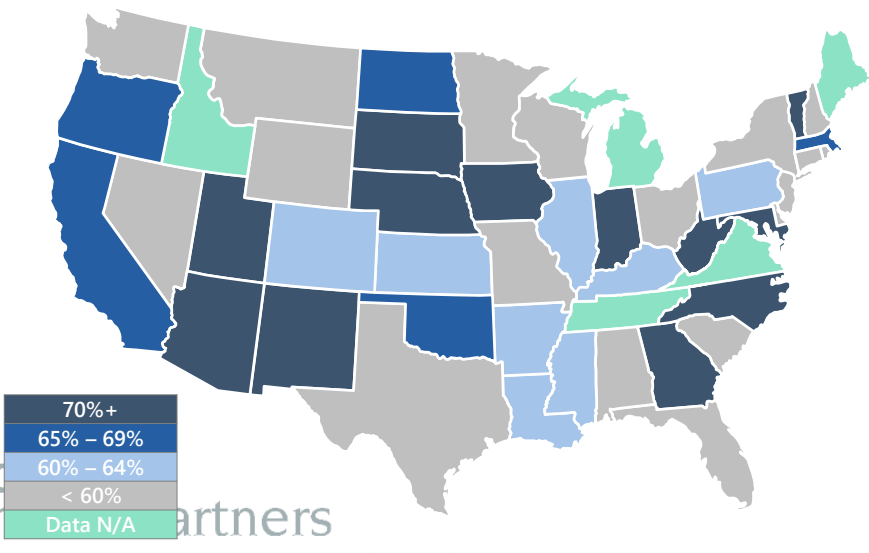
<sup>(1)</sup> Data sourced from each state's Medicaid fee schedule and conversations with industry operators, dollar amounts represent per hour rates

# Estimated RBT & BCBA Gross Margin by State

RBT Gross Margin<sup>(1)</sup>



BCBA Gross Margin<sup>(1)</sup>



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To discuss Estimated RBT & BCBA Gross Margin by State,  
please contact the Behavioral Health Coverage Team at:  
[behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

<sup>(1)</sup> Based on Medicaid reimbursement rates for 97155 and 97153, Bureau of Labor Statistics

# Valuation Landscape

## Valuation Landscape

Despite valuation multiples softening since pre-pandemic levels, there is still tremendous investor interest for differentiated and at-scale providers.

### Key Valuation Drivers

To discuss Key Valuation Drivers,  
please contact the Behavioral Health Coverage Team at:  
[behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

### Notable Valuations

Date	Type	Entity	Value	Notes
Jan 18	Behavioral Health Provider	Behavioral Health	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
Aug 18	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
May 19	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
Jan 20	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
Aug 20	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
May 21	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
Jan 22	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
Aug 22	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
May 23	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
Jan 24	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
Aug 24	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.
May 25	Behavioral Health Provider	Behavioral Health Provider	\$150	Behavioral Health Provider, the company entered into the market with existing behavioral health and primary care services.

To discuss Notable Valuations,  
please contact the Behavioral Health Coverage Team at:  
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# Private Equity Investment

## Private Equity Investment

- As consolidation continues to play a meaningful role in autism services, opinions vary on the go-forward impact of private equity investment
- Opponents cite the potential degradation of quality and distinct focus on profits
- Advocates endorse the professionalization and resources that institutional investment brings (infrastructure investment, back-office support, outcome tracking, improved compliance, and enhanced IT systems)
- Private equity-backed organizations also gain leverage with payors by placing a greater emphasis on tracking outcomes and diversifying to a wider continuum of behavioral health services, as the data suggests is more beneficial to the client
- The table below highlights typical private equity model incentives as well as the resulting industry outcomes

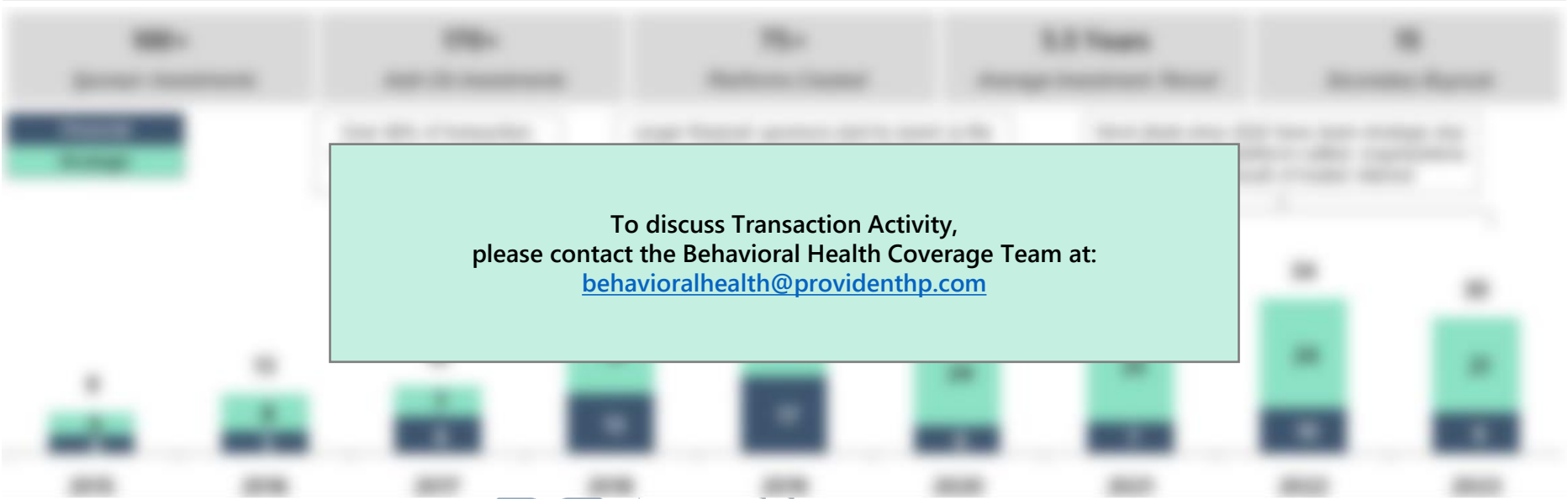
### Private Equity Benefits on Autism Services

Private Equity Incentives		Industry Outcomes
Augment existing infrastructure/back office		Improved clinical/back-office infrastructure and support
Adhere to higher quality standard due to increased liability/scrutiny		Outcome benchmarking/tracking and improved compliance measures
Grow density/reach to realize cost-savings and benefits of scale		Negotiating leverage with funding sources and payors
Realize synergistic value through additional contiguous service lines		Full care continuum capture via an integrated care model emphasis

### Private Equity Investment by Year

To discuss Private Equity Investment by Year,  
please contact the Behavioral Health Coverage Team at:  
[behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

# Transaction Activity & Key Themes



Healthcare Partners  
Key Themes & Industry Outlook

Topic	Topic	Topic	Topic	Topic	Topic
Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage
Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage
Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage
Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage
Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage
Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage
Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage
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Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage	Behavioral Health Coverage

To discuss Industry Outlook,  
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# Platform Overview

## Select Platform Representation by State










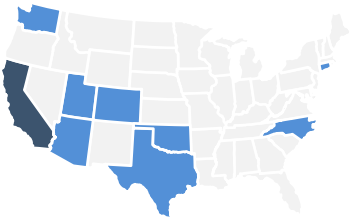
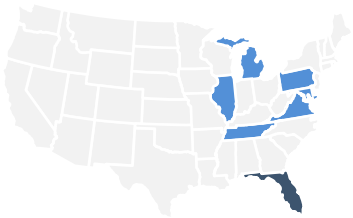
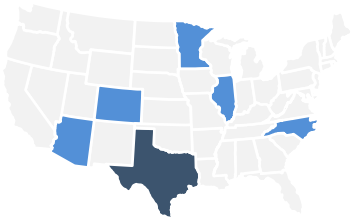
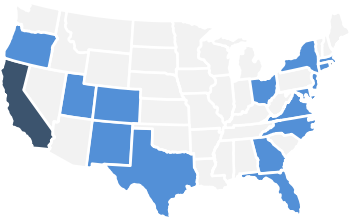
To discuss Platform Overview,  
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[behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

# Market Map

To discuss Market Map,  
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[behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)









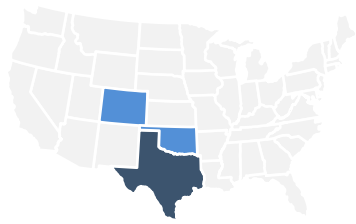
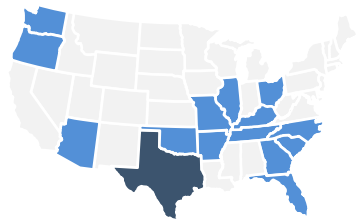
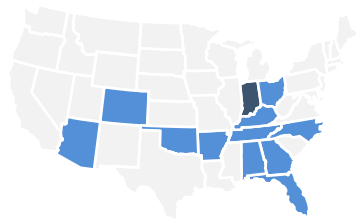
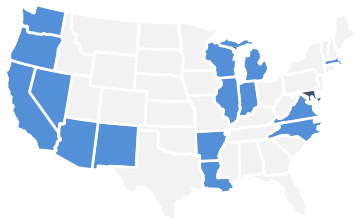
<sup>(1)</sup> Companies bucketed based on their primary service line

# Competitive Landscape: Sample ABA Platforms

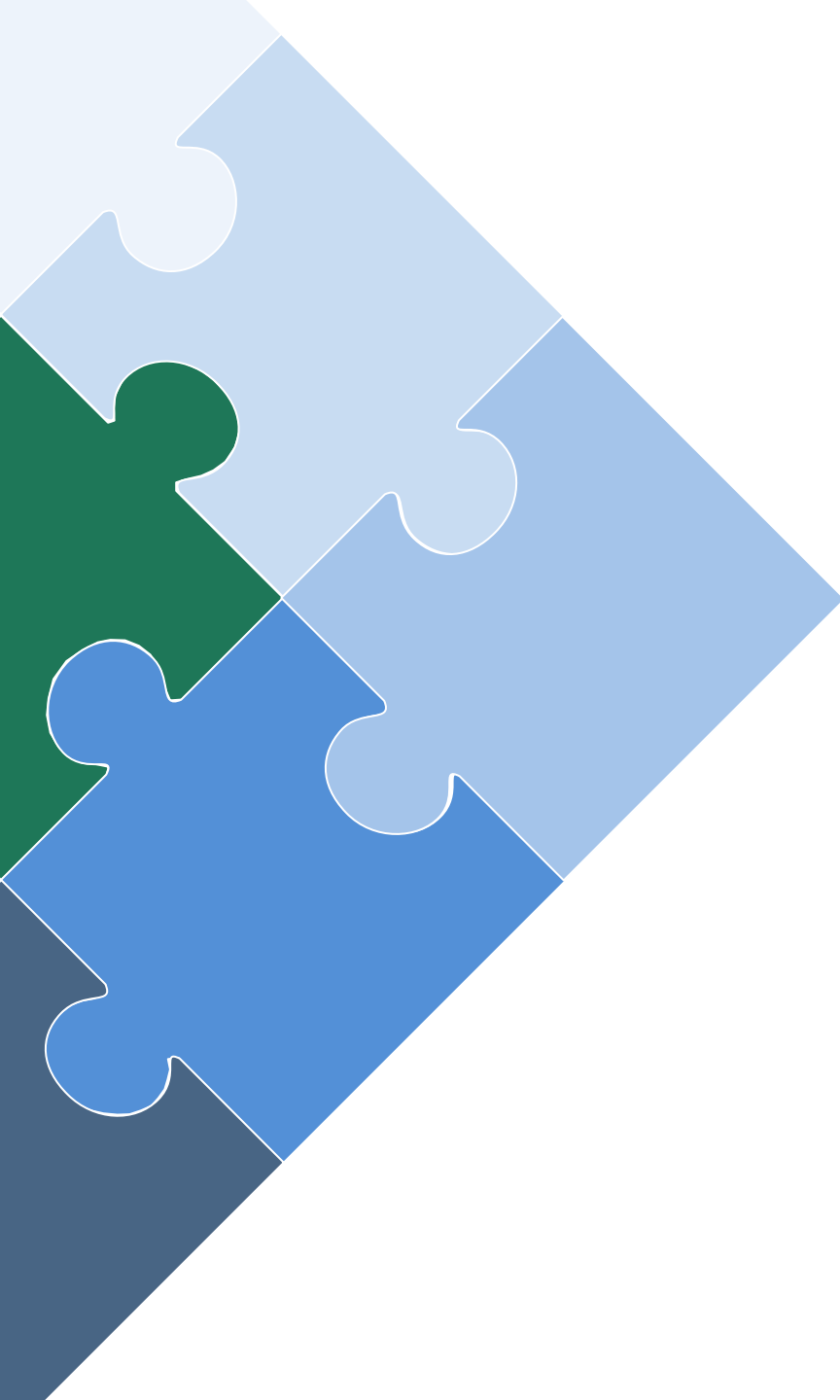
Platform				
Financial Sponsor				
Investment Year	2020	2021	2022	2017
AUM <sup>(1)</sup>	\$83.0 Billion	\$278.0 Billion	\$15.2 Billion	\$3.3 Billion
Care Settings	Center, Home, Telehealth	 Center, Home	Center, Home, Telehealth	Center, Home, Telehealth
Ancillary Services	Speech Therapy, Occupational Therapy	n/a	n/a	Speech Therapy, Occupational Therapy
# of Centers	85+	75+	200+	70+
# of States	9	7	6	17
Geographic Footprint				
<div>Headquarters</div> <div>Service Area</div>				

<sup>(1)</sup> AUM sourced from PitchBook and company websites

# Competitive Landscape: Sample ABA Platforms

Platform				
Financial Sponsor				
Investment Year	2017	2017	2019	2019
AUM <sup>(1)</sup>	\$6.0 Billion	\$553.0 Billion	\$11.1 Billion	\$9.0 Billion
Care Settings	Center, Home	Center, Home, School, Telehealth	Center, Telehealth	Center, Home, School, Telehealth
Ancillary Services	n/a	n/a	Speech Therapy, Occupational Therapy	Speech Therapy
# of Centers	75+	120+	120+	100+
# of States	3	15	12	16
Geographic Footprint				

<sup>(1)</sup> AUM sourced from PitchBook and company websites



## Appendix

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# Select Transaction Activity

To discuss Select Transaction Activity,  
please contact the Behavioral Health Coverage Team at:  
[behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)

To discuss Precedent Transactions,  
please contact the Behavioral Health Coverage Team at:  
[behavioralhealth@providenthp.com](mailto:behavioralhealth@providenthp.com)



## Partners In Value

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Provident is the leading investment bank offering mergers and acquisition advisory services for high growth, middle market companies in the healthcare industry.

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