



LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

Q3 2024

QUARTERLY UPDATE

Behavioral Market Update

THIRD QUARTER UPDATE: BEHAVIORAL HEALTHCARE MARKET

The behavioral healthcare sector has experienced steady mergers & acquisitions (M&A) activities over the past three months, with the year-to-date deal count nearing 180. This surge is driven by the growing importance of mental health and addiction treatment services. Despite a cautious investment environment, the recent 50 basis point cut by the Federal Reserve, along with anticipated further interest rate reductions and getting past the upcoming Presidential election in early November, is expected to boost activity toward the end of 2024 and in 2025.

New technologies and innovations are being developed and brought to market by incubators, accelerators and medical research universities with several receiving seed and growth rounds this quarter. Public companies in the sector have shown significant gains in the past three months, with BrightSpring Health Services up 30% and Lifestance Health up 42%, driven by improving performance and positive outlook.

BHB INVEST Conference Highlights

The 2024 BHB INVEST conference in Dallas, TX convened over 400 behavioral health owners, operators, executives, entrepreneurs, investors, and industry professionals. Lawrence, Evans & Co., LLC participated as an Investment Banking sponsor. The prevailing sentiment among attendees reflected growing optimism, marking a shift in the industry's outlook.

Following two years of subdued deal and investment activity, the sector is now experiencing a rebound, with transaction volumes poised to rise as we approach the end of 2024. Both buyers and sellers in the mental health and Applied Behavior Analysis (ABA) markets have become notably more engaged, signaling increased interest in strategic consolidation. Discussions covered a range of topics, including innovative payment models, integrated care systems, and the expanding influence of AI—spanning applications from administrative processes to clinical outcomes. However, these developments were met with a degree of skepticism, particularly regarding the practical implementation of these technologies.

The industry's ongoing emphasis on patient outcomes remains a central theme, though operational challenges—most notably labor shortages and the lack of cohesive, accessible data for benchmarking—persist. While inflationary pressures are easing, reimbursement rates have yet to adjust to the widening gap that has emerged over recent years, further complicating financial planning for many operators.

Real Estate Trends in Behavioral Health

In the context of behavioral health, the anticipated and ongoing reductions in interest rates by the Federal Reserve are likely to enhance firms' ability to better leverage their real estate portfolios. Favorable financing conditions will create opportunities for organizations to refinance existing debt or pursue new acquisitions, thereby unlocking additional capital. This shift is expected to drive increased transaction volumes within the behavioral health real estate market, as firms seek to optimize their physical assets and expand their facilities in response to rising demand for services.

Regulatory Environment and Market Dynamics

On the regulatory front, private equity approvals have encountered potential slowdowns, particularly following the California Governor's recent veto of a significant bill aimed at regulating such transactions. This development may ease some of the regulatory friction, reducing the so-called "transaction tax" on mergers and acquisitions. Such a shift could spur the redeployment of more than \$3 trillion in dry powder, potentially revitalizing deal-making activity as investors re-enter the market.

BEHAVIORAL HEALTH SEGMENT HIGHLIGHTS

Mental Healthcare

The mental Healthcare has seen significant deal flow in this quarter, with venture and angel investors focusing on implementing AI to benefit the masses. Companies are discovering innovative ways to address mental health issues through advancements in medication, analysis, or treatment approaches. The private equity and strategic buyers on the other hand are focusing on established players in the industry like clinical or laboratory services. Prominent deals include:

 **Elomia Health** offers an AI-powered virtual mental health companion for self-care and emotional support. Its platform provides users with a virtual therapist that listens, advises, and supports mental well-being. The company joined Google for Startups in September 2024 after participating in the Grow AI accelerator, where it also received grant funding.

 **LEGION HEALTH** offers AI-enabled psychiatric care, which is covered by insurance, connecting patients with vetted providers quickly and efficiently. By reducing administrative burdens for clinicians, it helps organizations scale their psychiatric and therapeutic services. The Austin-based B2B mental health marketplace raised \$2M in seed funding, including \$125K from Y Combinator.

 **Austin Psychiatric Consultants** is a psychiatric consultancy services provider and specializes in improving coping skills and promoting positive behavioral changes. It offers psychiatric treatments for depressive, anxiety, bipolar, and psychotic disorders. In August 2024, it was acquired by Prime Psychiatry via Albaron Partners.

 **The Nexus Group** is a psychiatric clinic that offers comprehensive outpatient services, including FDA-approved drug-free transcranial magnetic stimulation for treatment-resistant depression, OCD, and other mental health conditions. It was acquired by Beacon Behavioral Hospital, backed by Resolute Capital Partners and LatticeWork Capital, on August 13, 2024, expanding Beacon's geographic reach.

Addiction Treatment

In the last quarter, the addiction treatment market has experienced significant activity, particularly in innovations related to drugs for addiction treatment and evidence-based outpatient care for substance abuse. Private equity and strategic investors have shown strong interest in clinics, offering multidisciplinary treatments that integrate medical, psychiatric, psychosocial, and clinical approaches to support patient recovery. Prominent deals include:



Psilera is a developer of psychedelics-based drugs that are focused on neurological therapeutics. It received a \$200,000 grant from the University of South Florida on September 5, 2024. The funding will support research on neurodegenerative diseases, using their proprietary neuromodulator pipeline to create next-generation therapies for mental health and substance use disorders.



Forge Health is a provider of evidence-based outpatient care for substance use, mental health, and trauma, offering virtual and in-person services. With a chronic care management approach, the company enables intensive visits for deeper relationships and long-term health. It raised \$26.6M in Series B funding in August 2024, valuing it at \$72.4M.



Lakeview Health is a Jacksonville-based drug and alcohol rehabilitation center that provides personalized, multidisciplinary care, integrating medical, psychiatric, psychosocial, and clinical treatments to support patient recovery. It was acquired by Bradford Health Services on September 23, 2024, with backing from Constitution Capital Partners and Lee Equity Partners. The acquisition is expected to expand Bradford's patient-centered treatment offerings.



Live Again Detox is a medically monitored detoxification services provider for individuals struggling with substance abuse. The company offers personalized care for alcohol, opioids, prescription pills, and stimulants addiction. On August 2, 2024, it was acquired by Tulip Hill Recovery. The acquisition is expected to strengthen Tulip Hill's commitment to providing addiction treatment in Tennessee communities.

Autism and Intellectual/Developmental Disabilities

The deal market for autism and intellectual/developmental disabilities in the last quarter showed steady growth owing to increased interest from private equity and venture capital firms. Investments focused on innovative tech-driven solutions, therapeutic services, and specialized education platforms. Moreover, M&A activities increased as companies sought to expand their services to meet rising demand. Overall, the sector is gaining attention due to the increasing need for improved care and inclusive support solutions. Prominent deals include:



Arise Child and Family Service is an operator of independent living centers, serving individuals with disabilities. The company provides advocacy, mental health services, developmental and intellectual disability support, as well as recreational activities through an arts and recreation center. It was acquired by Exceptional Family Resources on September 11, 2024, with an aim to enhance care quality and support for individuals and families.



Apothecare is a pharmacy services provider, specializing in care for individuals with intellectual and developmental disabilities, assisted living communities, and hospices. The company offers automated dispensing, compliance packaging, telehealth fulfillment, daily delivery, and staff training. It was acquired by Pelham Community Pharmacy on August 29, 2024, for an undisclosed amount.



Soar Autism Center operates a network of autism care clinics that offer integrated therapy and diagnostic services for young children. Its clinics provide applied behavior analysis, speech and occupational therapy, and mental health support for children, empowering parents with comprehensive care. In August 2024, it raised \$19.34M in Series B funding.

These developments highlight the dynamic and rapidly evolving landscape of behavioral healthcare sector, with new investments and innovations continuously shaping the future of this critical sector.

PUBLICLY TRADED BEHAVIORAL HEALTHCARE COMPANIES

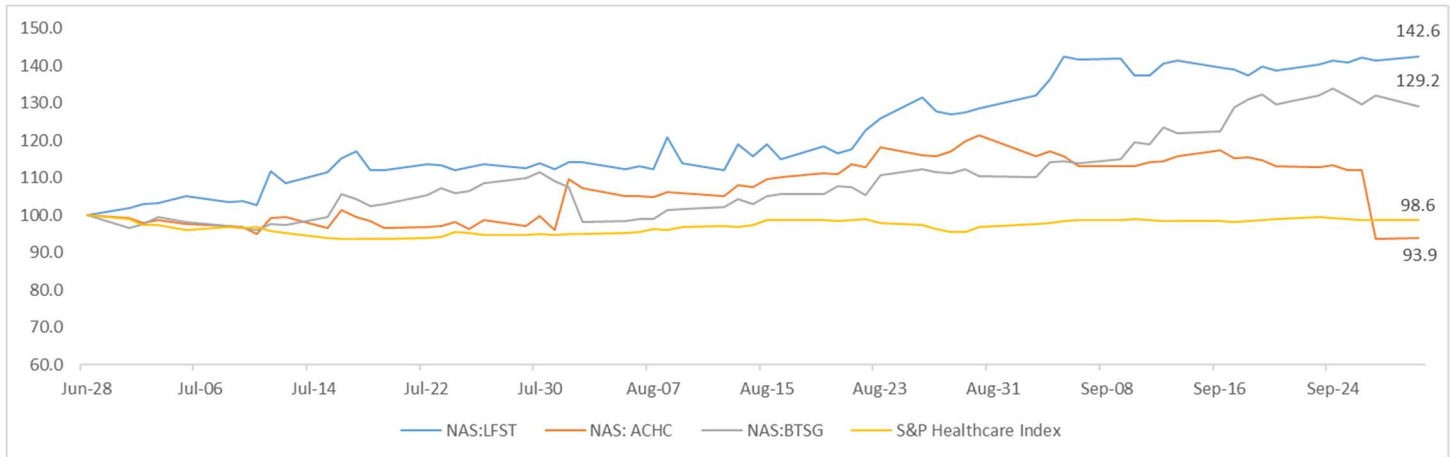
Selected Publicly Traded Behavioral Healthcare Companies														
Company Name	Ticker Symbol	Stock Price 9/30/2024	% Change Prior Quarter	% Change TTM	Price 52 Week High	Price 52 Week Low	Market Cap	EV	Diluted EPS	Price To Earnings	LTM Revenue	EBITDA	EV to EBITDA	EV to Revenue
Lifescance Health Group Inc	NAS:LFST	7.00	42.57%	1.89%	9.20	4.64	2,678	3,086	(0.5)	N/A	1,156	(104.9)	N/A	2.7x
Acadia Healthcare Company Inc	NAS: ACHC	63.41	-6.11%	-9.81%	87.77	53.22	5,890	7,898	(0.2)	N/A	3,057	189.1	33.4x	2.6x
Brightspring Health Services Inc.	NAS:BTSG	14.68	29.23%	N/A	15.47	7.85	2,517	5,410	(0.9)	N/A	9,938	349.5	19.7x	0.5x
	Average		21.89%	-3.96%					(0.6)	N/A			26.5x	1.9x
Source: © PitchBook Data, Inc. 2024														

Source: © PitchBook Data, Inc. 2024

In Q3 2024, the U.S. equity market continued its strong performance, with the S&P 500 rising 5.9%, bringing its year-to-date gain to 21.6%. This marks the seventh positive quarter in the last eight, fueled by Fed rate cuts and strong corporate earnings. Consumer spending remained solid, despite cooling in the labor market and declines in housing and manufacturing sectors. While energy sector lagged, sectors such as utilities and REITs (Real Estate Investment Trusts) excelled. As the S&P 500 is up over 66% since October 2022, stretched valuations and upcoming catalysts, including the Presidential Election, suggest increased market volatility ahead.

In Q3 2024, the S&P Healthcare Index displayed mixed results, down by 1.4%, reflecting sector-specific pressures. The sector's median probability of default rose from 4.6% in Q2 to 5.6% in Q3. This was largely driven by financial tightening and operational challenges, including higher labor costs and inflation. Pharmaceutical and biotechnology firms helped stabilize the index, benefiting from a strong pipeline of drug developments and new regulatory approvals. Conversely, hospital and healthcare service providers underperformed, facing ongoing labor shortages and escalating wage inflation.

Health insurance stocks experienced volatility due to regulatory uncertainties and reimbursement issues, adding to the sector's complexity. Despite these challenges, the healthcare sector attracted defensive investors, as economic concerns prompted a shift toward safer investments. The sector is expected to improve further in 2025, with earnings growth forecasted to accelerate as cost pressures ease and innovation continues to drive performance.



While the broader healthcare sector is experiencing pressure from various factors, behavioral healthcare companies have seen significant buying activity over the past quarter.

Lifescance Health exceeded expectations in Q2 2024, prompting an upward revision of its full-year guidance, with increases of \$6M in revenue, \$10M in Center margin, and \$2M in EBITDA. The strong performance reflects improved operational efficiency, but analysts are cautious due to the stock's elevated valuation compared to peers. Concerns arise over whether the premium multiple is justified amid expected TRPV headwinds and operational challenges. Despite this, the stock has surged 42.6% over the past quarter, delivering strong returns.

Over the past three months, **Acadia Healthcare (ACHC)** has faced significant challenges, including a 25% year-to-date stock decline and legal investigations, including a Department of Justice probe and a grand jury subpoena. Despite these issues, analysts maintain a 'Moderate Buy' rating, with a 12-month price target of \$86.67, suggesting potential upside. However, investor sentiment remains cautious due to ongoing legal uncertainties. The stock traded at \$56.71 as of early October 2024.

Over the past three months, **BrightSpring Health Services' stock (BTSG)** has raised by around 30% owing to strong earnings and strategic acquisitions, including a hospice asset purchase in Florida. Although EPS lagged, the company's Q2 2024 revenue exceeded expectations. A favorable UBS price target adjustment to \$16 further boosted investor sentiment. Despite some volatility, the stock's overall performance has been positive, reflecting BrightSpring's successful expansion and operational optimization.

SELECTED PRIVATE EQUITY ADD-ON TRANSACTIONS (PAST 12 MONTHS)

Companies	HQ	Company Website	Private Equity Owner	Summary
Hands of Heartland Add-on: Brighter Day	Bellevue, NE Tulsa, OK	www.handsofheartland.com www.brighterdayinc.com	Evolve Capita	Rehabilitation services for disabled individuals Adult developmental disability care homes
Beacon Specialized Living Services Add-on: Community Concepts Add-on: Total Care Group	Kalamazoo, MI Dumfries, VA Port Washington, WI	www.beaconspecialized.org www.comconinc.net www.tcghomes.net	Vistria Group	Intellectual and developmental disabilities services Residential and day support programs Specialized care center
Fox Rehabilitation Add-on: Ageility	Cherry Hill, NJ Newton, MA	www.foxrehab.org www.ageility.com	Blue Wolf Capital Partners, Constitution Capital Partners, Leavitt Equity Partners	Proactive rehabilitation services Physical, occupational therapy
NeuroFlow Add-on: Owl	Philadelphia, PA Portland, OR	www.neuroflow.com www.owl.health	Concord Health Partners (+ multiple investors)	Mental health programs digital platform Clinical care and efficiency platform
Premier Biotech Add-on: Desert Tox	Minneapolis, MN Scottsdale, AZ	www.premierbiotech.com www.deserttox.com	Align Capital Partners	Drug testing device manufacturer Substance abuse testing lab
Versaterm Add-on: Mindbase (Seattle)	Ottawa, Canada Logan, UT	www.versaterm.com www.getmindbase.com	Banneker Partners	Public safety software developer Mental health and wellness platform
LifePoint Health	Brentwood, TN	www.lifepointhealth.net	Apollo Global Management, ATP Private Equity Partners, Pantheon International	Comprehensive healthcare services expanding in behavioral healthcare with specialized hospitals
Eventus Wholehealth Add-on: Premier Geriatric Solutions	Concord, NC Roanoke, VA	eventuswholehealth.com www.premiergeriatric.com	Balance Point Capital, Enhanced Healthcare Partners, Leavitt Equity Partner	Holistic healthcare services Medical, behavioral health and psychiatric
Pax Health Add-on: Behavioral Medicine Associates Add-on: Reservoir Health	Red Bank, NJ Great Neck, NY Marlton, NJ	www.paxhealth.net www.behavemed.com www.myreservoirhealth.com	Hamilton Lane, HCAP Partners	Independent psychiatric examinations Behavioral health services Independent psychiatric examinations
Hightop Health Add-on: Roots Behavioral Health Add-on: Psych Atlanta	Dallas, TX Austin, TX Marietta, GA	www.hightophealth.com www.rootsbehavioralhealth.com www.psychatlanta.com	JLL Partners, SV Health Investors	Clinician-centric outpatient mental health platform Behavioral healthcare clinic Outpatient psychiatric practice
Beacon Behavioral Hospital Add-on: Tampa Neuropsychiatry Add-on: Arkansas Psychiatric Clinic Add-on: Holiner Psychiatric Group Add-on: Memorial Park Psychiatry Add-on: Precise Clinical Neuroscience Add-on: Right Track Medical Group Add-on: The Grant Group Add-on: Upswing Psychiatry	New Orleans, LA Tampa, FL Little rock, AR Dallas, TX Houston, TX Flowood, MS Oxford, MS Bedford, TX Amarillo, TX	www.beaconbh.com www.tampaneuropsychiatry.com www.apclr.com www.holinergroup.com www.memorialparkpsychiatry.com www.precise-mind.com www.righttrackmedical.com www.grantgroupdfw.com www.upswingspsychiatry.com	Latticework Capital Management, Resolute Capital Partners	Mental health treatment services Neuropsychiatric evaluation and treatment Mental healthcare services Psychiatric services for various age groups Family psychiatry clinic for mental health disorders Psychiatric diagnosis and mental health treatment Outpatient mental healthcare services Mental health clinic offering various services Nasal spray manufacturer for depression and disorder
Pyramid Healthcare (Duncansville) Add-on: Mountaineer Recovery Center	Duncansville, PA Kearneysville, WV	www.pyramid-healthcare.com www.mountaineerrecovery.com	Nautic Partners	Behavioral health and substance abuse treatment Substance use treatment services
Turnwell Mental Health Network Add-on: Better Balance Psychiatry Add-on: MWI Health	Dallas, TX Saint George, UT Sioux Falls, SD	www.turnwellmentalhealth.com www.betterbalancepsychiatry.com www.mwihealth.org	Leon Capital Group, Patriot Capital, Petra Capital Partners	Freestanding outpatient clinics with mental health Psychiatric services Mental health clinic with various services
Your Behavioral Health Add-on: Insight Treatment	Torrance, CA Van Nuys, CA	www.yourbehavioralhealth.com www.insighttreatment.com	Comvest Partners	Behavioral health services Intensive outpatient treatment for mental issues
Abound Health Add-on: Gold Medal Home Health Add-on: Professional Habilitation Services	Charlotte, NC Wayne, NJ Mercer, PA	www.aboundhealth.com www.goldmedalhomehealth.com NA	Aspect Investors, Endurance Search Partners, Housatonic Partners, M2O, Peterson Partners, Relay Investments	Person-centered care services Services for individuals with disabilities Rehabilitative therapy services
ARC Psychiatry Add-on: Mindsoother Add-on: Exult Healthcare Add-on: Advanced Psychiatric Group Add-on: Manhattan Psychology Group Add-on: GROW Counseling Add-on: LynLake Add-on: Dayspring Behavioral Health	Beachwood, OH Livingston, NJ McKinney, TX Orlando, FL New York, NY Atlanta, GA Minneapolis, MN Issaquah, WA	www.arcproviders.com www.mindsoother.com www.exulthealthcare.com www.apghealth.com www.manhattanpsychologygroup.co www.growcounseling.com www.therapy-mn.com www.dayspringbehavioralhealth.com	Five Points Capital, Spark Growth Ventures, Thurston Group (Chicago)	Mental health treatment services Comprehensive behavioral healthcare services Behavioral health and addiction treatment services Mental health services for comprehensive healthcare Psychological, behavioral, and educational services Mental health - individuals, families, & organizations Mental health and wellness services Counseling and assessment services
Jackson House Add-on: Cameron Care	La Mesa, CA Portland, OR	www.jacksonhousecares.com www.cameroncare.com	Zamwell Capital	Centers for mental illness or addictive disorders Residential services for adults with mental illness
Digital Pharmacist Add-on: SafeDose Pharmacy	Austin, TX Indianapolis, IN	www.digitalpharmacist.com www.safedose.com	K1 Investment Management	Digital medication encyclopedia developer Pharmacy services for IDD
Bradford Health Services Add-on: Woodland Recovery Center	Birmingham, AL Southaven, MS	www.bradfordhealth.com www.woodlandrecovery.com	Lee Equity Partners	Alcohol and drug addiction treatment services Addiction treatment and mental health services
New Story Group Add-on: The Learning Spectrum Add-on: Thrive Alliance Group Add-on: Center for Autism & Related Dis.	Baltimore, MD Columbus, OH Parsippany, NJ VA	www.newstory.com www.thelearningspectrum.com www.thrivealliancegroup.com NA	Audax Private Equity	Services for students with behavioral challenges Behavioral and educational services Mental wellness support services Special education schools and ABA centers portfolio
BlueSprig Pediatrics Add-on: Trumpet Behavioral Health	Houston, TX Lakewood, CO	www.bluesprigautism.com www.tbh.com	Kohlberg Kravis Roberts	Applied behavior analysis therapy Behavior health services - autism spectrum disorders
Promises Behavioral Health Add-on: NorthStar Clinical Services	Brentwood, TN Charlotte, NC	www.promises.com www.northstarclinicalservices.com	AHP, Cane Investment Partners	Addiction and mental health treatment centers Treatment center for substance use disorder
FullBloom Add-on: EmpowerU	Philadelphia, PA Excelsior, MN	www.fullbloom.org www.empoweru.education	American Securities	Educational services in academic intervention E-learning platform for mental health
ABA Connect Add-on: Bright Behavior	Austin, TX Colorado Springs, CO	www.abconnect.com www.brightbehaviorinc.com	MBF Healthcare Partners	Applied behavior analysis services Applied behavior analysis services
Transactions by non-providers				
CentralReach Add-on: SILAS	Fort Lauderdale, FL Monmouth Beach, NJ	www.centralreach.com www.silasolutions.com	Arc Capital Development, Insight Partners	Electronic health records and clinical software provider Animation platform for children on autism spectrum
Acentra Health Add-on: Espyr	McLean, VA Marietta, GA	www.acentra.com www.espyr.com	The Carlyle Group	Health information technology enterprise services Counseling and mental health support
Netsmart Technologies Add-on: Netalytics	Overland Park, KS Greer, SC	www.ntst.com www.netalytics.com	Bay Capital Investment Partners, GI Partners, TA Associates Management	Healthcare information technologies Medical records for behavioral healthcare industry

SELECTED TRANSACTIONS

Deal Date	Target	Acquirer	Target Description	Deal Size (\$M)
Sep 23, 2024	Lakeview Health	Bradford Health Services, with financial sponsors Constitution Capital Partners and Lee Equity Partners.	Operator of a drug and alcohol rehabilitation center offering personalized, multidisciplinary care with medical, psychiatric, and clinical treatments to support patient recovery.	NA
Sep 18, 2024	Community Care (Brookfield)	CareSource	Provider of long-term, community-based care services for at-risk adults to enhance quality of life and resource allocation.	NA
Sep 11, 2024	Arise Child and Family Service	Exceptional Family Resources	Operator of independent living centers offering advocacy, mental health, and disability services for an inclusive community.	NA
Sep 04, 2024	Junction Creek Health & Rehabilitation Center	The Ensign Group (NAS: ENSG)	Provider of health and rehabilitation services, offering hospice, respite, personal care, and psychosocial support in Durango, Colorado.	NA
Sep 01, 2024	Broadview Health and Rehabilitation Center (Elder and Disabled Care)	The Ensign Group (NAS: ENSG)	Operator of a skilled nursing facility offering personalized short-term and long-term care, rehabilitation, and mental health services.	NA
Sep 01, 2024	Friel & Associates	Black Cliffs Partners	Provider of substance abuse counseling services using therapies like motivational interviewing and rational emotive therapy.	NA
Aug 29, 2024	Apothecare	Pelham Community Pharmacy	Provider of pharmacy services for care facilities, offering compliance packaging, automated dispensing, and fulfillment for patients with intellectual and developmental disabilities.	NA
Aug 29, 2024	Manual (Healthcare Technology Systems)	Release Recovery	Developer of a digital personal development platform offering mental wellness programs for men focusing on relationships, careers, and success.	NA
Aug 23, 2024	Austin Psychiatric Consultants	Prime Psychiatry, via financial sponsor Albaron Partners	Provider of psychiatric consultancy services offering evaluations, medication management, and addiction treatment to promote mental health.	NA
Aug 16, 2024	Davis Regional Medical Center	Iredell Health System, the company is a subsidiary of Community Health Systems (NYS: CYH)	Operator of a medical care center focused on behavioral health and offering comprehensive medical services.	NA

SELECTED TRANSACTIONS CONT.

Deal Date	Target	Acquirer	Target Description	Deal Size (\$M)
Aug 13, 2024	The Nexus Group	Beacon Behavioral Hospital, via financial sponsors Resolute Capital Partners and Latticework Capital Management	Operator of a psychiatric clinic offering outpatient services, transcranial magnetic stimulation, and mental health treatment for conditions like depression and OCD.	NA
Aug 12, 2024	CuraLinc Healthcare	Lightyear Capital through an LBO.	Provider of mental health programs offering employee assistance, text therapy, digital CBT, and wellness programs for emotional fitness.	NA
Aug 12, 2024	Lifewell Behavioral Wellness	Terros Health	Provider of mental health services for low-income individuals specializing in substance abuse recovery, counseling, and peer support.	NA
Aug 02, 2024	Live Again Detox	Tulip Hill Recovery	Provider of medically monitored detox services for alcohol, opioid, and stimulant abuse with personalized care.	NA
Aug 02, 2024	Tennessee Detox Center	Tulip Hill Healthcare	Operator of a detox facility offering residential and outpatient treatment, group therapy, and medically assisted detox for addiction recovery.	NA
Aug 01, 2024	Cerevel Therapeutics	AbbVie (NYS: ABBV)	Cerevel Therapeutics focuses on treating neuroscience diseases like schizophrenia, epilepsy, and substance use disorder through research in neurocircuitry and receptor selectivity.	8700
Aug 01, 2024	DHA Laboratory	Endurance Search Partners	Provider of laboratory clinical services offering global standard mental health tests like the Kryptopyrrole Urine Test for mental, emotional, and behavioral conditions.	NA
Jul 27, 2024	SATUCI	Prairie Ridge South	Provider of addiction treatment services offering therapies like cognitive behavioral therapy, dual diagnosis, and trauma therapy for alcohol and opioid addiction.	NA
Jul 23, 2024	Hauser Clinic and Associates	Beacon Behavioral Hospital, via financial sponsors Latticework Capital Management and Resolute Capital Partners	Provider of psychiatry and psychotherapy services for adults, seniors, and children addressing conditions like PTSD, depression, and bipolar disorder.	NA

VENTURE AND OTHER INVESTMENTS

Date	Deal Type	Target	Investors	Target Description	Deal Size (\$M)
Sep 27, 2024	Accelerator	Elomia Health	Google for Startups, Social Tides	AI-powered virtual mental health companion offering self-care and emotional support through a virtual therapist that listens, advises, and supports patients with mental health challenges.	NA
Sep 25, 2024	Later Stage VC	Family First	NA	Caregiver services platform offering eldercare, child support, counseling, and mental health services, improving communication between families and caregivers to ease caregiving challenges.	1.7
Sep 25, 2024	Early Stage VC	Legion Health	NA	AI-enabled psychiatric care platform connecting patients with vetted providers, reducing administrative burdens for clinicians, and expanding mental health services covered by insurance.	2.03
Sep 25, 2024	Angel	Prosperi.	NA	AI-based school counseling platform providing remote counselors with tools for mental health, bullying, and IEP management, enabling efficient school counseling and data-driven insights.	0.06
Sep 24, 2024	Seed Round	Highfive (Educational Software)	Roosh	Behavior management software for schools, enhancing student behavioral health with social-emotional learning, restorative practices, trauma-informed strategies, and behavior monitoring solutions.	0.25
Sep 21, 2024	Accelerator	Inner Peak AI	Techstars	AI-powered mental health platform offering 24/7 personalized support for students when counselors are unavailable, with reporting dashboards to track student well-being over time.	0.12
Sep 19, 2024	Seed Round	Canopie	Aeroflow Healthcare, Beta Boom, Luminary Impact Fund, Symphonic Capital, Techstars, Sorenson Impact Center	Mental health platform for maternal depression and anxiety, offering cognitive behavioral therapy and compassion-focused treatment to support pregnant women and new mothers.	3.7
Sep 13, 2024	Later Stage VC	Ascellus	Profound Ventures	Trauma prevention and treatment clinics for employees with chronic pain, offering customized treatments to reduce compensation claims and restore emotional and physical well-being.	7.33
Sep 13, 2024	Accelerator	Juniver	Morgan Stanley Inclusive Ventures Lab, Google for Startups, Ascension	Neuroscience-based recovery program for disordered eating, providing tools, habit-formation principles, and community support for long-term recovery from eating disorders.	0.25
Sep 10, 2024	Angel	Kadia	NA	Digital health platform for families affected by substance use disorders (SUD), offering group therapy, educational content, and community interaction for shared experiences.	0.05

VENTURE AND OTHER INVESTMENTS – CONT.

Date	Deal Type	Target	Investors	Target Description	Deal Size (\$M)
Sep 05, 2024	Grant	Psilera	University of South Florida	Psychedelics-based drug developer repurposing psychoactive natural products for therapies treating cognitive, mood, and substance use disorders, with a focus on neurological therapeutics.	0.2
Sep 01, 2024	Early Stage VC	AlphaNeuro	LvlUp Ventures	AI-assisted mental healthcare platform providing clinicians with tools for quantitative diagnosis, real-time analysis, and decision support for mental health disorders.	NA
Aug 26, 2024	Early Stage VC	Soar Autism Center	NA	Autism care clinic chain offering integrated therapy, diagnostic services, and mental health support for young children, focusing on applied behavior analysis and other therapies.	19.34
Aug 23, 2024	Later Stage VC	Forge Health	MFO Ventures	Evidence-based outpatient care provider for substance use, mental health, and trauma issues, offering virtual and in-person services with a chronic care management approach.	26.6
Aug 22, 2024	Early Stage VC	BeMe Health	Flare Capital Partners, Polaris Partners, Blue Cross and Blue Shield of Kansas, Hesperia Capital, Fiore Ventures, California Health Care Foundation	Mental health app for teens blending social, gaming, and clinical care to improve emotional well-being, with access to coaching and clinical resources.	NA
Aug 21, 2024	Equity Crowdfunding	Aether Therapeutics	NA	Biotech company developing a treatment for neonatal abstinence syndrome, using a proprietary compound to protect fetuses from opioid exposure and prevent Neonatal Opioid Withdrawal Syndrome.	0.07
Aug 21, 2024	Grant	Backpack	Maryland Department of Health, Google for Startups, PACE Healthcare Capital, Unlikely Collaborators	Online mental healthcare platform providing cognitive talk therapy and psychiatry for children, enabling proper access to care through licensed counselors.	1.1
Aug 20, 2024	Later Stage VC	NOCD	F-Prime Capital	Telehealth app for obsessive-compulsive disorder self-treatment, offering exposure and response prevention exercises and therapy to help clinicians and patients manage symptoms.	5.7
Aug 20, 2024	Seed Round	Slingshot AI	Andreessen Horowitz, Felicis, Menlo Ventures	AI research company developing language models to increase access to mental healthcare and help people manage life's challenges and mental health support.	30
Aug 13, 2024	Accelerator	Maro	NA	Education tech platform promoting awareness of reproductive and mental health, leveraging digital media for early intervention, school-based mental health screening, and risk detection.	NA

VENTURE AND OTHER INVESTMENTS – CONT.

Date	Deal Type	Target	Investors	Target Description	Deal Size (\$M)
Jul 18, 2024	Seed Round	The Zone	Andreessen Horowitz, 3LS Ventures, Golden Section	Enterprise mental wellness software providing personalized daily wellness content, helping mental wellness professionals streamline care and enhance accessibility.	0.6
Jul 15, 2024	Later Stage VC	Rula	Blue Venture Fund	Therapy platform managing mental healthcare, handling marketing, credentialing, and admin tasks for therapists, allowing them to focus on patient care.	125
Jul 12, 2024	Later Stage VC	Headway (Managed Care)	Spark Capital, Accel, Thrive Capital, Global Founders Capital, Forerunner Ventures, Andreessen Horowitz, Health Care Service Corporation	Mental healthcare system offering affordable virtual and in-person therapy sessions, expanding access to care by accepting insurance and simplifying booking.	100
Jul 10, 2024	Accelerator	The Prevention Center	The Sister Accord Foundation	Mental health counseling center providing compassionate support for adults, youth, and families through therapy and case management to address mental health challenges.	0.07



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Lawrence, Evans & Co. LLC 'LECO' is a national boutique advisory firm. LECO provides a full range of capital raising (debt & equity), M&A including buy-side/sell-side, as well as financial and operational restructuring services. Since 2003, we have offered advice and support for every process and structure, from short-term solutions to long-term goals. The firm caters to the **Healthcare Providers and Service Companies** (senior housing, hospital, physician services, home health, hospice, behavioral health, RCM, HCIT, CCM, RPM, SDOH, etc.), **Transportation and Logistics** (trucking, warehouse, supply-chain), **Business Services** (managed IT and cyber), and **Real Estate** (construction, bridge, sale leaseback, agency and insurance). Typical clients are under \$250M or \$15M EBITDA, no minimum.

M&A Advisory: Buy-Side/Sell-Side

- Private Company Sales
- Division/Subsidiary Divestitures
- Buy-side search for proprietary
- Acquisition Advisory Services
- Private Market Financings
- LBO's and Recapitalizations

Capital Raising: Debt/Equity

- Strategic Capital Options
- Valuations & Financial Assessments
- Bridge Financing, Real Estate, Bonds
- Private Equity, Family Office
- Lines of Credit, Senior Debt
- Debt Mezzanine, Unitranche

Turnaround & Restructuring

- Turnaround Management
- Debt Restructuring/Refinancing
- Orderly Liquidations
- Chief Restructuring Officer (CRO)
- Bankruptcy Planning/ 363 Sales
- Receivership / Trustee

Represented Transactions

 ACQUIRED BY  LE ACTED AS ADVISOR	YOUTH DISORDER TRANSITIONAL FACILITY SOLD TO STRATEGIC BUYER LE ACTED AS ADVISOR	BEHAVIORAL HEALTH SERVICES STRATEGIC OPTIONS ANALYSIS LE ACTED AS ADVISOR
BEHAVIORAL HEALTH AND ADDICTION OUTPATIENT CLINIC SERVICES EXCLUSIVE SELL-SIDE LE ACTED AS ADVISOR	IDD OPERATOR SECURED A BRIDGE LOAN LE ACTED AS ADVISOR	BEHAVIORAL HEALTH PROVIDER SALE LEASBACK OF PORTFOLIO OF REAL ESTATE LE ACTED AS ADVISOR

Neil Johnson (*Managing Partner*) David Opalek, JD (Director)
Shivam Nag (Associate) • Andrew Moulas (Analyst)