

Vertical

Behavioral Health

Focus

Q1 2022 Acquisition Activity and Outlook

Behavioral Health Returns to Prior Deal Levels; Mental Health and Addiction are Top Consolidators

The first quarter of 2022 delivered thirty-five reported behavioral health acquisitions, returning to average deal volume after a spike in activity to end 2021. Mental health and addiction treatment continue to be at the forefront of consolidation. We will highlight a few notable deals from the period.

In January, Behavioral Health Group (BHG), the largest network outpatient opioid treatment and recovery centers in the country, announced the acquisition of Center for Behavioral Health, a provider of outpatient substance use disorder and behavioral health services with twenty treatment centers across eight states. BHG is now comprised of 116 treatment facilities and two labs in twenty-three states. In February, Foresight Mental Health acquired Psychiatric Addictive Curative Therapies (PACT) a mental health practice with 14 clinics in the Atlanta area. Foresight provides in-person and virtual mental health services across 25 states and completed a Series B funding round in 2021 where it raised \$25 million. In March, Mindpath Health announced the acquisition of Psychiatric Centers at San Diego, the city's largest mental health practice including eight locations and 124 providers. Mindpath Health has more than 90 locations across seven states and sees approximately 100,000 patients annually.

We expect M&A activity to increase throughout 2022 as strategic companies pursue add-on deals and PE-backed platforms seek acquisitive growth before future recapitalizations.

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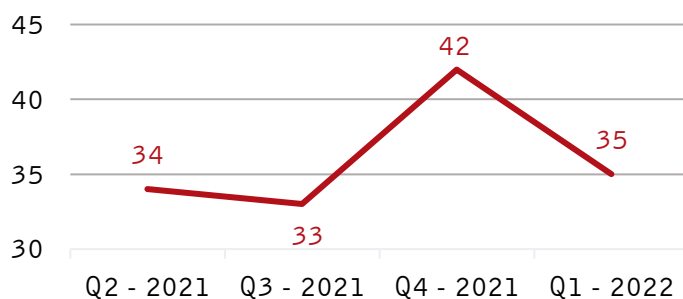
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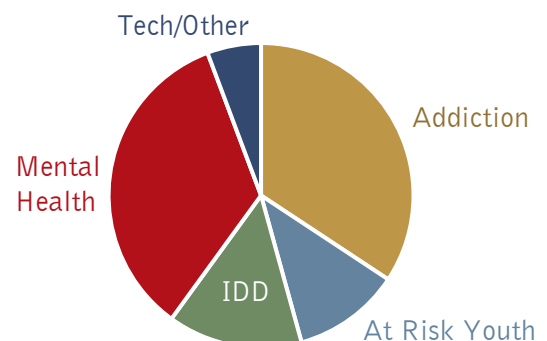
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12-Month Quarterly Acquisition Trend



Transactions by Vertical



Notable Deals in Q1 2022

Buyer	Target	State	Locations	Date
Behavioral Health Group	Center for Behavioral Health	8 States	20	1/13/22
Foresight Mental Health	Psychiatric Addictive Curative Therapies	GA	14	2/7/22
Mindpath Health	Psychiatric Centers at San Diego	CA	8	3/23/22

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