

STRATEGICS LEAD BEHAVIORAL HEALTHCARE SERVICES M&A

BEHAVIORAL HEALTHCARE SERVICES SECTOR UPDATE | JULY 2026



**CAPSTONE
PARTNERS**

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Behavioral Healthcare Services

Strategics Lead Behavioral Healthcare Services M&A

KEY SECTOR TAKEAWAYS

Capstone Partners' Healthcare Group is pleased to share its Behavioral Healthcare Services report. Merger and acquisition (M&A) activity in the sector has paced 2025 levels. In today's environment, acquirors have become highly selective in their investment decisions, focusing on opportunities that fit strategic objectives. While sector drivers have remained intact, the industry has been recalibrating as participants navigate a complicated regulatory environment, contend with the consequences of the proposed Medicaid cuts, and adapt to care models shifting from fragmented, episodic treatment to more integrated and value-based care. Sector activity has been led by privately held operators, commanding the majority of dealmaking that private equity (PE) add-ons once held. The current Economic environment has presented more friendly lending conditions, shedding the uncertainty of recent years.

1. Behavioral healthcare services M&A volume is on pace with 2025 deal activity with 44 transactions announced or completed in year-to-date (YTD) 2026.
2. The behavioral health crisis and disparity in access to care have continued to drive sector consolidation as acquirors pursue strategic opportunities to make care more accessible, affordable, and effective.
3. Payers have been increasingly focused on healthcare cost and utilization, placing greater emphasis on providers to demonstrate long-term outcomes and adopt multidisciplinary integrated care models.
4. While sector fundamentals have remained strong, operators have been navigating a complicated regulatory environment, the impact of Medicaid funding cuts, and shifting care models.

Capstone Partners has developed a full suite of corporate finance solutions to help privately-owned businesses and private equity firms navigate through each stage of a company's lifecycle. These solutions include financial advisory services, merger and acquisition advisory, debt advisory, and equity capital financing.

To learn more about Capstone's wide range of advisory services and Behavioral Healthcare Services sector knowledge, please [contact us](#).

STRATEGICS LEAD SECTOR M&A, EXTEND THE CONTINUUM OF CARE

Investor sentiment has continued to be bullish in the Behavioral Healthcare Services sector. Deal activity has remained on par with 2025 levels, with 44 transactions announced or completed in YTD 2026. M&A approaches have shifted from pure market share grabs to highly focused strategic growth investments as the sector transitions from fragmented, episodic treatment to more integrated and value-based care models (see page 8 for continued analysis). Driven by rising demand and expanding insurance coverages, operators have been actively pursuing targeted acquisitions to expand care models, diversify payer mix, gain access to new geographies, and obtain greater operating efficiencies through digital/artificial intelligence (AI) integration. High-margin intensive outpatient programs (IOPs) and teletherapy service models have been particular areas of M&A focus.

In the first half of this year, two highly strategic sector transactions have underscored the significant and growing disparity in access to high-quality and affordable care. In March 2026, Universal Health Services (NYSE:UHS) announced it had entered into a definitive agreement to acquire Talkspace (Nasdaq:TALK) for an enterprise value of \$835 million, equivalent to 3.0x EV/Revenue and 26.1x EV/EBITDA (forward looking). UHS President and CEO Marc D. Miller stated that the acquisition strategy is predicated on building the sector's first national end-to-end behavioral healthcare model by merging UHS' traditional facility-based programs with Talkspace's virtual programs, specifically noting the following pain points and industry dynamics:

Building a full continuum of care: The transaction builds a full continuum of care rather than focusing purely on market share gains, aligning UHS' inpatient facility-based services with Talkspace's virtual care and digital outpatient infrastructure. The combination creates a fully integrated end-to-end continuum from inpatient to intensive outpatient, partial hospitalization, outpatient therapy, and virtual assessments.

Addressing gaps in care and clinician shortages: The nationwide shortage of qualified professionals has continued to present a massive bottleneck for the sector, hindering access to affordable and quality care. The acquisition of Talkspace adds over 6,000 licensed professionals to UHS' clinical network and will address the lapse in care frequently experienced by individuals transitioning from inpatient to outpatient settings, according to a deal press release.¹ Additionally, Talkspace's virtual intake portal will be able to refer higher-acuity individuals upstream into UHS's inpatient settings.

Broadening demographics and payer coverage: Historically, UHS has relied heavily upon Medicare and Medicaid programs—the company's latest annual report highlights this fact and the risks associated with potential changes to these funding sources. The acquisition will broaden UHS's largely high-acuity patient demographic by adding more than 200 million covered lives across numerous insurance plans, employee assistance programs, and employer, school, and government benefits, according to the press release.



Mark Surowiak
Director

"Underpinned by heightened supply-demand imbalances, industry players are pursuing highly strategic and complimentary acquisitions to make care more affordable, accessible, and effective for those in need."

FUNDAMENTAL SECTOR TAILWINDS SUPPORT M&A GROWTH PROSPECTS

Spring Health announced the successful closing of Alma in one of the largest mental health transactions in years (May 2026, undisclosed). The transaction merges Spring Health’s global, AI-native mental health platform with Alma’s membership-based platform that assists independent clinicians with accepting insurance. The combination creates an industry-first, integrated provider, offering continuity across changes in employment, transitions in health plans, and other developments and stages in the lives of individuals. Characterized as a chronic and systemic problem by Spring Health’s management, the transaction was pursued to fill gaps in the continuity of care and enable patients to maintain access to established providers despite employment changes, aging off an existing health plan, or shifts in coverage. The combination provides support to more than 170 million lives globally across employers and health plans, according to a deal press release.² Spring Health intends to expand access to care for individuals (particularly high-acuity patients), reduce administrative time and costs, and improve care navigation.

Despite strong sector fundamentals and favorable tailwinds driving organic growth and spurring M&A activity, providers have faced challenges as they navigate an increasingly complicated regulatory environment. The expiration of enhanced premium tax credits from the Affordable Care Act (ACA) has spiked premiums and patient deductibles. Further legislative obstacles have been presented with the passage of the One Big Beautiful Bill Act (OBBBA) in July 2025. Medicaid funding is forecast to decline by 15% (~\$1 trillion) over the next decade due to the bill, according to an article from the American Psychological Association.³ As Medicaid is the single largest payer for mental health and addiction treatment services nationally, the Congressional Budget Office (CBO) estimates these cuts will result in 11.8 million individuals directly losing coverage, with an additional roughly 3.1 million losing coverage through other means. Nearly one-third of the Medicaid expansion population across 40 states has a diagnosable mental health disorder or substance use disorder, making residential treatment centers and SUD providers particularly exposed, according to an article from KFF.⁴

In June 2026, The Centers for Medicare & Medicaid Services (CMS) released long-awaited guidance for behavioral health and addiction treatment providers, clarifying Medicaid work requirements and eligibility criteria for Medicaid enrollees. The final rule exempts individuals that are actively in drug or alcohol treatment, rehabilitation, or recovery from the 80-hour-per-month employment, education, or community service requirement, according to CMS.⁵ However, broad-scale uncertainties remain regarding the impact that state-specific interpretations, exemption documentation requirements, and patient verification will have on access to care—or potential loss of coverage. While the Medicaid work requirement has currently taken effect, states and providers have until the beginning of January 2027 to be in full compliance.

Growing Need for Behavioral Healthcare Services

40.7 million
adults lacking substance use disorder treatment

21.2 million
adults suffering from any mental illness

\$165.4 billion
total addressable market by 2034

41.2%
of diagnosed individuals went untreated

150 million
Americans reside in a mental health professional shortage area

394,000 provider
gap in behavioral healthcare workforce by 2038

14/100,000
national ratio of pediatric psychiatrists to children

41.9%
increase in major depressive disorder diagnoses from 2019 to 2023

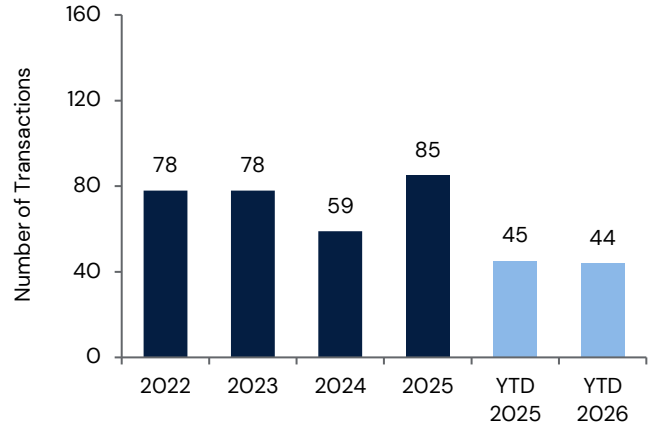
Behavioral healthcare workforce includes addiction/mental health/school counselors, psychologists, psychiatrists, and marriage and family therapists. Source: FAIR Health, American Academy of Child & Adolescent Psychiatry, Health Resources and Services Administration, Becker’s Healthcare, Substance Abuse and Mental Health Services Administration, and Capstone Partners

MARKET FRAGMENTATION OFFERS CONSOLIDATION OPPORTUNITIES

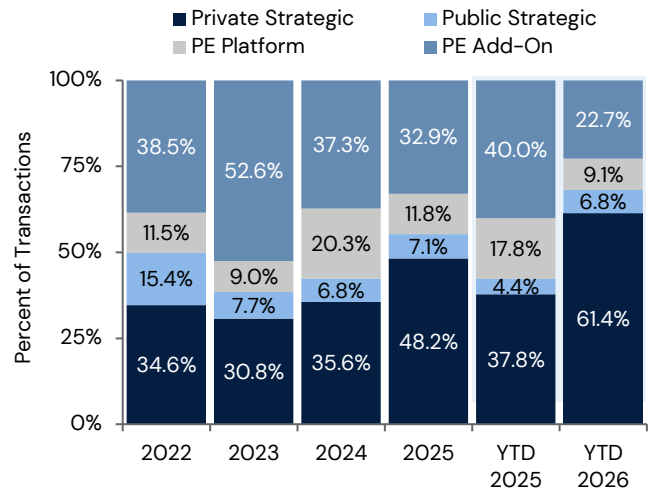
Behavioral healthcare services M&A to date has paced 2025's rebound after a sharp 24.4% dip in 2024. M&A activity in YTD 2026 has reached 44 deals. Dealmaking momentum has stabilized to date following a strong 2025, which saw transaction volume increase by 44.1% to 85 deals. The highly-selective, strong thesis-backed M&A strategies that sector participants have grown to favor have likely contributed to this leveling of transaction activity. Favorable buyer sentiment has continued to be heightened by the growing need for care, lack of access to affordable and high-quality care, high sector fragmentation, diversification of service offerings and payor mix, and integrated care models.

Public companies have largely favored organic growth and partnerships, representing just 6.8% of M&A volume to date. Private strategics have expanded their position to 61.4% of dealmaking in YTD 2026—compared to just 37.8% in the prior year period. Independent care provider fragmentation has continued to support roll-up strategies in the sector. PE add-ons have validated the use of M&A as an avenue to expand care offerings. Private companies have responded in kind with increased bolt-on transactions—capturing significant M&A market share from sponsors in full-year 2025 and YTD 2026. PE add-ons have fallen 17.3% YOY amid this heightened buyer competition, while platform establishment to date has remained below YTD 2025 levels. Clarity around the surety of public funding sources will likely entice financial buyers to become more active, driving sector activity.

Behavioral Healthcare Services M&A Remains Strong



Strategics Take Hold of Sector M&A



Year to date (YTD) ended June 21
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners



CAPSTONE ADVISES JUSTICEWORKS YOUTHCARE ON SALE TO 3LS

In March 2026, [Capstone Partners](#) advised [JusticeWorks YouthCare](#)—a leading provider of social and behavioral health services for at-risk youth and their families—on its acquisition by Omni Family of Services, part of the 3LS Inc. family of employee-owned companies. The transaction closed in February 2026 (deal terms were not disclosed).

Founded in 1999, [JusticeWorks](#) provides community-based social and behavioral health services. The company offers a diverse array of research-based programs, including placement prevention, reunification, crisis intervention, truancy, therapy, support, and supervision.

Headquartered in Nashville, Tennessee, and founded in 1991, [Omni Family of Services](#) is a national human services agency providing child welfare, behavioral health and community-based services to children, adults, and families. With a commitment to delivering the highest quality care, Omni combines innovative tools, evidence-based practices and a full continuum of trauma-responsive solutions to support and empower clients on their journey to healing.

Capstone’s Healthcare Team Delivers Dedicated Support to JusticeWorks



“
I was extremely pleased with the Capstone team. Throughout the odyssey of the transaction process, they showed the utmost level of professionalism and dedication to me and my team. It was in the diligence process that Capstone really shined, and I fully understood the depth of their capabilities and expertise – it was impressive.”

Dan Heit
Founder, JusticeWorks



Mark Surowiak,
Director

“The acquisition of JusticeWorks further establishes Omni Family of Services as a premier provider of behavioral and mental health services for at-risk youth. With a highly tenured and experienced staff combined with evidence-based/informed models and a track record of proven outcomes, the acquisition will serve to expand Omni’s comprehensive continuum of child-welfare and community-based behavioral health services throughout Pennsylvania, Colorado, Delaware, Nevada, and Florida.”

NOTABLE BEHAVIORAL HEALTHCARE SERVICES M&A TRANSACTIONS



Abacus Investments-backed Recover Now acquired Widespread Wellness Group in April 2026 for an undisclosed sum. The transaction adds five facilities and 142 beds in the Southeast U.S. to Recover Now, nearly doubling the company's existing bed count to 293, according to a deal press release.⁶ Continuum of care coverage served as key rationale behind the transaction. The acquisition expands Recover Now's service lines across medical detox, residential treatment, partial hospitalization, intensive outpatient programs, outpatient therapy, and sober living environments.



MKH Capital Partners acquired Haven Health Management (April 2026, undisclosed). The transaction consists of 22 SUD treatment facilities and three brands, according to a deal press release.⁷ Haven Health brings resources for inorganic growth opportunities—MKH plans to use the platform as the basis for a buy-and-build strategy. The company deepens MKH's investments in behavioral health beyond applied behavioral analysis (ABA) and into SUD. Haven had previously acquired rehab provider Recovering Champions in August 2023 (undisclosed).



In March 2026, UHS announced its intent to acquire Talkspace in a take-private deal with an enterprise value of \$835 million (3.0x EV/Revenue, 26.1x EV/EBITDA). The company's proprietary software—both on the patient and provider side—fueled the premium valuation. Talkspace boasts ~6,000 licensed providers across the U.S., according to a deal press release.¹ UHS plans to establish a mixed approach service offering, integrating UHS' physical inpatient and outpatient facilities with Talkspace's technology to better manage the needs of care progression.



Bradford Health Services acquired Parkdale Center, a provider of SUD and co-occurring disorder treatment to professionals, in February 2026 (undisclosed). The transaction expands Bradford's geographic footprint in the Midwest while adding specialized professional treatment programs addressing the unique needs of professionals whose licensure depends on successful recovery. The company treats patients including healthcare providers, attorneys, executives, aviation professionals, first responders and other licensed professionals.



Mayfair Group, a private investment and operating firm, acquired Praesum Healthcare Services out of Chapter 11 bankruptcy in February 2026 for an enterprise value of \$18.5 million (adjusted by the court from an initial \$20 million offer). Praesum operated 30 detox and behavioral health facilities across the Eastern U.S, according to Praesum's website.⁸ Praesum had expanded its service lines into detox, intensive outpatient, structured living, and residential treatment, but faced mounting debt obligations and regulatory scrutiny. Mayfair plans to keep existing Praesum management in place as it provides long-term capital and stability.



ncgCARE—a network of behavioral healthcare providers—acquired Coastal Southeastern United Care (CSEUC) in January 2026 (undisclosed). CSEUC's intensive in-home, community support team (CST), assertive community treatment (ACT), and outpatient mental health services complement ncgCARE's offerings. The transaction bolsters ncgCARE's presence across Eastern and Southeastern North Carolina, establishing statewide coverage for the network. ncgCARE acquired the company from Bain Capital-backed Broadstep Behavioral Health, who purchased CSEUC in September 2021 (undisclosed).



Q&A WITH AVESI PARTNERS



Pete Tedesco, Managing Director at Avesi Partners

Capstone spoke with Pete Tedesco, Managing Director at [Avesi Partners](#), to discuss what the firm looks for when investing in the Behavioral Healthcare Services sector and the company's recent transactions in the space. Pete currently serves on the Board of Directors for Avesi portfolio companies First Steps Recovery and Therapy 2000. Pete joined Avesi in 2023 after 16 years of PE experience, primarily focused on investments in rapidly growing healthcare businesses. Prior to joining Avesi, Pete was a Managing Partner at lower middle market PE firm, Health Enterprise Partners. Pete previously worked at Olympus Partners and Waud Capital Partners, after beginning his career at UBS.



Headquartered in Stamford, Connecticut, Avesi Partners is an active investor in the Healthcare Services, Healthcare Technology, and Business Services industries. Avesi focuses on partnering with privately-held and founder-owned businesses in distinct sectors, drawing upon the expertise of its collective experience and network to unlock an enterprise's full potential. The firm primarily targets the lower middle market, investing in platforms with \$5-\$30 million of EBITDA, seeking to maintain excellence of care while accelerating growth and optimizing financial performance. Avesi closed its oversubscribed second fund in July 2024 on \$1.35 billion of capital. Avesi most recently invested in Therapy 2000—a pediatric rehabilitation care provider specializing in autism spectrum disorder—in November 2025.

Would you provide an overview of Avesi's interests in the Behavioral Health sector and what dynamics makes this an attractive area for investment? Avesi is a middle market PE firm investing in healthcare services, healthcare information technology (IT), and business services. About 80% of what we do is in healthcare, so we're really a healthcare-driven firm. While Avesi is not yet five years old and we are just on our second fund, we have deep experience in behavioral health from both prior investments and our current portfolio.

Our interest and thesis in the Behavioral Health industry are centered on the severe supply-demand imbalance for quality behavioral healthcare services in this country. The CDC states that ~50% of Americans will experience some kind of behavioral health condition in their lifetime, but Substance Abuse and Mental Health Services Administration (SAMHSA) data shows that ~50% of those with behavioral health conditions will receive treatment in a given year. Some of that is still due to the perceived stigma of receiving care for behavioral health issues, but a lot of it is also due to the lack of availability of high-quality behavioral health services that are reimbursed by commercial insurance. Patients may seek treatment but simply not be able to

afford high cash pay or out of network costs that are inherent in many of the legacy business models in the industry. Our focus at Avesi is on investing in areas where there is a pressing need for high quality, in network treatment services. We believe we can address this supply-demand imbalance and the inherent labor shortage in the industry by further investing in recruiting and retention for providers.

Avesi has become highly acquisitive in the SUD and Behavioral Health space in the last few years with investments in Muir Wood, First Steps Recovery, and most recently Georgia Recovery Campus (GRC). What in particular made these companies attractive opportunities? Each of these investments is consistent with the thesis and approach of supporting greater access to high quality clinical care reimbursed by commercial insurance. However, each also has its own unique attributes that made it attractive as an investment for Avesi.

Our investment in Muir Wood was the result of a dedicated focus on adolescent mental health. We recognized that the availability of high quality, in network treatment options for adolescents was drastically less than that for adults. We sought to partner with a group that had the highest clinical

Q&A WITH AVESI PARTNERS (CONTINUED)

quality programming while still providing access through commercially reimbursed services. As part of that search we reached out to Muir Wood, who we believe operated some of the most effective and respected treatment programs for adolescent care in the country, and were fortunate to partner with the company and its team.

With First Steps Recovery, our thesis centered on building a continuum of care for adult SUD treatment. We have seen several successful companies in the industry with point solutions—maybe all outpatient treatment, or all detoxification treatment. However, at each care transition (i.e., detox stepping down to residential treatment or residential treatment stepping down to outpatient) there is a significant chance that a patient will not make the transition and fall out of treatment entirely. These friction points can result in serious gaps in care and often a higher level of recidivism, as well as cost to the healthcare system broadly. We were looking for programs that shared a view toward providing that entire continuum of care under one umbrella, which would enable us to better manage the referrals and handoffs between different treatment acuties. The First Steps Recovery team shared this vision and had already built most of the pieces of the continuum themselves, so the partnership was a natural one. The team there has now added several new locations and services since we invested.

Our investment in GRC was really an extension of our thesis with First Steps, as it has become part of that platform. We were looking to replicate the continuum of strong clinical care reimbursed by in network insurance in other geographies, and found that GRC and its team also shared this vision. We jumped on the opportunity to partner with a proven operator in another attractive geographic market to help expand access to services throughout Georgia and beyond.

Where do you see the strongest areas for growth and what role will acquisitions play as part of the overall strategy? We are obsessively growth oriented at Avesi and have focused on generating our returns through harnessing multiple avenues of organic growth. In behavioral health this typically means additional locations, new service lines, new modalities of care, better

provider recruiting and retention, and the addition of new payer contracts, amongst other growth levers. The intense demand for the services our partner companies provide means our conversations are generally about how to best prioritize different growth opportunities to serve more patients while making the companies great places to work for providers and staff.

M&A may comprise a piece of the growth strategy, like GRC represented for First Steps Recovery, but it is just one piece. Moreover, when we make an acquisition, we are typically seeking to gain a new capability like entry into a new geography or service lines. We don't look to acquire businesses that only provide us with more scale, as we believe that is value better unlocked through organic growth.

As operators are increasingly adopting artificial intelligence (AI) throughout their operations (intake, patient care models, administrative processes, etc.) how do you view the role of AI and where are you seeing the greatest opportunities? As of today, we perceive AI as primarily an opportunity for administrative and back-office functions in behavioral health. Authorization and coding are the predominant methods through which our partner companies currently aim to leverage AI. While it may eventually occur, we have not yet observed anything effective in these markets that impacts patients or clinical care. We suspect we are far from AI tools having proven clinical efficacy and even further from payers approving or reimbursing its use.

What is your strategy regarding virtual care and where do you see that fitting into the Muir Wood and First Steps approaches to care? We believe that virtual care is an effective solution that facilitates access to healthcare services in regions experiencing a supply-demand imbalance. However, we also believe that virtual care is most appropriate for addressing lower-acuity behavioral health needs, such as outpatient mental health therapy. We do not consider virtual care suitable for the unique and more acute patient populations we serve at Muir Wood and First Steps/GRC and therefore have not yet integrated virtual care into either of these platforms.

Q&A WITH AVESI PARTNERS (CONTINUED)

What impact do you anticipate the One Big Beautiful Bill Act (OBBBA) will have on Medicaid funding for SUD services and how is this affecting Avesi’s perspective on investment opportunities? The OBBBA is expected to have significant impacts on SUD access and funding. Medicaid is the largest payer of SUD services in the U.S., so the loss of Medicaid coverage through work requirements and other eligibility cuts would be very challenging for this population—an analysis by the Center for American Progress estimates that more than 1.6 million Medicaid enrollees receiving substance use disorder treatment could lose coverage. That’s all before we even get to cuts to funding and rates. States will have significant pressure on their Medicaid budgets, particularly those that previously expanded Medicaid. While each state will deal with this a bit differently, the levers are generally

benefit cuts, eligibility cuts, and rate cuts—all of which will be felt by the SUD industry.

The OBBBA honestly hasn’t meaningfully changed Avesi’s perspective on investment opportunities in the industry. Our strategy in the Adult SUD Treatment space, as it has been with the Adolescent Mental Health industry, has been to prioritize commercial payers. This is solely due to the fact that Medicaid has long been an unstable funding source for behavioral health services. Avesi and our management teams invest significant capital and time to build treatment programs with extremely high clinical quality. Given the instability of coverage and rates in Medicaid, we have found it to be too challenging to make the required investments to develop quality programs when relying on Medicaid funding.

Capstone Advises Nyman Associates on its Sale to Avesi Portfolio Company Point Quest



Capstone Partners advised [Nyman Associates](#)—a leading regional provider of school and home-based behavioral health, mental health, and therapeutic services to children with special needs, Autism Spectrum Disorder (ASD), and developmental/behavior issues—on its sale to Point Quest, a portfolio company of Avesi Partners. Deal terms are confidential.

In August 2022, Point Quest received a growth investment from Avesi Partners (undisclosed). Since receiving growth capital from Avesi Partners, Point Quest has completed ten acquisitions and has expanded its presence from its home state in California to 22 states across the U.S.





SELECT BEHAVIORAL HEALTHCARE SERVICES M&A TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)
06/16/26	Mavida Health	Wisconsin Physicians Service Insurance	Offers preconception and postpartum mental health services.	-
06/02/26	Discovery Behavioral Health	HPS Investment Partners	Provides mental health, SUD, and eating disorder treatment services.	-
05/27/26	Nora Mental Health	Curio Digital Therapeutics	Operates a franchise of community-based mental health clinics.	-
05/26/26	Grant Gardens	Acute Behavioral Health	Provides residential psychiatric treatment and community reintegration services for adolescents	-
05/20/26	Circle of Care	Therapy 2000	Offers pediatric, occupational, and speech therapy to children.	-
05/19/26	Menda Health	Wider Circle	Provides virtual non-opioid pain care.	-
05/11/26	Little Leaves Behavioral Services	Gryphon Investors	Offers school-based ABA therapy.	-
05/04/26	Midwest Counseling Services	Williams Medical Group	Provides mental health support services	-
05/04/26	Kidspace	Inperium	Offers mental and behavioral health services to children and adolescents.	-
04/20/26	South Community	Primary Health Solutions	Provides behavioral health services to children, adults, and families.	-
04/10/26	Haven Health Management	MKH Capital Partners	Offers SUD and mental health treatment, including Spravato ketamine therapy and transcranial magnetic stimulation (TMS).	-
03/31/26	Insight Physicians	New Harbor Capital	Provides outpatient behavioral health services to all ages.	-
03/18/26	Widespread Wellness Group	Recovery Now	Offers addiction treatment and mental health services.	-
03/09/25	Talkspace (Nasdaq:TALK)	Universal Health Services (NYSE:UHS)	Provides telehealth therapy services.	\$833.2
02/26/26	JusticeWorks YouthCare	Omni Family of Services	Offers child welfare support services.	CF
02/23/26	Parkdale Center	Bradford Health Services	Provides substance use treatment.	-
02/23/26	North Shore Relationship Center	Victory Recovery Partners	Offers behavioral health services and substance use counseling to all ages.	-
02/20/26	Praesum Healthcare Services	Mayfair Group	Provides behavioral healthcare and addiction services.	\$18.5
02/19/26	Behavior Change Institute	Center for Social Dynamics	Offers ABA treatment, autism diagnosis, and virtual caregiver services.	-

Blue shade indicates Capstone advised transaction; CF = confidential
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



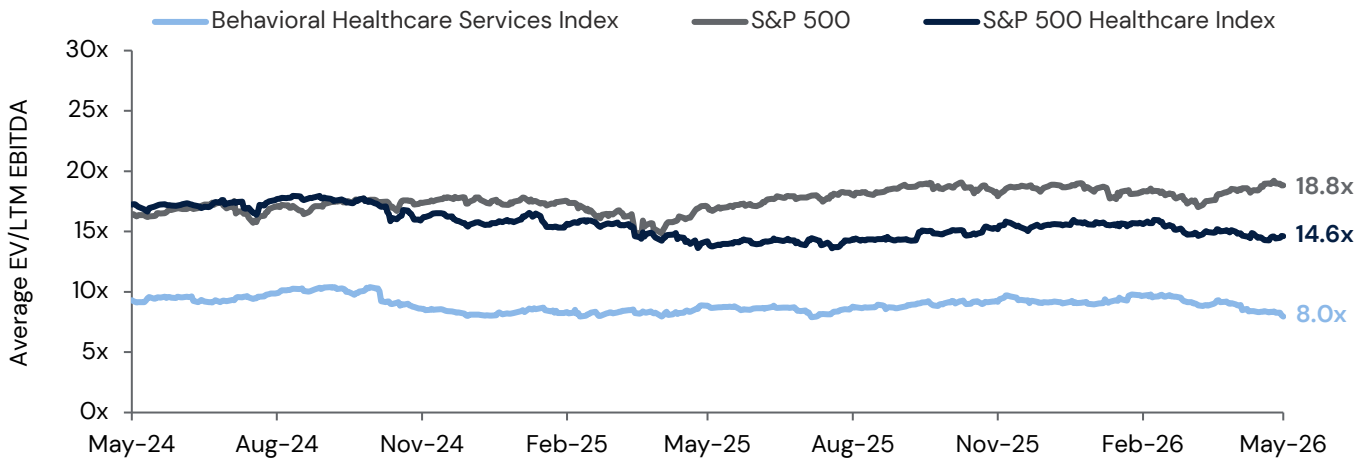
PUBLIC COMPANIES DELIVER STRONG RETURNS, STABLE VALUATIONS

Company	Price 05/20/26	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV/LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Acadia Healthcare Company, Inc.	\$24.07	79.7%	\$2,213.6	\$4,957.8	\$3,371.1	\$636.0	18.9%	1.5x	7.8x
HCA Healthcare, Inc.	\$396.67	71.3%	\$87,997.2	\$140,103.2	\$76,388.0	\$16,660.3	21.8%	1.8x	8.4x
Universal Health Services, Inc.	\$164.32	66.7%	\$9,947.3	\$15,093.7	\$17,760.3	\$2,818.5	15.9%	0.8x	5.4x
Mean							18.8%	1.5x	7.6x
Median							18.9%	1.4x	7.7x
Harmonic Mean							18.5%	1.3x	7.3x

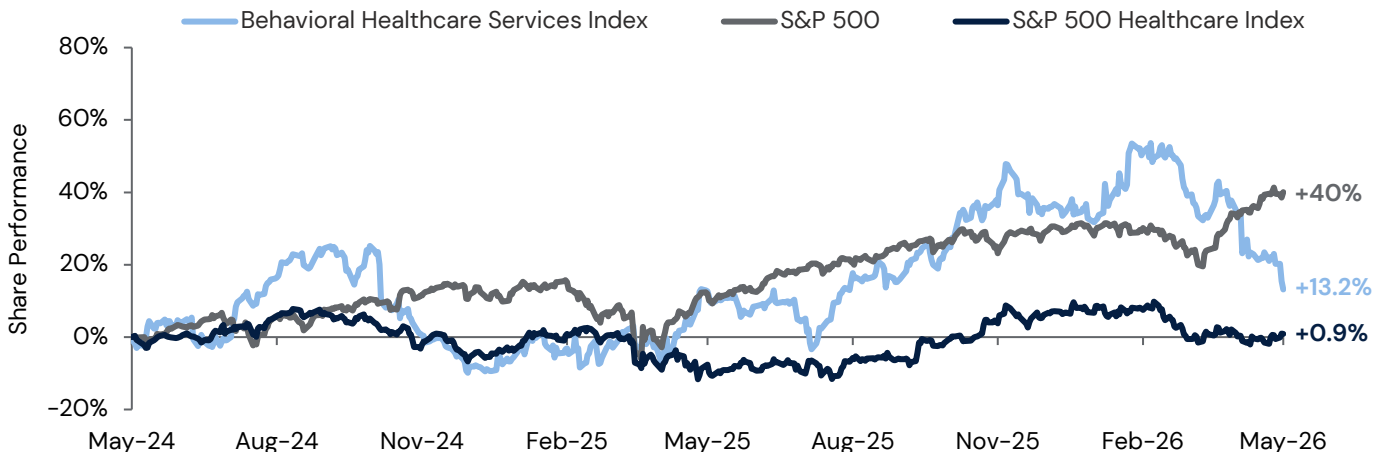
EV = enterprise value; LTM = last twelve month
\$ in millions, except per share data

Source: Capital IQ and Capstone Partners as of May 20, 2026

Capstone's Behavioral Healthcare Services Index Maintains Valuation Stability



Capstone's Behavioral Healthcare Services Index Retreats from Q1 Highs, Maintains Premium Over Healthcare Equities Market



Behavioral Healthcare Services Index includes: ACHC, HCA, UHS
Source: Capital IQ and Capstone Partners as of May 20, 2026

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Mark is a Director in the Philadelphia office with over 15 years of experience in mergers & acquisitions, private placements and financial advisory services. While Mark's primary focus includes clients in the health and medical industry, his experience spans a broad range of industries, including government and defense contracting, manufacturing and outsourced business services sectors. Prior to investment banking, he enjoyed a career in the social services field.

Previously, Mark served over 10 years as a senior investment banking professional in Morgan Stanley Smith Barney's Capital Strategies Group. Over his career, Mark has focused on developing deep credentials and expertise in the sale and recapitalization of privately held businesses.

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Based out of Philadelphia, Eric serves as a Managing Director at Capstone Partners and leads the Health and Medical practice. Eric has successfully completed more than 100 transactions in sectors including contract manufacturing, pharmaceutical outsourcing, medical devices, and life sciences, and health care services. Prior to Capstone, Eric was responsible for managing the Eastern region for Morgan Stanley Smith Barney's Capital Strategies Group and its predecessor, Citi Capital Strategies. Eric has 20 years of experience managing strategic sale assignments and leveraged recapitalizations for owners of privately held companies.

He has also executed complex cross-border transactions with foreign buyers based in London, Germany, Sweden and Switzerland and has structured deals with leading private equity groups and strategic corporate buyers. Previously, Eric worked as a senior executive with Newport Securities Corporation. He graduated cum laude from the University of California.

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FIRM TRACK RECORD

Capstone maintains an active presence in the Healthcare industry with in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process. Our frequent conversations with industry participants provide us with increased transparency into market trends and buyer preferences.

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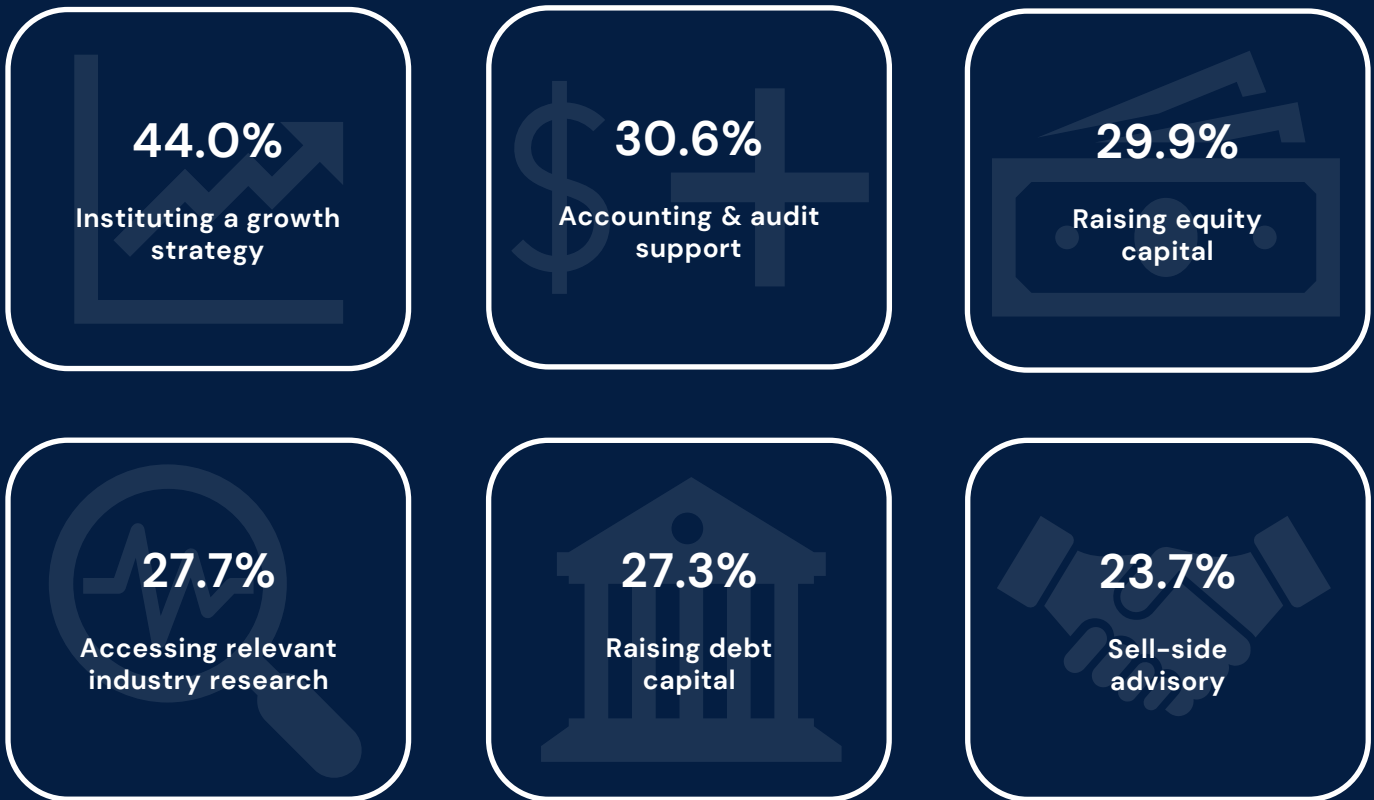
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CAPSTONE'S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The stage and initiatives of a business often dictate which financial services are in demand. As the bulk of CEOs polled in Capstone's 2025 Middle Market Business Owners Survey indicated growth strategies are a priority for 2026, the lion's share (44.0%) of owners anticipate a need for growth strategy support services. Similarly, nearly one-third of CEOs require equity capital advisory services to support operational initiatives and business expansion. Notably, 27.7% of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space. In addition, 23.7% of business owners have sought sell-side advisory support as they plan for retirement or position themselves for a liquidity event.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed specialty advisory practices to provide financial performance, buy-side, and equity and debt services. All of these capabilities are supported by 12 industry banking groups, an active sponsor coverage group, and a dedicated Market Intelligence Team.

Top Financial Services Required by Business Owners in 2026



Question: Have you ever had, or do you anticipate having, a need for any of the following services?
Source: Capstone Partners' Middle Market Business Owner Survey, Rebased Sample Size (N): 300



ENDNOTES

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~550+ professionals
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