



Acadia Healthcare Reports Strong Third Quarter 2024 Results

10/30/24

Provides Updated Guidance for 2024

FRANKLIN, Tenn.--(BUSINESS WIRE)--Oct. 30, 2024-- Acadia Healthcare Company, Inc. (NASDAQ: ACHC) today announced financial results for the third quarter and nine months ended September 30, 2024.

Third Quarter Highlights

- Revenue totaled \$815.6 million, an increase of 8.7% over the third quarter of 2023
- Same facility revenue increased 8.6% compared with the third quarter of 2023, including an increase in revenue per patient day of 3.6% and an increase in patient days of 4.7%
- Net income attributable to Acadia totaled \$68.1 million, or \$0.74 per diluted share
- Adjusted income attributable to Acadia totaled \$84.1 million, or \$0.91 per diluted share
- Adjusted EBITDA totaled \$194.3 million, an increase of 10.5% over the third quarter of 2023, excluding provider relief funds
- Same facility adjusted EBITDA margin increased 100 bps to 29.7% over the third quarter of 2023

Adjusted income attributable to Acadia and Adjusted EBITDA are non-GAAP financial measures. A reconciliation of all non-GAAP financial measures in this press release begins on page 8.

Third Quarter Results

Chris Hunter, Chief Executive Officer of Acadia Healthcare Company, remarked, "Our financial results for the third quarter of 2024 reflect continued execution of our growth strategy. We have the scale and expertise to support patients across the continuum of care. We are proud of the important work we are doing and are committed to providing safe, quality care for the patients, families and communities we serve while creating long-term value for our stockholders."

Strategic Investments for Long-Term Growth

During the third quarter of 2024, the Company continued to make progress in meeting its strategic growth objectives. This includes the addition of 15 beds to existing facilities and the addition of five new CTCs during the quarter. With these additions, Acadia now operates 164 CTCs across 32 states treating over 72,000 patients daily and remains on track to open up to 14 new CTCs for the full year.

In the first nine months of the year, the Company opened 79 new beds at existing facilities. For the full year, the Company expects to open over 400 new beds at existing facilities, including over 300 beds expected in the fourth quarter.

In the first nine months of the year, the Company also opened two new facilities, totaling 120 beds. The Company remains on pace to complete construction on several additional new wholly owned and joint venture facilities, totaling nearly 700 new beds in the fourth quarter, including joint venture hospitals in partnership with Henry Ford Health in Detroit, Michigan, and Intermountain Health in Denver, Colorado, as well as a new de novo facility in Madison, Wisconsin, which was completed in October. The number of new beds available to serve patients by the end of the fourth quarter is subject to the timing of anticipated state-issued licenses.

Acadia has 21 joint venture partnerships for 22 hospitals, with 11 hospitals already in operation and 11 additional hospitals expected to open in the coming years.

Cash and Liquidity

Maintaining a strong financial position to support growth investments and disciplined capital allocation are top priorities for Acadia. As of September 30, 2024, the Company had \$82.1 million in cash and cash equivalents and \$321.5 million available under its \$600 million revolving credit facility with a net leverage ratio of approximately 2.5x.

Net leverage ratio is a non-GAAP financial measure. A reconciliation of all non-GAAP financial measures in this press release begins on page 8.

2024 Financial Guidance

Acadia today revised its previously announced financial guidance for 2024. Revised guidance reflects the closure of two facilities during the third quarter⁽²⁾.

2024 Guidance Range

Revenue⁽¹⁾ \$3.150 to \$3.165 billion

| | |
|--|------------------------|
| Adjusted EBITDA ⁽¹⁾ | \$725 to \$735 million |
| Adjusted earnings per diluted share ⁽¹⁾ | \$3.35 to \$3.45 |
| Interest expense | \$110 to \$120 million |
| Tax rate | 24.5% to 25.5% |
| Depreciation and amortization expense | \$145 to \$155 million |
| Stock compensation expense | \$40 to \$45 million |
| Operating cash flows | \$525 to \$550 million |
| Expansion capital expenditures | \$550 to \$595 million |
| Maintenance and IT capital expenditures | \$95 to \$105 million |
| Total bed additions, excluding acquisitions ⁽³⁾ | Approx. 1,200 beds |

⁽¹⁾ Includes one-time state payments of approximately \$10 million (or \$0.09 per diluted share) for the year, of which approximately \$7 million was received in the first quarter of 2024 and the remainder in the third quarter of 2024.

⁽²⁾ Prior full-year guidance assumed approximately \$17 million of revenue and approximately \$1 million of EBITDA contribution in the second half of the year from facilities that were closed during the third quarter.

Company anticipates completing construction on approximately 1,200 beds, of which approximately 1,000 are expected to be licensed and ⁽³⁾ available to serve patients by year end, with the remaining beds expected to receive licensure in the first quarter. The exact number of beds available to serve patients at year end will depend on timing of anticipated required licenses.

The Company's guidance does not include the impact of any future acquisitions, divestitures, transaction, legal and other costs or non-recurring legal settlements expense.

Conference Call

Acadia will hold a conference call to discuss its third quarter financial results at 8:00 a.m. Central Time/9:00 a.m. Eastern Time on Thursday, October 31, 2024. A live webcast of the conference call will be available at www.acadiahealthcare.com in the "Investors" section of the website. The webcast of the conference call will be available for 30 days.

About Acadia

Acadia is a leading provider of behavioral healthcare services across the United States. As of September 30, 2024, Acadia operated a network of 260 behavioral healthcare facilities with approximately 11,300 beds in 38 states and Puerto Rico. With approximately 23,500 employees serving more than 80,000 patients daily, Acadia is the largest stand-alone behavioral healthcare company in the U.S. Acadia provides behavioral healthcare services to its patients in a variety of settings, including inpatient psychiatric hospitals, specialty treatment facilities, residential treatment centers and outpatient clinics.

Forward-Looking Information

This press release contains forward-looking statements. Generally, words such as "may," "will," "should," "could," "anticipate," "expect," "intend," "estimate," "plan," "continue," and "believe" or the negative of or other variation on these and other similar expressions identify forward-looking statements. These forward-looking statements are made only as of the date of this press release. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements are based on current expectations and involve risks and uncertainties and our future results could differ significantly from those expressed or implied by our forward-looking statements. Factors that may cause actual results to differ materially include, without limitation, (i) potential difficulties in successfully integrating the operations of acquired facilities or realizing the expected benefits and synergies of our facility expansions, acquisitions, joint ventures and de novo transactions; (ii) Acadia's ability to add beds, expand services, enhance marketing programs and improve efficiencies at its facilities; (iii) potential reductions in payments received by Acadia from government and commercial payors; (iv) the occurrence of patient incidents, governmental investigations, litigation and adverse regulatory actions, which could adversely affect the price of our common stock and result in substantial payments and incremental regulatory burdens; (v) the risk that Acadia may not generate sufficient cash from operations to service its debt and meet its working capital and capital expenditure requirements; (vi) potential disruptions to our information technology systems or a cybersecurity incident; and (vii) potential operating difficulties, including, without limitation, disruption to the U.S. economy and financial markets; reduced admissions and patient

volumes; increased costs relating to labor, supply chain and other expenditures; changes in competition and client preferences; and general economic or industry conditions that may prevent Acadia from realizing the expected benefits of its business strategies. These factors and others are more fully described in Acadia's periodic reports and other filings with the SEC.

Acadia Healthcare Company, Inc.

Condensed Consolidated Statements of Operations

(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|-------------|--|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | (In thousands, except per share amounts) | | | |
| Revenue | \$ 815,634 | \$ 750,334 | \$ 2,379,725 | \$ 2,185,938 |
| Salaries, wages and benefits (including equity-based compensation expense of \$9,467, \$8,163, \$27,014 and \$23,140, respectively) | 428,147 | 394,150 | 1,265,427 | 1,171,960 |
| Professional fees | 48,498 | 45,540 | 142,236 | 130,468 |
| Supplies | 29,623 | 27,147 | 84,153 | 79,312 |
| Rents and leases | 12,389 | 11,731 | 36,141 | 34,880 |
| Other operating expenses | 112,137 | 104,048 | 322,900 | 290,798 |
| Income from provider relief fund | — | (4,442) | — | (4,442) |
| Depreciation and amortization | 37,641 | 33,388 | 110,054 | 96,969 |
| Interest expense, net | 29,924 | 20,742 | 86,297 | 61,651 |
| Legal settlements expense | — | 394,181 | — | 394,181 |
| Loss on impairment | 10,459 | — | 11,459 | 8,694 |
| Transaction, legal and other costs | 8,249 | 11,247 | 17,187 | 26,792 |
| Total expenses | 717,067 | 1,037,732 | 2,075,854 | 2,291,263 |
| Income (loss) before income taxes | 98,567 | (287,398) | 303,871 | (105,325) |
| Provision for (benefit from) income taxes | 27,199 | (71,873) | 72,916 | (29,907) |

| | | | | |
|---|-----------|---------------|------------|--------------|
| Net income (loss) | 71,368 | (215,525) | 230,955 | (75,418) |
| Net income attributable to noncontrolling interests | (3,236) | (2,185) | (7,958) | (3,978) |
| Net income (loss) attributable to Acadia Healthcare Company, Inc. | \$ 68,132 | \$ (217,710) | \$ 222,997 | \$ (79,396) |
| Earnings (loss) per share attributable to Acadia Healthcare Company, Inc. stockholders: | | | | |
| Basic | \$ 0.74 | \$ (2.39) | \$ 2.44 | \$ (0.87) |
| Diluted | \$ 0.74 | \$ (2.39) | \$ 2.42 | \$ (0.87) |
| Weighted-average shares outstanding: | | | | |
| Basic | 91,720 | 91,168 | 91,571 | 90,852 |
| Diluted | 92,188 | 91,168 | 92,119 | 90,852 |

Acadia Healthcare Company, Inc.

Condensed Consolidated Balance Sheets

(Unaudited)

| | September 30, | December 31, |
|-----------------------------|-----------------------|---------------------|
| | 2024 | 2023 |
| | (In thousands) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 82,145 | \$ 100,073 |
| Accounts receivable, net | 383,945 | 361,451 |
| Other current assets | 185,972 | 134,476 |
| Total current assets | 652,062 | 596,000 |
| Property and equipment, net | 2,679,807 | 2,266,610 |

| | | | | |
|-------------------------------------|----|-----------|----|-----------|
| Goodwill | | 2,264,851 | | 2,225,962 |
| Intangible assets, net | | 73,139 | | 73,278 |
| Deferred tax assets | | 2,706 | | 6,658 |
| Operating lease right-of-use assets | | 122,771 | | 117,780 |
| Other assets | | 75,121 | | 72,553 |
| Total assets | \$ | 5,870,457 | \$ | 5,358,841 |

LIABILITIES AND EQUITY

Current liabilities:

| | | | | |
|--|----|-----------|----|-----------|
| Current portion of long-term debt | \$ | 71,694 | \$ | 29,219 |
| Accounts payable | | 201,379 | | 156,132 |
| Accrued salaries and benefits | | 141,470 | | 141,901 |
| Current portion of operating lease liabilities | | 27,175 | | 26,268 |
| Other accrued liabilities | | 167,782 | | 532,261 |
| Total current liabilities | | 609,500 | | 885,781 |
| Long-term debt | | 1,804,825 | | 1,342,548 |
| Deferred tax liabilities | | 54,112 | | 1,931 |
| Operating lease liabilities | | 105,437 | | 100,808 |
| Other liabilities | | 150,544 | | 140,113 |
| Total liabilities | | 2,724,418 | | 2,471,181 |
| Redeemable noncontrolling interests | | 114,521 | | 105,686 |
| Equity: | | | | |
| Common stock | | 918 | | 913 |
| Additional paid-in capital | | 2,675,882 | | 2,649,340 |
| Retained earnings | | 354,718 | | 131,721 |
| Total equity | | 3,031,518 | | 2,781,974 |
| Total liabilities and equity | \$ | 5,870,457 | \$ | 5,358,841 |

Acadia Healthcare Company, Inc.**Condensed Consolidated Statements of Cash Flows****(Unaudited)****Nine Months Ended September 30,****2024****2023****(In thousands)****Operating activities:**

Net income (loss) \$ 230,955 \$ (75,418)

Adjustments to reconcile net income (loss) to net cash provided by operating activities:

Depreciation and amortization 110,054 96,969

Amortization of debt issuance costs 3,061 2,485

Equity-based compensation expense 27,014 23,140

Deferred income taxes 56,133 (21,655)

Legal settlements expense — 394,181

Loss on impairment 11,459 8,694

Other (3,988) 1,423

Change in operating assets and liabilities, net of effect of acquisitions:

Accounts receivable, net (20,936) (40,227)

Other current assets (3,334) (77,165)

Other assets 676 309

Accounts payable and other accrued liabilities (404,942) 23,057

Accrued salaries and benefits (1,841) (3,038)

Other liabilities 8,681 17,723

Government relief funds — (4,442)

Net cash provided by operating activities 12,992 346,036

Investing activities:

Cash paid for acquisitions, net of cash acquired (53,550) (349)

Cash paid for capital expenditures (486,891) (285,410)

| | | |
|---|------------|------------|
| Proceeds from sale of property and equipment | 10,227 | 633 |
| Other | (2,935) | (1,925) |
| Net cash used in investing activities | (533,149) | (287,051) |
| Financing activities: | | |
| Borrowings on long-term debt | 350,000 | — |
| Borrowings on revolving credit facility | 210,000 | 40,000 |
| Principal payments on revolving credit facility | (15,000) | (35,000) |
| Principal payments on long-term debt | (40,968) | (15,938) |
| Payment of debt issuance costs | (1,518) | — |
| Repurchase of shares for payroll tax withholding, net of proceeds from stock option exercises | (824) | (45,193) |
| Contributions from noncontrolling partners in joint ventures | 3,500 | 2,538 |
| Distributions to noncontrolling partners in joint ventures | (2,972) | (3,480) |
| Other | 11 | 30 |
| Net cash provided by (used in) financing activities | 502,229 | (57,043) |
| Net (decrease) increase in cash and cash equivalents | (17,928) | 1,942 |
| Cash and cash equivalents at beginning of the period | 100,073 | 97,649 |
| Cash and cash equivalents at end of the period | \$ 82,145 | \$ 99,591 |
| | \$ - | \$ - |
| Effect of acquisitions: | | |
| Assets acquired, excluding cash | \$ 59,235 | \$ 6,766 |
| Liabilities assumed | (4,185) | (128) |
| Contingent consideration issued in connection with an acquisition | (1,500) | — |
| Redeemable noncontrolling interest resulting from an acquisition | — | (6,289) |
| Cash paid for acquisitions, net of cash acquired | \$ 53,550 | \$ 349 |

Operating Statistics

(Unaudited, Revenue in thousands)

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|----------------------------------|------------|----------|---------------------------------|--------------|----------|
| | 2024 | 2023 | % Change | 2024 | 2023 | % Change |
| Same Facility Results ⁽¹⁾ | | | | | | |
| Revenue | \$ 802,555 | \$ 739,335 | 8.6 % | \$ 2,334,956 | \$ 2,148,408 | 8.7 % |
| Patient Days | 800,880 | 764,703 | 4.7 % | 2,332,369 | 2,260,513 | 3.2 % |
| Admissions | 50,368 | 49,397 | 2.0 % | 147,617 | 147,130 | 0.3 % |
| Average Length of Stay ⁽²⁾ | 15.9 | 15.5 | 2.7 % | 15.8 | 15.4 | 2.8 % |
| Revenue per Patient Day | \$ 1,002 | \$ 967 | 3.6 % | \$ 1,001 | \$ 950 | 5.3 % |
| Adjusted EBITDA margin ⁽³⁾ | 29.7 % | 29.3 % | 40 bps | 29.3 % | 28.8 % | 50 bps |
| Adjusted EBITDA margin excluding income from provider relief fund | 29.7 % | 28.7 % | 100 bps | 29.3 % | 28.6 % | 70 bps |
| Facility Results | | | | | | |
| Revenue | \$ 815,634 | \$ 750,334 | 8.7 % | \$ 2,379,725 | \$ 2,185,938 | 8.9 % |
| Patient Days | 815,126 | 779,296 | 4.6 % | 2,375,477 | 2,306,109 | 3.0 % |
| Admissions | 51,513 | 50,302 | 2.4 % | 151,082 | 150,237 | 0.6 % |
| Average Length of Stay ⁽²⁾ | 15.8 | 15.5 | 2.1 % | 15.7 | 15.3 | 2.4 % |
| Revenue per Patient Day | \$ 1,001 | \$ 963 | 3.9 % | \$ 1,002 | \$ 948 | 5.7 % |
| Adjusted EBITDA margin ⁽³⁾ | 28.2 % | 28.7 % | -50 bps | 27.9 % | 28.0 % | -10 bps |
| Adjusted EBITDA margin excluding income from provider relief fund | 28.2 % | 28.1 % | 10 bps | 27.9 % | 27.8 % | 10 bps |

(1) Same facility results for the periods presented include facilities we have operated for more than one year and exclude certain closed services.

(2) Average length of stay is defined as patient days divided by admissions.

(3) For each of the three and nine months ended September 30, 2023, includes income from provider relief fund of \$4.4 million.

Acadia Healthcare Company, Inc.

Reconciliation of Net Income Attributable to Acadia Healthcare Company, Inc. to Adjusted EBITDA

(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|---------------|---------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | (in thousands) | | | |
| Net income (loss) attributable to Acadia Healthcare Company, Inc. | \$ 68,132 | \$ (217,710) | \$ 222,997 | \$ (79,396) |
| Net income attributable to noncontrolling interests | 3,236 | 2,185 | 7,958 | 3,978 |
| Provision for (benefit from) income taxes | 27,199 | (71,873) | 72,916 | (29,907) |
| Interest expense, net | 29,924 | 20,742 | 86,297 | 61,651 |
| Depreciation and amortization | 37,641 | 33,388 | 110,054 | 96,969 |
| EBITDA | 166,132 | (233,268) | 500,222 | 53,295 |
| Adjustments: | | | | |
| Equity-based compensation expense (a) | 9,467 | 8,163 | 27,014 | 23,140 |
| Transaction, legal and other costs (b) | 8,249 | 11,247 | 17,187 | 26,792 |
| Legal settlements expense (c) | — | 394,181 | — | 394,181 |
| Loss on impairment (d) | 10,459 | — | 11,459 | 8,694 |
| Adjusted EBITDA | \$ 194,307 | \$ 180,323 | \$ 555,882 | \$ 506,102 |
| Adjusted EBITDA margin | 23.8 | % 24.0 | % 23.4 | % 23.2 |
| Income from provider relief fund | — | (4,442) | — | (4,442) |
| Adjusted EBITDA excluding income from provider relief fund | \$ 194,307 | \$ 175,881 | \$ 555,882 | \$ 501,660 |
| Adjusted EBITDA margin excluding income from provider relief fund | 23.8 | % 23.4 | % 23.4 | % 22.9 |

See footnotes on page 10.

Acadia Healthcare Company, Inc.

Reconciliation of Net Income Attributable to Acadia Healthcare Company, Inc. to

Adjusted Income Attributable to Acadia Healthcare Company, Inc.

(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---|---------------|--|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | (in thousands, except per share amounts) | | | |
| Net income (loss) attributable to Acadia Healthcare Company, Inc. | \$ 68,132 | \$ (217,710) | \$ 222,997 | \$ (79,396) |
| Adjustments to income: | | | | |
| Transaction, legal and other costs (b) | 8,249 | 11,247 | 17,187 | 26,792 |
| Legal settlements expense (c) | — | 394,181 | — | 394,181 |
| Loss on impairment (d) | 10,459 | — | 11,459 | 8,694 |
| Provision for (benefit from) income taxes | 27,199 | (71,873) | 72,916 | (29,907) |
| Adjusted income before income taxes attributable to Acadia Healthcare Company, Inc. | 114,039 | 115,845 | 324,559 | 320,364 |
| Income tax effect of adjustments to income (e) | 29,960 | 28,756 | 79,614 | 79,947 |
| Adjusted income attributable to Acadia Healthcare Company, Inc. | 84,079 | 87,089 | 244,945 | 240,417 |
| Income from provider relief fund, net of taxes | — | (3,237) | — | (3,237) |
| Adjusted income attributable to Acadia Healthcare Company, Inc. excluding income from provider relief fund | \$ 84,079 | \$ 83,852 | \$ 244,945 | \$ 237,180 |
| Weighted-average shares outstanding - diluted (f) | 92,188 | 91,655 | 92,119 | 91,684 |
| Adjusted income attributable to Acadia Healthcare Company, Inc. per diluted share | \$ 0.91 | \$ 0.95 | \$ 2.66 | \$ 2.62 |

| | | | | | | |
|--|---------|---------|---------|---------|--------|---|
| Income from provider relief fund, net of taxes, per diluted share | — | (0.04) |) | — | (0.04) |) |
| Adjusted income attributable to Acadia Healthcare Company, Inc., excluding income from provider relief fund, per diluted share | \$ 0.91 | \$ 0.91 | \$ 2.66 | \$ 2.58 | | |

See footnotes on page 10.

Acadia Healthcare Company, Inc.

Footnotes

We have included certain financial measures in this press release, including those listed below, which are “non-GAAP financial measures” as defined under the rules and regulations promulgated by the SEC. These non-GAAP financial measures include, and are defined, as follows:

- EBITDA: net income (loss) attributable to Acadia Healthcare Company, Inc. adjusted for net income attributable to noncontrolling interests, provision for (benefit from) income taxes, net interest expense and depreciation and amortization.
- Adjusted EBITDA: EBITDA adjusted for equity-based compensation expense, transaction, legal and other costs, legal settlements expense and loss on impairment.
- Adjusted EBITDA excluding income from provider relief fund: Adjusted EBITDA adjusted for income from provider relief fund.
- Adjusted EBITDA margin: Adjusted EBITDA divided by revenue.
- Adjusted EBITDA margin excluding income from provider relief fund: Adjusted EBITDA excluding income from provider relief fund divided by revenue.
- Adjusted income before income taxes attributable to Acadia Healthcare Company, Inc.: net income (loss) attributable to Acadia Healthcare Company, Inc. adjusted for transaction, legal and other costs, legal settlements expense, loss on impairment and provision for (benefit from) income taxes.
- Adjusted income attributable to Acadia Healthcare Company, Inc.: Adjusted income before income taxes attributable to Acadia Healthcare Company, Inc. adjusted for the income tax effect of adjustments to income.
- Adjusted income attributable to Acadia Healthcare Company, Inc. excluding income from provider relief fund: Adjusted income attributable to Acadia Healthcare Company, Inc. adjusted for income from provider relief fund.
- Net leverage ratio: Long-term debt (excluding \$9.7 million of unamortized debt issuance costs, discount and premium) less cash and cash equivalents divided by Adjusted EBITDA for the trailing twelve months.

The non-GAAP financial measures presented herein are supplemental measures of our performance and are not required by, or presented in accordance with, generally accepted accounting principles in the United States (“GAAP”). The non-GAAP financial measures presented herein are not measures of our financial performance under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as measures of our liquidity. Our measurements of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies. We have included information concerning the non-GAAP financial measures in this press release because we believe that such information is used by certain investors as measures of a company’s historical performance. We believe these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of issuers of equity securities, many of which present similar non-GAAP financial measures when reporting their results. Because the non-GAAP financial measures are not measurements determined in accordance with GAAP and are thus susceptible to varying calculations, the non-GAAP financial measures, as presented, may not be comparable to other similarly titled measures of other companies. Our presentation of these non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

The Company is not able to provide a reconciliation of projected Adjusted EBITDA and adjusted earnings per diluted share, where provided, to expected results due to the unknown effect, timing and potential significance of transaction-related expenses and the tax effect of such expenses.

(a) Represents the equity-based compensation expense of Acadia.

(b) Represents transaction, legal and other costs incurred by Acadia primarily related to legal, government investigations, management transition, termination, restructuring, acquisition and other similar costs.

(c) Represents legal settlements expense related to the Desert Hills litigation.

(d) Represents non-cash impairment charges related to the closure of certain facilities.

(e) Represents the income tax effect of adjustments to income based on tax rates of 26.3% and 24.8% for the three months ended September 30, 2024 and 2023, respectively, and 24.5% and 25.0% for the nine months ended September 30, 2024 and 2023, respectively.

(f) For the three and nine months ended September 30, 2023, approximately 0.5 million and 0.8 million outstanding shares of restricted stock and shares of common stock issuable upon exercise of outstanding stock option awards, respectively, have been included in the calculation of weighted-average shares outstanding-diluted. These shares are excluded from the calculation of diluted earnings per share in the condensed consolidated statement of operations because the net loss for the three and nine months ended September 30, 2023 causes such securities to be anti-dilutive.

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Investor Contact:

Patrick Feeley

Senior Vice President, Investor Relations

(615) 861-6000

Source: Acadia Healthcare Company, Inc.