

# Q1-2023 Mental Health Services Update

## Market Update

From an M&A perspective, mental health services continues to be one of the most active sub-verticals within healthcare services as evidenced by a very active dealmaking quarter to start the year. While some strategic acquirers have pulled back on their M&A mandates, there are still dozens of platforms and investors that continue to be very active with a thesis predicated on inorganic growth.

While tight lending markets and the rising cost of debt has impacted valuations across the board, platform-caliber businesses with significant scale and growth potential continue to garner very attractive multiples and deal terms. Going forward, Provident expects market conditions to remain strong and continue to improve as debt markets settle down the back half of the year.

## Upcoming Conferences

Conference	Dates
American Psychiatric Association Annual Meeting	May 20-24
National Alliance on Mental Illness National Convention	May 24-27
Psych Congress Elevate	June 1-4
Mental Health America Conference	June 8-10

## Select Transactions:

Month	Acquirer	Target	Deal Description
March			ARC Health, a Thurston Group portfolio company, has acquired Chicago-based Wellington Counseling Group
March			Private equity firm Patriot Capital has announced a growth capital partnership with Turnwell Mental Health Network
February			Irwin Naturals (CSE: IWIN) has successfully completed the acquisition of Serenity Health, a leading ketamine clinic in Kentucky
February			Turnwell Mental Health Network has formed a strategic partnership with Scottsdale Mental Health & Wellness Institute
February			Consonance Capital has recapitalized youth-focused behavioral health provider, Embark Behavioral Health
February			Lifepoint Health has acquired a majority ownership interest in Springstone, a national behavioral health provider
February			Eads Bridge has invested in Connecticut-based Stokes Counseling, which provides a range of therapy services to over 3,500 patients
January			ARC Health has announced the acquisition of Colorado Center for Clinical Excellence, a psychotherapy provider group with two locations in Colorado
January			ARC Health has acquired Lilac Center, an integrated mental health provider located in Kansas and Missouri
January			BayCare has completed the acquisition of Northside Behavioral Health Center, a comprehensive behavioral healthcare services provider
January			Integrative Life has acquired Shadow Mountain Recovery Center, expanding its presence into New Mexico

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