



# Ripe for Exit: Mental & Behavioral Health Providers

Private equity insights on aging assets, sponsor activity, and exit trends from SPS and The Deal

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# Behavioral Health Prognosis Calls for Consolidation

**A selection of long-held portfolio companies in behavioral health and substance use disorder treatment that may soon be ripe for an exit.**

Dealmaking activity is holding up in the mental and behavioral health industry amid continued interest from private equity consolidators.

The segment, which encompasses outpatient mental health services, substance use disorder treatment and autism services among others, has maintained investor interest in recent years, partly thanks to the popularity of telehealth in the wake of the Covid-19 pandemic.

It's also had to accommodate growing demand for substance use disorder treatment amid the opioid epidemic. Transactions involving substance use disorder treatment facilities have historically made up over 40% of the deals in the broader sector, according to a February 2023 report by KPMG LLP.

Among recent platform deals, HCAP Partners LLC in March 2024 merged three behavioral health companies, Behavioral Medicine Associates, Workers Compensation Psychological Network and Reservoir Health, to form Red Bank, N.J.-based platform PAX Health LLC.

In the add-on realm, Concord Health Partners in February, announced transactions by two of its behavioral health portfolio companies. Austin, Texas-based Iris TeleHealth Inc., which Concord has backed since 2022, purchased Erie, Pa.-based telepsychiatry provider innovaTel from behavioral health enablement company Quartet Health Inc. Philadelphia-based NeuroFlow Inc., a portfolio company since September 2023, meanwhile, bought the rest of New York-based Quartet.

Meanwhile, Lee Equity Partners LLC's two-year-old platform Bradford Health Services LLC in September bought Jacksonville, Fla.-based Lakeview Health. Bradford in November 2023, also purchased Southaven, Miss.-based behavioral health services peer Vertava Health from Boston-based private equity firm Summit Partners.

Source: *The Deal by With Intelligence*

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# Sponsor Activity & Portfolio Trends

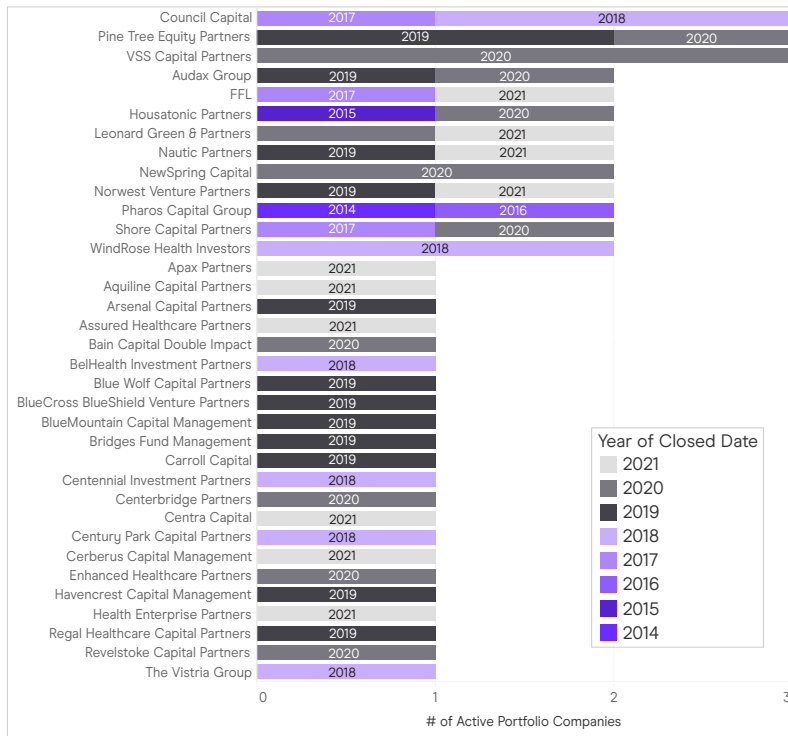
# PE Portfolios: Active Holdings

Active PortCos acquired by private equity buyers in the Mental & Behavioral Health Providers subindustry between 2014 - 2021, all entry EV ranges

Portfolio holdings in this segment date back to 2014 vintages, with assets geographically dispersed across the U.S. and a concentration of long-held assets in the lower-middle market segment. A noticeable uptick in acquisitions after 2020 suggests growing sponsor interest—and a potential wave of exit activity in the coming years.

Figure 1

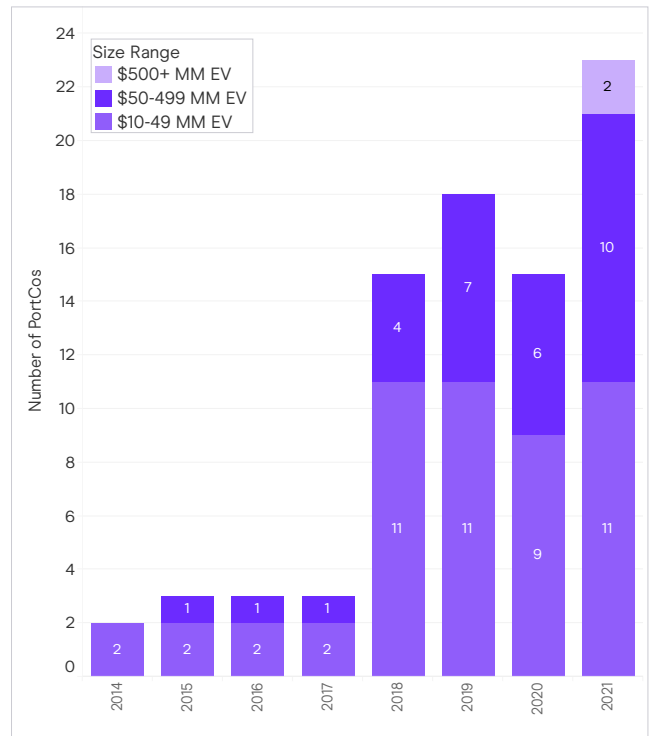
Select Sponsors with Active PortCos by Acquisition Year



Source: SPS by With Intelligence

Figure 2

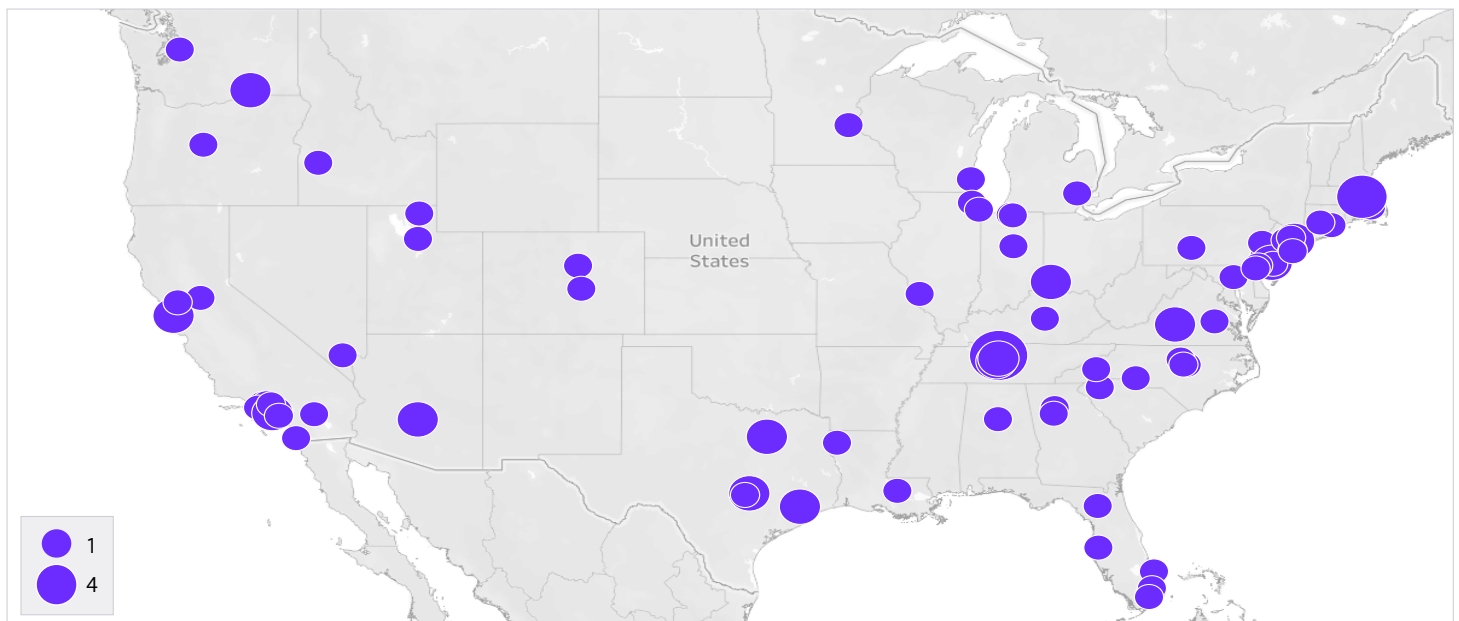
Active PortCos by Acquisition Year & Entry EV



Source: SPS by With Intelligence

Figure 3

Heat Map of Active PortCos by HQ



Source: SPS by With Intelligence

## Select PortCos Ripe for Exit

This sample highlights the diversity of portfolio companies in the mental and behavioral health space—showcasing a range of company types, acquisition vintages, and entry EVs that reflect the breadth of sponsor activity and potential exit candidates.

Platform	PE Investor	Acquisition Date	Entry EV Range (\$mm)	Description
Pyramid Healthcare Inc.	Nautic Partners	05/10/2021	250-499	Operates drug and alcohol rehabilitation and mental health treatment centers in Pennsylvania, New Jersey, Virginia, and Maryland
Broadstep Behavioral Health	Bain Capital Double Impact	05/20/2020	10-49	Provides programs and services to individuals living with intellectual, developmental or behavioral disabilities
RHA Health Services Inc.	Blue Wolf Capital Partners	08/05/2019	250-499	Provides developmental and intellectual disabilities support services
Blended Health	Summit Partners	12/31/2018	10-49	Operates a national behavioral healthcare system for mental health and substance use disorders
360 Behavioral Health	DW Healthcare Partners	08/20/2018	50-249	Provides behavioural services for children and adults with an autism spectrum disorder and other developmental disabilities
Autism Learning Partners	FFL	12/20/2017	250-499	Provides applied behavioral analysis therapy for children and young adults with autism spectrum disorders and developmental disabilities
FasPsych LLC	Pharos Capital Group	08/10/2016	10-49	Provides telepsychiatry services
Meadows Behavioral Healthcare	Kohlberg & Co.	06/08/2015	50-249	Provides behavioral health services for the treatment of substance abuse and other co-occurring disorders

Source: SPS by With Intelligence

## Ripe for Exit: Mental & Behavioral Health Providers

### Spot Exit-Ready Assets Ahead of the Market

Mental and behavioral health services remain a focal point for private equity, with strong investor interest and a significant number of long-held assets suggesting the sector is poised for increased deal activity. From outpatient mental health and substance use treatment to autism services, this space offers a compelling combination of demand resilience and strategic growth potential—making it a ripe area for sponsor-to-sponsor activity and secondary buyouts in the years ahead.

The insights in this report are powered by exclusive intelligence from The Deal's reporting team and proprietary data from SPS PE Harvest, enabling investors to identify sponsor-backed assets, evaluate holding patterns, and get ahead of target market deal flow.

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