

Vertical  
Behavioral Health

Focus  
Q3 2021 Acquisition Activity and Outlook

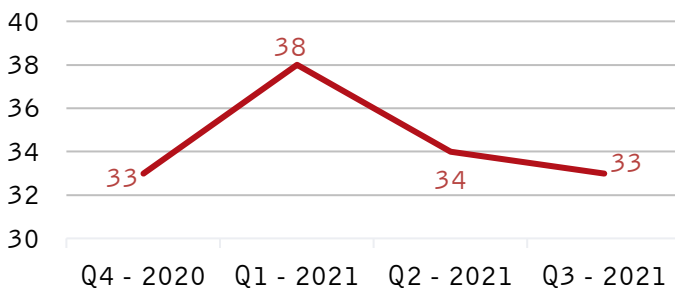
## Behavioral Health Deals Continue at a Strong Pace. Activity Suggests a Surge of Acquisitions in Q4

The third quarter of 2021 delivered thirty-three reported behavioral health acquisitions, continuing a strong pace of deal activity over the past year. Mental Health and Addiction treatment continues to be at the forefront of consolidation. In August, Autism Care Partners (ACP) acquired Puddingstone Place, a Massachusetts-based autism treatment organization that provides ABA, Speech, and Occupational Therapy across three centers. As a result, ACP is now one of the largest providers of Applied Behavior Analysis (ABA) and related therapies in the state. In September, Bradford Health Services announced the acquisition of Cornerstone of Recovery, a Tennessee-based substance use disorder treatment provider operating two inpatient facilities in the Knoxville area. With this acquisition, Bradford now offers support services through twenty-five facilities across Alabama, Arkansas, North Carolina, and Tennessee. We expect to surge of deals announced in the fourth quarter of 2021. Current legislation suggests a capital gains tax hike to 25% (plus a 3.8% Medicare surtax) in the near future, which remains favorable to sellers compared to historical rates.

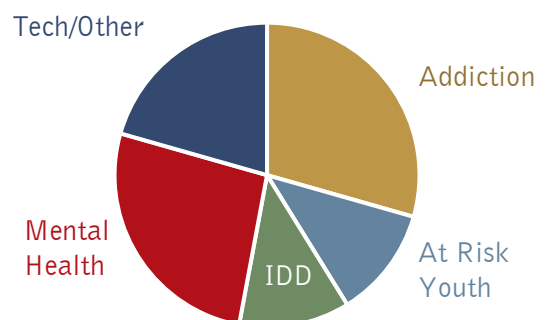
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### 12-Month Quarterly Acquisition Trend



### Transactions by Vertical



### Notable Deals in Q3 2021

Buyer	Practice	State	Locations	Date
BRC Healthcare	Tennessee Recovery Clinic	TN	1	7/13/21
Autism Care Partners	Puddingstone Place	MA	3	8/16/21
Bradford Health Services	Cornerstone of Recovery	TN	2	9/7/21
Monte Nido & Affiliates	Walden Behavioral Care	MA	1	9/9/21

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