



# ACADIA

H E A L T H C A R E

## INVESTOR DAY 2022

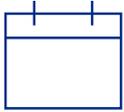
New York City | December 7

# Agenda for 2022 Investor Day

Topic	Presenter
<b>Kickoff</b>	David Duckworth, Chief Financial Officer
<b>Introduction to Acadia and our markets</b>	Chris Hunter, Chief Executive Officer
<b>Clinical overview and enterprise-level capabilities</b>	Dr. Michael Genovese, Chief Medical Officer
<b>Our services</b> <ul style="list-style-type: none"><li>• Acute and Residential Treatment Centers (RTC)</li><li>• Specialty</li><li>• Comprehensive Treatment Centers (CTC)</li></ul>	<ul style="list-style-type: none"><li>• John Hollinsworth, EVP, Operations</li><li>• Steve Quigley, Specialty Group President and Angie Castro, Chief of Staff</li><li>• Dr. Nasser Khan, CTC Group President</li></ul>
<b>Q&amp;A panel – clinical overview and services</b>	
<b>Break</b>	
<b>Growth strategy overview</b> <ul style="list-style-type: none"><li>• JVs</li><li>• Facility expansion</li><li>• De Novo facility</li><li>• M&amp;A overview</li><li>• Expand continuum of care</li></ul>	<ul style="list-style-type: none"><li>• Andrew Lynch, Chief Strategy Officer</li><li>• Isa Diaz, SVP, Strategic Affairs</li><li>• Dr. Jeffrey Woods, Operations Group President</li></ul>
<b>Financial overview</b>	David Duckworth, Chief Financial Officer
<b>Q&amp;A Panel – growth and financial overview</b>	
<b>Closing remarks, leading to lunch at 12:30</b>	Chris Hunter, Chief Executive Officer

# Safe Harbor

- Some of the statements made in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include any statements that address future results or occurrences. In some cases, you can identify forward-looking statements by terminology such as “may,” “might”, “will”, “should,” “could” or the negative thereof. Generally, the words “anticipate”, “believe”, “continues”, “expect”, “intend”, “estimate”, “project”, “plan” and similar expressions identify forward-looking statements. In particular, statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance contained in this are forward-looking statements.
- We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, many of which are outside of our control, which could cause our actual results, performance or achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements.
- Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. These risks and uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. Additional risks and uncertainties are described more fully in “Risk Factors” in our periodic reports and other filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date of this presentation. We do not undertake and specifically decline any obligation to update any such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments.



# Agenda

## Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

Our services

Q&A panel – clinical overview and services

Growth strategy overview

Financial overview

Q&A panel – growth and financial overview

Closing remarks

# Acadia is the leader in Behavioral Health in a moment of unparalleled need in the country

**#1** Pure-play Behavioral Health (BH) provider in the US

**75k** Patients treated daily across our 4 service lines

**246** Facilities across the nation

**Strong  
foundation  
for growth**

**Positioned to serve the large unmet needs in the country:  
commitment to clinical excellence, integration across the  
continuum of care and strong financial performance**

# The Behavioral Health market - underserved population with large unmet need and low industry maturity

## Large, recognized unmet need

**>30M**

Americans with mental illness receive no mental health treatment<sup>1</sup>

**~75k**

Additional beds required across the US to meet estimated needs<sup>2</sup>

**3x**

Increase in depression symptoms among US adults during the COVID-19 pandemic<sup>3</sup>

**~30%**

Increase in deaths by suicide between 2009 and 2021<sup>4</sup> with exacerbation of risk factors by COVID-19

## Low industry maturity

### Fragmentation

Most operators across Acute, substance use disorder (SUD) and opioid treatment programs (OTP) services are small-scale (e.g., 70% of the freestanding IP psychiatric beds are in small facilities, of the ~1.9k OTPs in the US the top 3 providers combined operate <15%)

### Integration

Few providers offering whole-person care, integrating treatments for mental health and physical co-morbidities and meaningfully addressing social determinants of health

### Technology

Historic underinvestment in BH technology and services (e.g., BH exclusion from \$25B+ HITECH Act of 2009<sup>5</sup> which incentivized and expanded the adoption of health information technology)

1. SAMHSA Results from the 2020 National Survey on Drug Use and Health, October 2021

2. Based on most cited estimate of psychiatric bed need in the US which is 50 beds per 100k (Treatment Advocacy Center, 2008; JAMA Psychiatry, 2022); American Hospital Association Annual Survey, 2011-20

3. The Journal of the American Medical Association, 2020

4. CDC's National Center for Health Statistics

5. U.S. Department of Health and Human Services

# Our strategy...

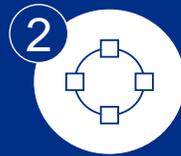
**Become the indispensable behavioral health provider for high-acuity and complex needs patient populations**

## Our core strategic priorities

---



**Fuel facility growth** through accelerated JV partnerships and de novo builds and launching programmatic M&A



**Accelerate expansion across the care continuum**, particularly for patients with opioid use and other substance use disorders



**Strengthen capabilities and selectively leverage technology** to increase access, improve care delivery and increase clinical integration

# ... is built on our existing sources of differentiation



**National footprint and scale with regional density** and presence across Acute, RTC, Specialty, PHP/IOP and CTC service lines



**Patient-centric approach** with services across the care continuum and ability to meet patients where they are



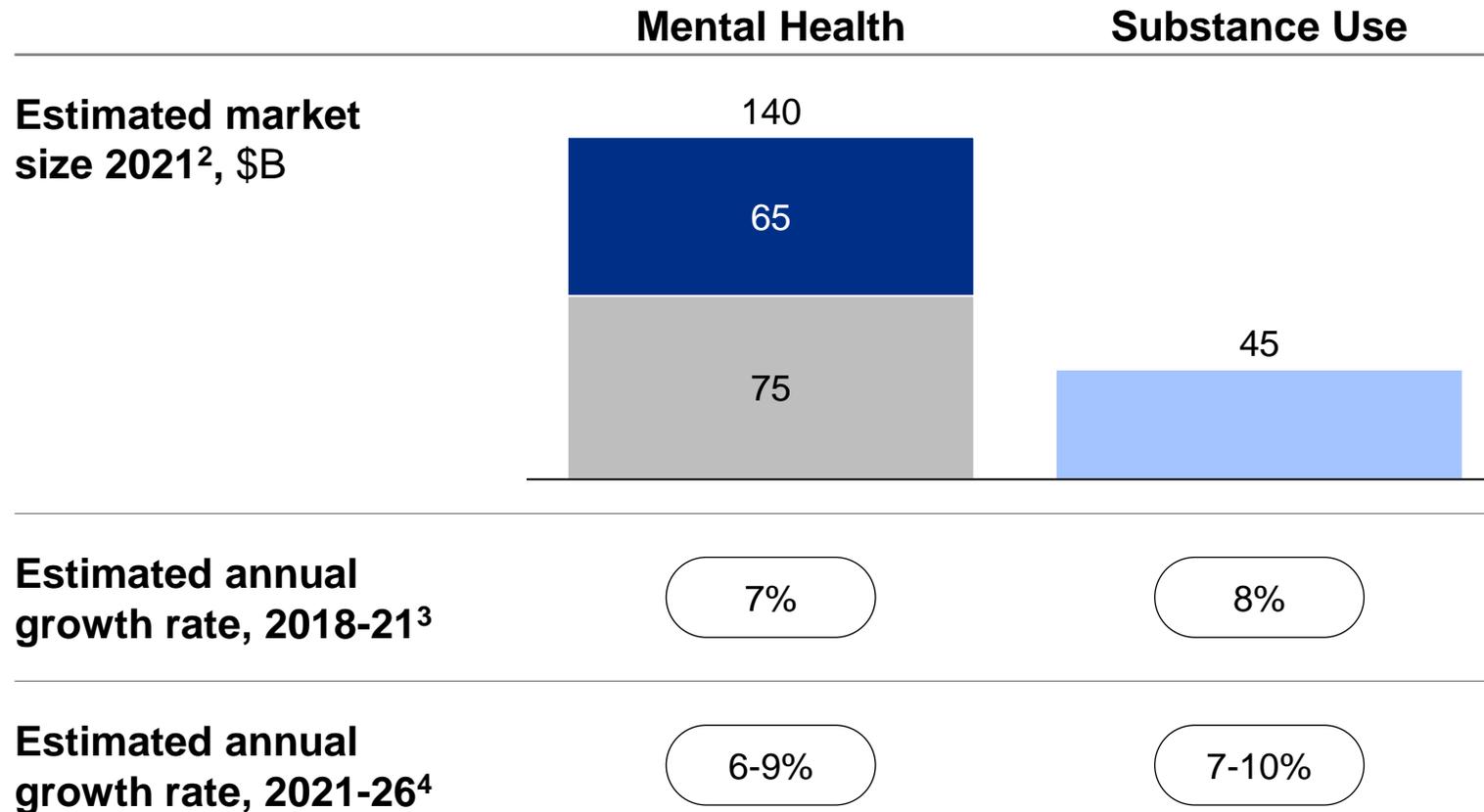
**Strong operational discipline** generating operational and financial returns



**Strong financial position** to accelerate our strategy going forward

# The Behavioral Health market - a growing \$185B market of which \$110B is complex MH and substance treatment

■ Complex Mental Health treatment<sup>1</sup> ■ Lower acuity services ■ Substance treatment



## Growth drivers

-  Unmet need for complex care
-  Declining social stigma
-  Bipartisan support for BH as a priority
-  Increased interest and support for integrated care
-  Technology to enhance access and quality of care (industry historically underinvested)
-  **988** Hotline rolled out, with 45% increase in call volume since launch in July 2022<sup>5</sup>

1. Includes IP, residential, PHP (Partial Hospitalization Program)/IOP (Intensive Outpatient Program) as well as outpatient treatment of schizophrenia, bipolar disorder, and suicidality  
 2. Analyses based on 3rd-party 2021 claims data (Medicare LD, DRG, SAMHSA 2021, Truven)  
 3. Analyses based on 3rd-party 2018-21 claims data (Medicare LD, DRG, SAMHSA 2021, Truven)  
 4. Estimates triangulated with: IHME forecasts of disease prevalence across BH condition categories; expert interviews; claims analyses; market trends  
 5. US Department of Health & Human Services, September 2022



**Acadia is uniquely positioned to execute against a broad range of growth opportunities across service lines**



### Historical track record



### Formula for success

#### Facility expansions

~**2,600** organic beds added 2015-2022

Lower marginal bed cost  
Experienced team with leading expertise  
**300+** beds annually projected

#### Joint ventures

Opened **8** JVs with ~**760** beds since 2015 and 1 expected to open later this year

Acceleration of our JV activity; **2** openings in 2023, **4** in 2024, **4** in 2025, >20 JVs in pipeline

#### De novo facilities

~**530** beds opened since 2015  
**16** new CTC facilities and 2 new Acute facilities in 2021-2022

Accelerating market entry with plan for ~**190** new Acute beds, ~**80** new specialty beds, and ~**14** CTC facilities starting in 2024

#### M&A

**6** inpatient facilities and **13** CTCs acquired 2019-2022

Proactively pursuing M&A of Acute, substance use disorder (SUD) and CTC opportunities

#### Continuum of care

**54** PHP/IOP programs added since 2019  
Virtual care offerings extended to all service lines during COVID pandemic

Continue to fill service gaps  
Scale cross-referral programs  
Expand virtual care offerings



# Acadia has an integrated and complementary portfolio...

	Service line			
	Acute	Specialty	Comprehensive Treatment Center	Residential Treatment Center
Highest				
Inpatient <sup>1</sup>	✓	✓		
Residential		✓		✓
Partial hospital	✓	✓		
Intensive outpatient	✓	✓		
Outpatient		✓	✓	
Moderate				
Virtual	✓	✓	✓	✓

1. Includes detox services for treatment of substance withdrawal (e.g., benzodiazepines)
2. Based on a survey with 176 referring providers
3. Analysis based on a 6-month period following IP stay using 3rd-party 2021 claims data (Medicare LD, DRG, SAMHSA 2021, Truven)

## ... focusing on high-needs patients, meeting them where they are

# #1

Priority among referring clinicians is the breadth of BH conditions that can be treated<sup>2</sup>

# 85%

Of referring providers want integrated care and diversity of offerings<sup>2</sup>

# 35%

Of total costs of behavioral healthcare after an IP stay are from post-acute services (e.g., residential treatment, outpatient services)<sup>3</sup>



## We will continue to enhance our capabilities to drive clinical excellence and financial results



**Clinical integration** that focuses on whole-person care (e.g., collaborations with our health system partners)



**Innovative clinical treatments** that differentiate us from other BH providers (e.g., early adoption of transcranial magnetic stimulation and esketamine)



**Operational efficiencies** that elevate our ROIC above our cost of capital



**Our people** that ensure our clinical offerings remain best-in-class by recruiting, training and elevating talented clinicians and support staff



**Technology** that ensures we remain at the forefront of the BH industry

# Recap: Acadia's existing sources of differentiation



**National footprint and scale with regional density** and presence across Acute, RTC, Specialty, PHP/IOP and CTC service lines



**Patient-centric approach** with services across the care continuum and ability to meet patients where they are



**Strong operational discipline** generating operational and financial returns

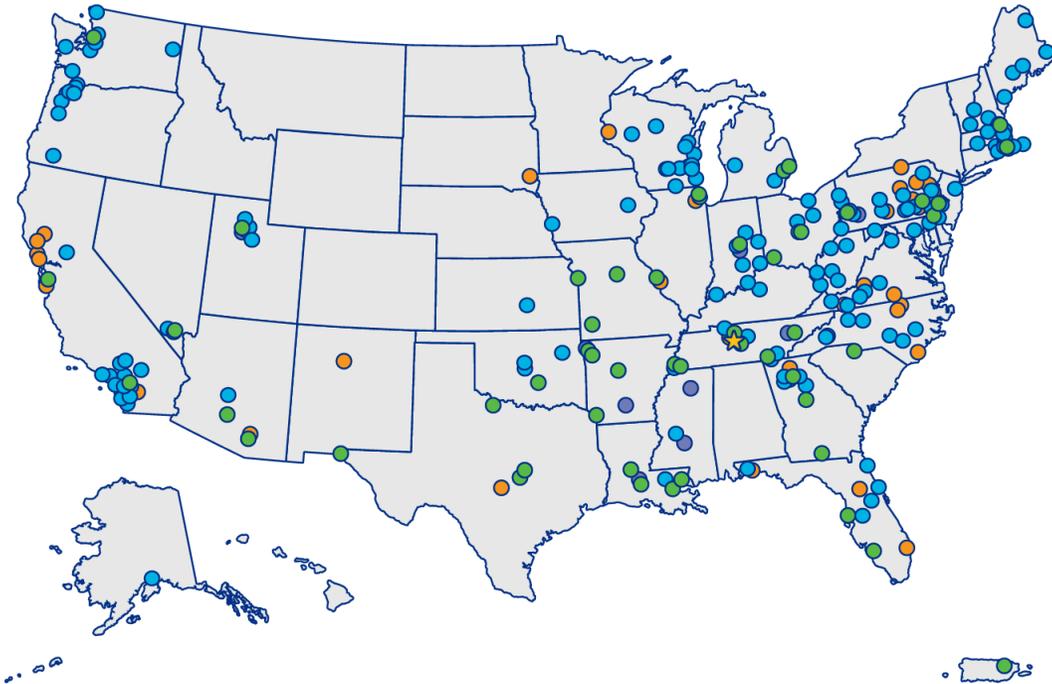


**Strong financial position** to accelerate our strategy going forward



# National footprint and scale with regional density

● Acute    ● Specialty    ● CTCs    ● RTCs    ★ Corporate Office



Strong regional density across large parts of the country, generating strategic and revenue upside

~\$2.5B in revenue and  
~\$586M in adjusted EBITDA<sup>1</sup>

## Acute – 51 facilities

Stabilize and treat individuals who are at high risk of imminent danger to themselves or others in inpatient facilities

## Specialty services – 37 facilities

Treat substance use, eating disorders, or co-occurring disorders in inpatient, residential, partial hospitalization, intensive outpatient and outpatient settings

## Comprehensive Treatment Centers (CTCs) – 148 facilities

Treat opioid use disorder (OUD) with medication and therapy in outpatient settings

## Residential Treatment Centers (RTCs) – 10 facilities

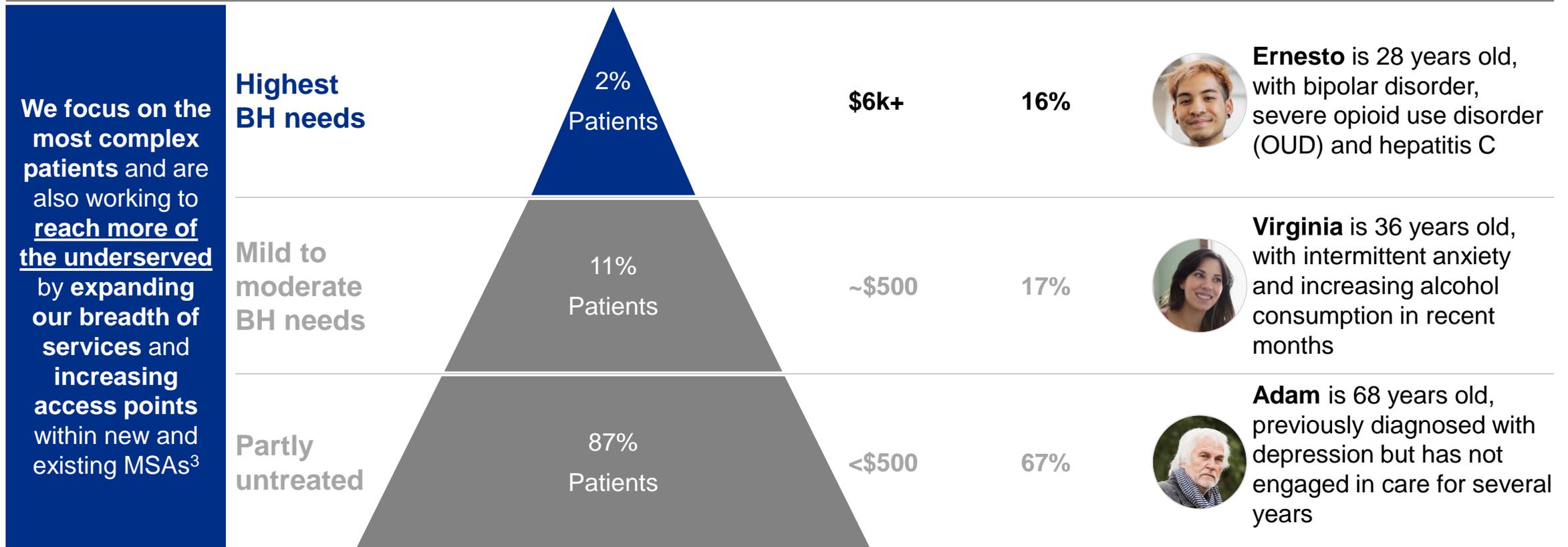
Treat children and adolescents with behavioral health disorders in a nonhospital setting

1. Total US revenue TTM 9/30/22, and adjusted EBITDA excluding income from provider relief fund. See appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure



# Acadia has a patient-centric approach covering the full care continuum, with deep expertise in treating high needs patients

- Core Acadia expertise and focus
- Other relevant patient populations for Acadia



1. Analyses based on 3rd-party claims data (Medicare LD, DRG, SAMHSA 2021, Truven)  
 2. PMPY: Per-member, per year  
 3. Metropolitan Statistical Area



# Strong operational discipline generating operational and financial return

**77%** Inpatient occupancy rate vs. acute care peer average of 74%<sup>1</sup>

## Recruiting

Robust recruiting and labor management capabilities with proprietary processes for all types of staff

## Cost controls

Disciplined cost controls as evidenced by our financial performance

## BH expertise

Deep expertise providing services across the care continuum and building and operating BH facilities

## Clinical outcomes

Focus on achieving meaningful clinical outcomes

1. Center for Medicare and Medicaid Services



## Strong financial position to accelerate our strategy going forward

**9-11%**

Projected annual organic revenue growth 2024-2028

**10-12%**

Projected annual EBITDA growth 2024-2028

**\$4.5-5.0B**

Estimated revenue for 2028

**2.1x**

Decreased leverage from 5x in 2020 to 2.1x today

We continue to be in a strong position for investments in our facilities, expansion into new and existing markets and enhancement of our capabilities and infrastructure

# Overview of the Acadia Executive Team



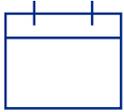
300+ Combined years of experience in healthcare

~60 Years experience at Acadia

○ Speaker at Investor Day, 2022

**In addition, you will also hear from some of our operational leaders:**

-  Gretchen Hommrich, Vice President of Investor Relations
-  Nasser Khan, M.D., CTC Group President
-  Steve Quigley, Specialty Group President
-  Jeffrey Woods, DNP, Operations Group President



# Agenda

Introduction to Acadia and our markets

**Clinical overview and enterprise-level capabilities**

Our services

Q&A panel – clinical overview and services

Growth strategy overview

Financial overview

Q&A panel – growth and financial overview

Closing remarks

# Acadia at a glance: the largest BH-focused provider nationally



Strong regional density across large parts of the country, generating strategic and revenue upside

~\$2.5B in revenue and  
~\$586M in adjusted EBITDA<sup>1</sup>

## Acute – 51 facilities

Stabilize and treat individuals who are at high risk of imminent danger to themselves or others in inpatient facilities

## Specialty services – 37 facilities

Treat substance use, eating disorders, or co-occurring disorders in inpatient, residential, partial hospitalization, intensive outpatient and outpatient settings

## Comprehensive Treatment Centers (CTCs) – 148 facilities

Treat opioid use disorder (OUD) with medication and therapy in outpatient settings

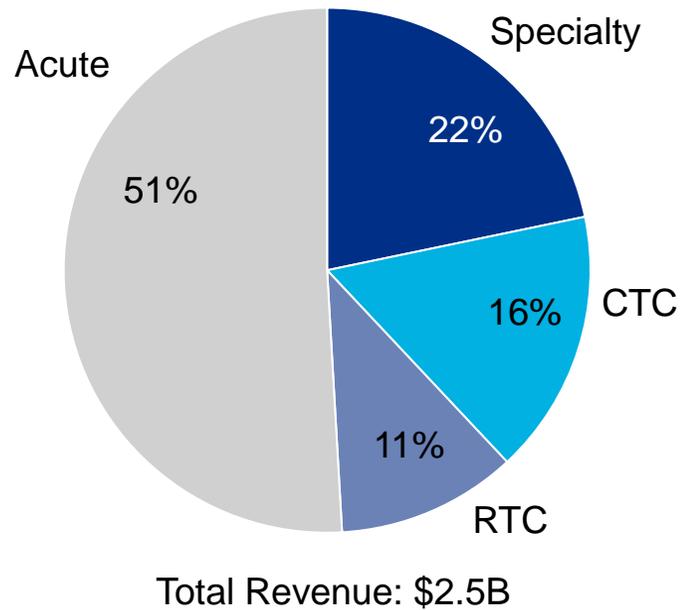
## Residential Treatment Centers (RTCs) – 10 facilities

Treat children and adolescents with behavioral health disorders in a nonhospital setting

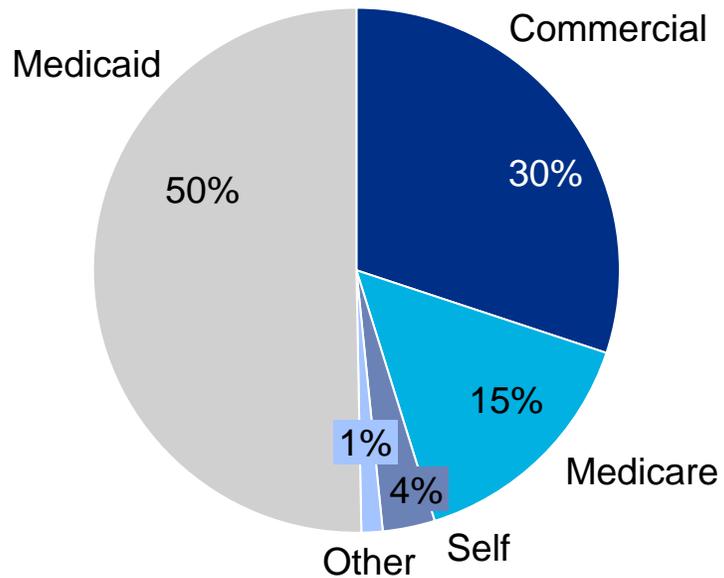
1. Total US revenue TTM 9/30/22, and adjusted EBITDA excluding income from provider relief fund. See appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure

# Strong diversification across service lines, payors and geography

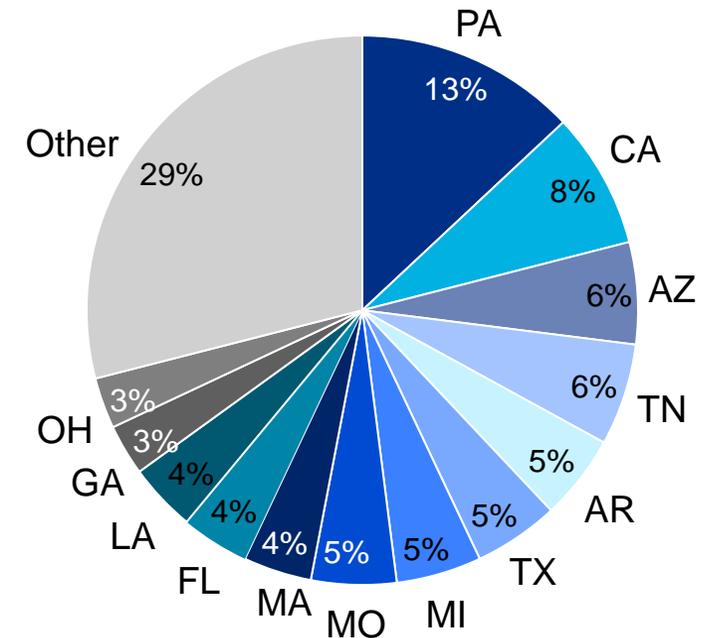
Revenue by service lines, 2022<sup>1</sup>



Revenue by payors, 2022<sup>1</sup>



Revenue by geography, 2022<sup>1</sup>



1. The charts above present the percentage of our total US revenue TTM 9/30/22, attributed to each category

# As the nation's premier Acute BH provider, we treat a multitude of conditions across our 4 service lines

## Acute



Daniel

Daniel was rushed to an emergency room after a **suicide attempt**

He is being transferred to Acadia's Mount Carmel facility for **inpatient treatment** of depression

## Specialty



Jane

Jane was admitted to Sierra Tucson's inpatient unit for **alcohol detox**

Following **treatment of withdrawal** with benzodiazepines, Jane will begin a **28-day treatment program**

## RTC



Alicia

After being stabilized at Acadia's Conway Behavioral Acute Hospital, Alicia was diagnosed with **post-traumatic stress** by her PCP, who now recommends step-down care

Alicia will be admitted to Millcreek of Arkansas for **residential treatment**

## CTC



Albert

Albert has been speaking with his PCP about addressing his long-standing **opioid dependency**

Albert decided to act and pursue **methadone maintenance** and group psychotherapy at New Castle CTC

# Our patients are supported by our continued focus on critical capabilities

## Example of capabilities

---



Enhanced programs for cross-referrals across Acadia sites

---



Continued scaling of EMRs across Acute and Specialty sites of care

---



Rolled out improved, tech-enabled monitoring to enhance patient safety

---



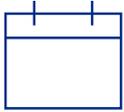
Launched virtual care programs at facilities (e.g., 50% of Comprehensive Treatment Center counseling visits completed remotely)

---



Collaborated with innovative payors to establish outcomes measurement and tracking

---



# Agenda

Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

## **Our services**

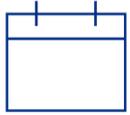
Q&A panel – clinical overview and services

Growth strategy overview

Financial overview

Q&A panel – growth and financial overview

Closing remarks



# Agenda

Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

Our services

- **Acute and Residential Treatment Centers (RTCs)**

- Specialty
- Comprehensive Treatment Centers (CTCs)

Q&A panel – clinical overview and services

Growth strategy overview

Financial overview

Q&A panel – growth and financial overview

Closing remarks



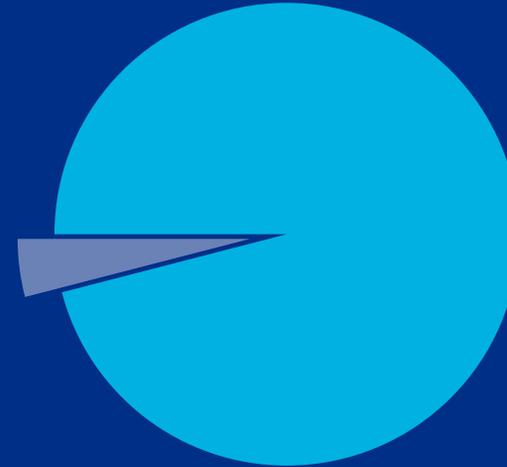
Florida



# Overview of the market for inpatient treatment of mental illness

**~\$1.3B**

**Acadia's Market share<sup>1</sup>**



**~\$35B**

**total US market<sup>2</sup>**

Large unmet demand (e.g., 26% increase in youth emergency department visits for suicide attempts in 2021 vs. 2019<sup>3</sup>) and inconsistent access to treatment across US populations

Rise in depression during COVID-19 with widespread increase in recognition and acceptance of mental illness and support<sup>4</sup>

Legislation increases coverage and funding for BH services

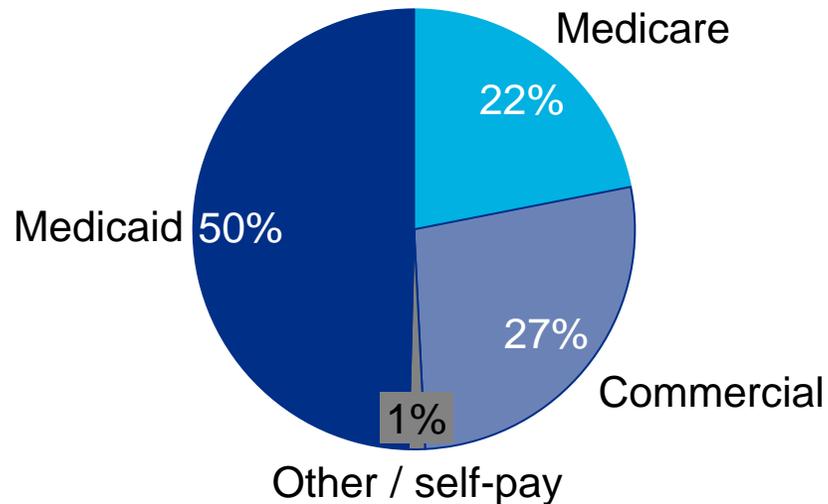
Reimbursement tailwinds drive increases in patients seeking BH services

1. TTM 9/30/22  
2. Analyses based on 3rd-party 2021 claims data (Medicare LD, DRG, SAMHSA 2021, Truven); Substance Use Disorders and Autism Spectrum Disorder have been excluded  
3. CDC's National Center for Health Statistics  
4. The Journal of the American Medical Association, 2020

# Acute: Overview of business performance

## Service line by the numbers

- ~51% of total revenue
- ~\$1.3B in annual revenues<sup>1</sup>
- Broad base of referral sources
- Payor mix:



1. TTM 9/30/22

## Operational highlights

- **Strong focus** on quality of clinical care
- **Robust labor management** processes attracting medical, management and direct care staff
- **18 JV partnerships** with health systems, and >20 projects in the pipeline
- **Specialized treatment programs** in numerous areas (e.g., medical psychiatry, trauma, post-traumatic stress, and military designated units)
- **Continued rollout of EMRs**

## Example facilities:



 SONORA BEHAVIORAL HEALTH Arizona



 TrustPoint HOSPITAL Tennessee

# Our Acute service line covers a broad care continuum focusing on high-acuity patients

## Services

### Inpatient (IP)

- Around-the-clock care and medication administration, close and frequent observation
- Goal to reduce safety concerns and stabilize patient

### Partial Hospital Program (PHP)

- ~5 hours a day, limited to the working day, typically 5 days a week
- Goal to improve symptoms and functioning, transition patient to less-restrictive setting

### Intensive Outpatient Program (IOP)

- ~3 hours a day to weekly depending on severity of symptoms and treatment needs
- Goal to achieve and maintain patient's usual level of functioning

## Example facilities within our portfolio



## Acute: Drivers of Acadia's continued growth outlook



Growing unmet demand for IP care across multiple metropolitan statistical areas (MSAs)



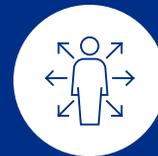
Continuing tailwinds from destigmatization and COVID-19's adverse impact on mental health



Increasing awareness and recognition of impact of BH spend on total cost of care for patients



Playing a critical role in meeting this growing demand and unmet need, with our scale, quality and operational excellence

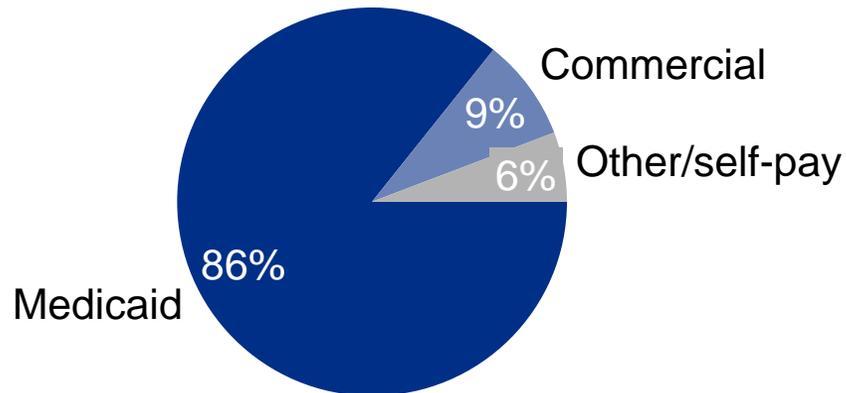


Deploying multiple models to market entry and growth (de novo facilities, bed expansions, JVs, M&A) depending on MSA-specific features and presence of high-quality partners

# Residential Treatment Centers (RTC): Overview of business performance

## Service line by the numbers

- ~11% of Acadia's total revenue
- ~\$290M in annual revenues<sup>1</sup>
- Payor Mix:



1. TTM 9/30/22  
2. YTD 9/30/22

## Operational highlights

- **Referral relationships** to our other sites enables strong continuum of care for our patients that need RTC services
- ~60 beds added in 2021-2022 YTD<sup>2</sup>
- **Robust relationships** with state-referring agencies and community organizations
- Leveraging a **large variety of therapeutic modalities** (e.g., CBT, DBT, psychodynamic psychotherapies)
- **Innovative, personalized treatments** (e.g., trauma and PTSD, pain recovery)
- Expertise in caring for **complex patient populations** (e.g., Justice involved, foster system)

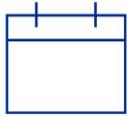
## Example facilities:



Louisiana



Arkansas



# Agenda

Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

Our services

- Acute and Residential Treatment Centers (RTCs)

- **Specialty**

- Comprehensive Treatment Centers (CTCs)

Q&A panel – clinical overview and services

Growth strategy overview

Financial overview

Q&A panel – growth and financial overview

Closing remarks



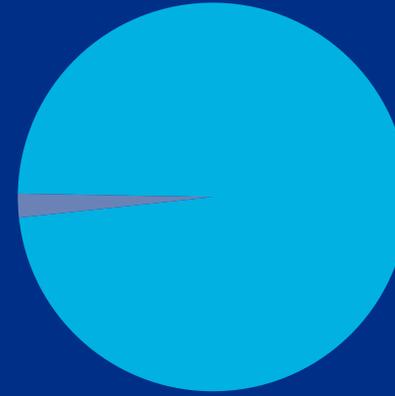
SIERRA TUCSON®  
Where Change Begins®

Arizona

# Overview of the market for treatment of substance use disorders (SUD)

**\$0.55B**

**Acadia's Market share<sup>1</sup>**



**~\$45B**

**Market<sup>2</sup>**

## Large unmet demand across patient populations

~**40M** individuals aged 12 or older needed substance use disorder treatment in the past year, but only 10% of these individuals reported receiving treatment<sup>3</sup>

~**30M** people across the US have eating disorders<sup>4</sup>

**Increased use of substances** as a result of the pandemic (stress, unemployment, social isolation) and to cope with other types of mental illness

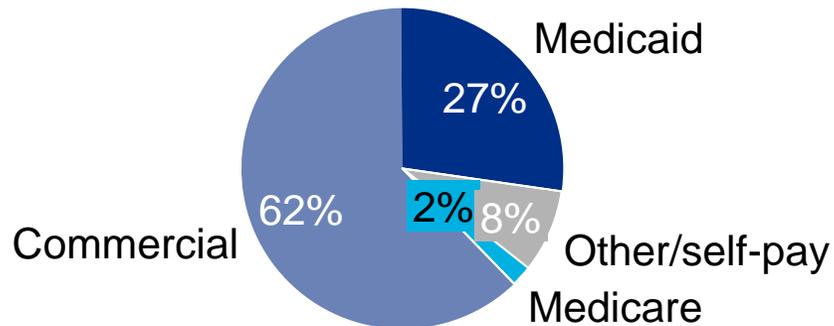
**Coverage changes** driving demand growth as more people have access to treatment

1. TTM 9/30/22  
2. Analyses based on 3rd-party 2021 claims data (Medicare LD, DRG, SAMHSA 2021, Truven)  
3. SAMHSA Results from the 2020 National Survey on Drug Use and Health, October 2021  
4. National Association of Anorexia Nervosa and related Disorders, 2022

# Specialty: Overview of business performance

## Service line by the numbers

- ~22% of total revenue
- ~\$550M in annual revenues<sup>1</sup>
- 37 facilities in 14 states
- Top 5 player in substance use and eating disorder
- Payor mix:



1. TTM 9/30/22

## Operational highlights

- **Customized treatment programs** tailored to experiences and needs of specific patient populations (e.g., veterans, first responders)
- Coordinated **multidisciplinary discharge planning** and post-discharge follow-up
- **Accelerated growth** in specialty de novos (e.g., 80 new beds planned in 2024)
- Offerings that attract **Commercially-insured, Medicaid and Medicare** populations
- Accelerated **electronic medical record rollout at remaining facilities**
- **Early adoption of novel therapeutics** (e.g., esketamine for treatment-resistant depression)

## Example facilities:



TIMBERLINE KNOLLS  
Making a Real-Life Difference

Illinois



the refuge

Florida

ACADIA  
HEALTHCARE

# Our Specialty service line tailors treatments to individual needs and preferences to achieve life-changing results

## Services

Detox	Substance use disorder rehab	Eating disorders	Outpatient
<ul style="list-style-type: none"> <li>• Around-the-clock care, treatment of withdrawal, medication administration and close observation</li> <li>• Immediate priority is to medically stabilize, ensure safety and then transition to lower-acuity care</li> </ul>	<ul style="list-style-type: none"> <li>• 28-day program in an overnight facility, with intensive individual and group therapy</li> <li>• The goal is to start addressing underlying pathology, behaviors and triggers and teaching coping mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Residential and outpatient programs that provide medication management, as well as individual, group, family and experiential therapies</li> <li>• Each patient receives a comprehensive plan tailored to the individual's unique situation and needs</li> </ul>	<ul style="list-style-type: none"> <li>• Depending on the severity of the illness and the treatment requirements, this can range from several times per week to once a month</li> <li>• Focus is long-term wellness with improved personal and professional health and functioning</li> </ul>

## Example facilities within our portfolio



## Specialty: Drivers of Acadia's continued growth outlook



Expanding unmet demand for treatment of substance use and eating disorders (e.g., only 6% of US adults with both mental illness and an SUD receive treatment at a specialized facility<sup>1</sup>)



Tailwinds from increasing employer receptivity, greater social acceptance and COVID-19's impact on SUD and depression prevalence across the US

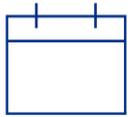


Playing an essential role in serving this rising demand with top quality and operationally excellent offerings that span the full care continuum



Renowned facilities built for purpose and recognizable brands with national reputations for clinical excellence

1. SAMHSA Results from the 2020 National Survey on Drug Use and Health, October 2021



# Agenda

Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

Our services

- Acute and Residential Treatment Centers (RTCs)
- Specialty
- **Comprehensive Treatment Centers (CTCs)**

Q&A panel – clinical overview and services

Growth strategy overview

Financial overview

Q&A panel – growth and financial overview

Closing remarks



Desert  
Comprehensive Treatment Center  
Opioid Use Disorder Program

California



# Overview of the opioid use disorder (OUD) market

**The United States is facing an opioid epidemic...**

---

**~9.5M**

people misused opioids in 2020, with 10% of people receiving MAT treatment today<sup>1</sup>

**107k**

overdose deaths surged during the pandemic representing a worsening of the drug overdose epidemic in the US and the largest number ever for a 12-month period<sup>2</sup>

**\$78.5B**

per year estimated economic burden of prescription opioid misuse<sup>3</sup>

**.... but meaningful efforts are underway to expand access to care**

---

**Acceptance**, destigmatization, greater public awareness and regulatory flexibility

**Expanded Funding**, including \$40B-\$50B in opioid settlement dollars for States, Medicare coverage and Medicaid expansion

1. SAMHSA Results from the 2020 National Survey on Drug Use and Health, October 2021

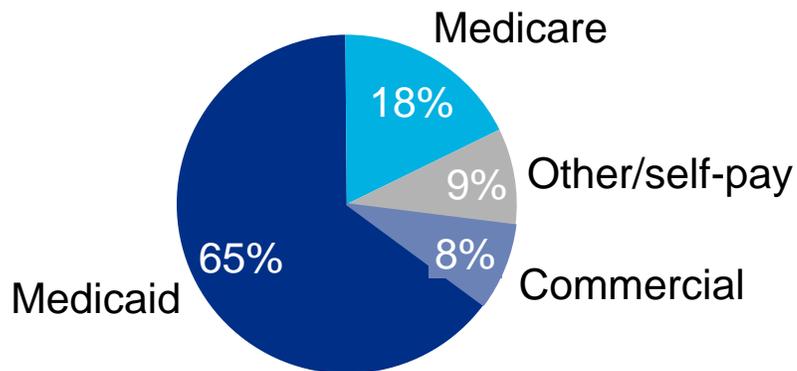
2. CDC's National Center for Health Statistics

3. Estimated total economic burden per year, includes the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement by the CDC

# Comprehensive Treatment Centers: Overview of business performance

## Service line by the numbers

- ~16% of total revenue
- ~\$410M in annual revenues<sup>1</sup>
- National leader with ~8% market share<sup>2</sup>
- **Positioned to accelerate growth** by increasing facilities across geographies
- Payor mix:



1. TTM 9/30/22

2. Acadia has 148 OTPs out of a total of 1,875 federally certified OTPs across the US; SAMHSA, 2022

## Operational highlights

- **Offering all FDA-approved medication treatment options** (e.g., methadone, buprenorphine, naltrexone)
- **Virtual (50%)** and in-person counseling options (group and individualized) meet patients where they are
- **Tailored solutions** to meet local community needs from traditional OTPs to medication-only units and mobile vans
- **Whole-person care** to address mental and physical co-morbidities and social determinants of health

## Example facilities:



River's Shore  
Comprehensive Treatment Center  
Opioid Use Disorder Program

Wisconsin



Lakeland  
Comprehensive Treatment Center  
Opioid Use Disorder Program

Florida

# Many patients with opioid use disorders have comorbidities...

**36%**

Have concurrent depression, anxiety or another comorbid behavioral health diagnosis<sup>1</sup>

**60%**

Have at least 1 chronic medical condition such as diabetes, hypertension or hypercholesterolemia<sup>2</sup>

**\$23k**

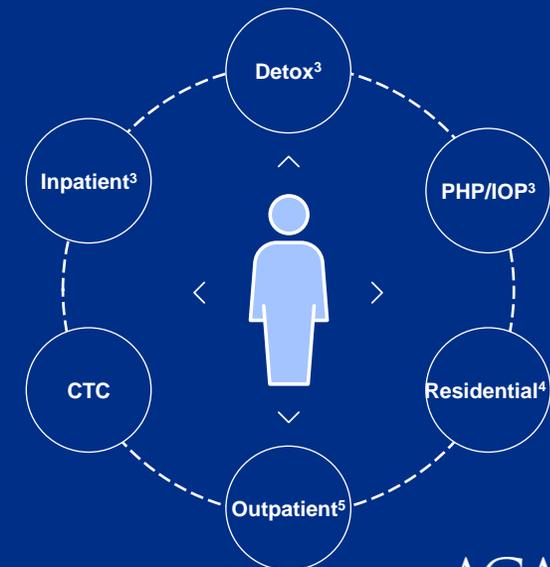
In annual per capita healthcare costs for patients with opioid use disorders and a second chronic medical condition<sup>2</sup>

1. Journal of Drug and Alcohol Dependence, 2022
2. Milliman white paper on costs and comorbidities of opioid use disorder, 2019
3. Services covered by Acute and Specialty service lines
4. Services covered by Specialty, RTC and select Acute facilities
5. Services covered by CTC and at select Specialty and Acute sites

# ... and Acadia can serve these patients as an integrated provider

Cross-referral integration with Specialty and Acute service lines, meeting patients with co-occurring conditions where they are

- 70% of patients admitted to Specialty facilities carry an opioid use disorder diagnosis
- 14 Specialty facilities have a CTC facility within a 20 miles radius



## Comprehensive Treatment Centers: Drivers of Acadia's continued growth outlook



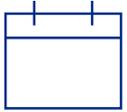
The US is facing an opioid epidemic with the vast majority of patients not receiving evidence-based medication-assisted treatment (MAT). Increased awareness, destigmatization and new sources of funding are key tools to enable greater access to care



Acadia is the leading opioid treatment program (OTP) provider today – with 148 locations across 32 states and a flexible suite of solutions from OTPs to mobile van units and virtual care offerings



Acadia has a unique opportunity to leverage its scale as an integrated provider to accelerate facility growth and meet the needs of OUD patients across the continuum of care



# Agenda

Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

Our services

**Q&A panel – clinical overview and services**

Growth strategy overview

Financial overview

Q&A panel – growth and financial overview

Closing remarks



## Q&A Panel – clinical overview and services



**Chris Hunter**  
Chief Executive Officer



**Angela Castro**  
Chief of Staff



**Michael Genovese,  
M.D., J.D.**  
Chief Medical Officer



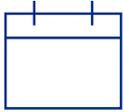
**John Hollinsworth**  
EVP, Operations



**Nasser Khan,  
M.D., CTC Group  
President**



**Steve Quigley,  
Specialty Group  
President**



# Agenda

Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

Our services

Q&A panel – clinical overview and services

**Growth strategy overview**

Financial overview

Q&A panel – growth and financial overview

Closing remarks

## There is significant unmet need ...

**90%** of the ~10M Americans with **opioid use disorder** do not access required treatment (e.g., medication-assisted treatment), leading to 75k preventable fatalities<sup>1</sup>

**100+** **Metropolitan statistical areas (MSAs)** are identified as **under-bedded**

**1/3** of the 14M individuals suffering from **serious mental illness** do not receive BH services<sup>2</sup>

## ... and the market could benefit from consolidation and partnership

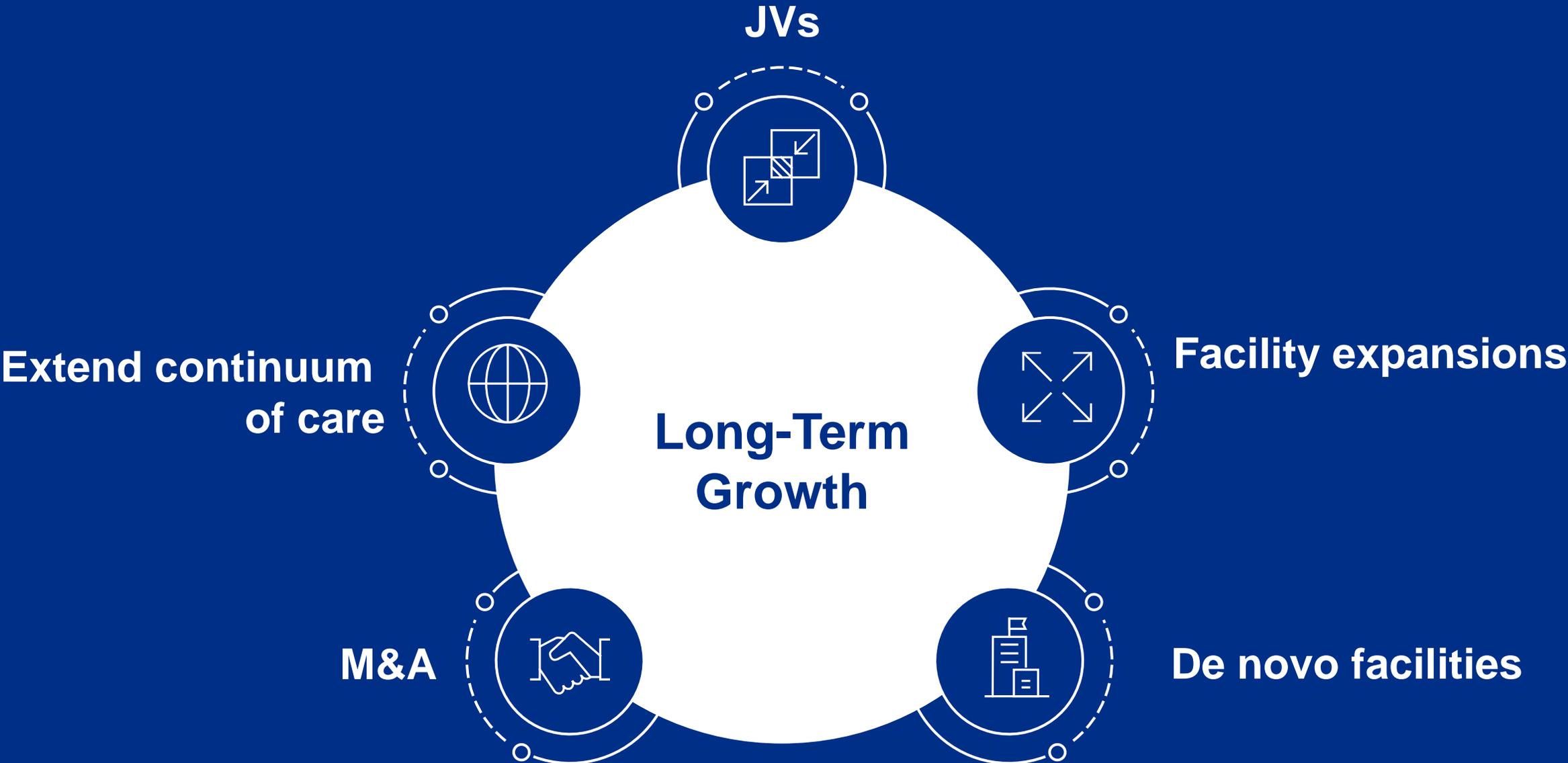
**~70%** of the freestanding IP psychiatric beds are operated by small local or regional facilities<sup>3</sup>

**600+** Health systems in the US can serve as **JV partners for IP acute care**

**Highly fragmented** outpatient substance use disorder market, with top 3 players collectively operating ~15% of the opioid treatment programs (OTPs) in the nation<sup>4</sup>

1. International Journal of Drug Policy, 2022; CDC's National Center for Health Statistics
2. SAMHSA Results from the 2020 National Survey on Drug Use and Health, October 2021
3. American Hospital Association annual survey, 2020
4. Substance Abuse and Mental Health Services Administration OTP database, 2022

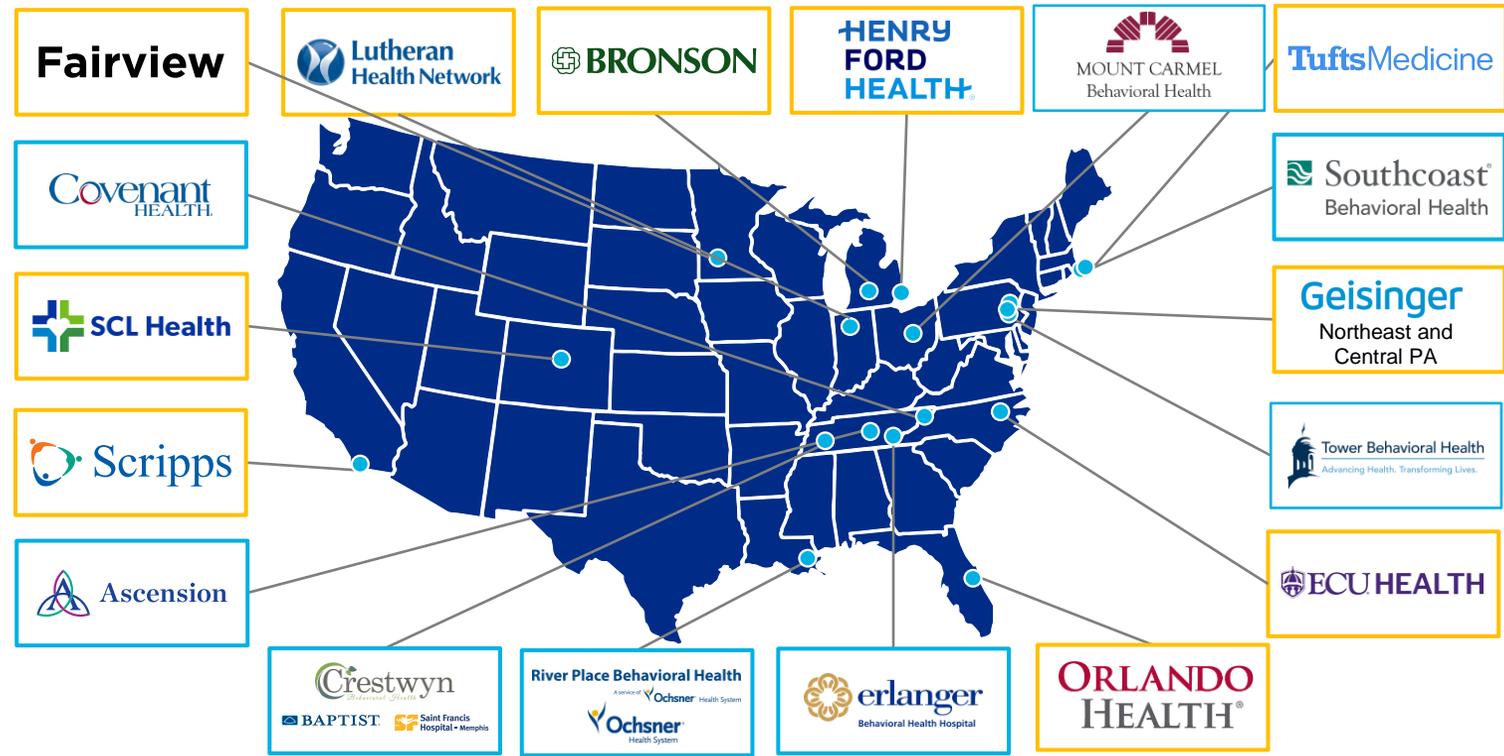
# Acadia has multiple attractive levers for growth



# Acadia has a strong track record of JVs with leading health systems

Signed JVs
  Operational JVs

## Landscape of our 18 existing partnerships



## Acadia delivers significant value to health systems

- **Behavioral health expertise** with long experience of operating acute care BH hospitals
- **Proven track record** of partnering with medical health systems
- **Help health systems meet the unmet needs** in the population (e.g., addressing special needs of children and adolescents) and free capacity for medical patients

JVs are equity partnerships with medical health systems that have a shared purpose of improving the mental and physical outcomes of high-acuity patients



## JVs create value for Acadia in multiple ways



### Accelerate new market entry

- **Reduce the time it takes** for new facilities to get up and running
- Access to partners' established **relationships in the market with providers and referral sources**
- **Entry to markets** that might otherwise be difficult to access (e.g., due to CON and/or state moratoriums)
- Build on **partners' strong brands**



### Favorable economics

- **10 months, on average**, to break-even (e.g., seamless handover and immediate access to staff helping patients get care faster)
- **Faster occupancy ramp** vs. wholly-owned de novo facilities
- **Strong payor relationships**
- **Size of joint venture hospitals** has been increasing over time

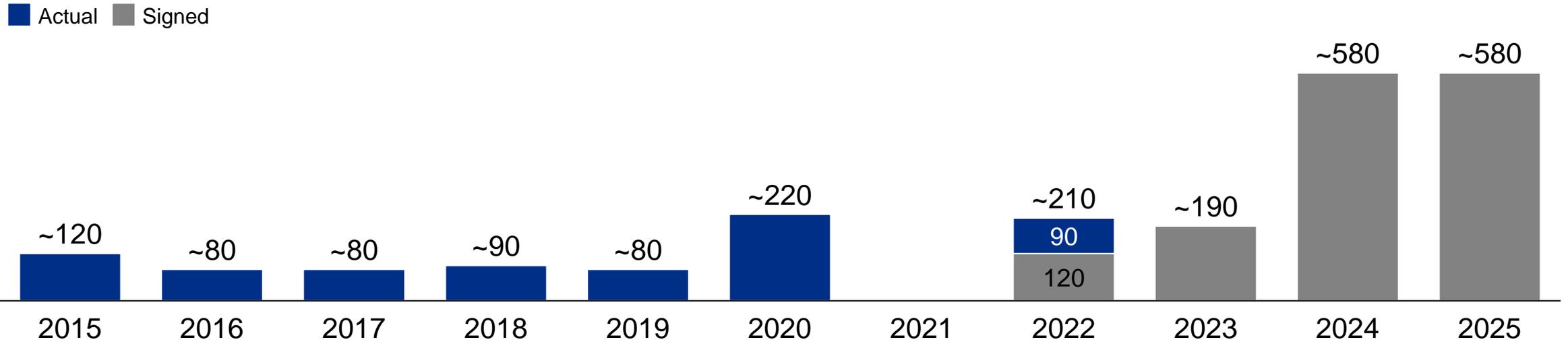


### Operational opportunities

- Ability to leverage the **partner's existing operations and expand teaching opportunities**
- Positioned to **integrate physical and mental health services** to develop innovative, high-quality programs

# Strong confidence in growth outlook

## Number of JV beds added per year, 2015-2025



2022 JVs

2023 JVs

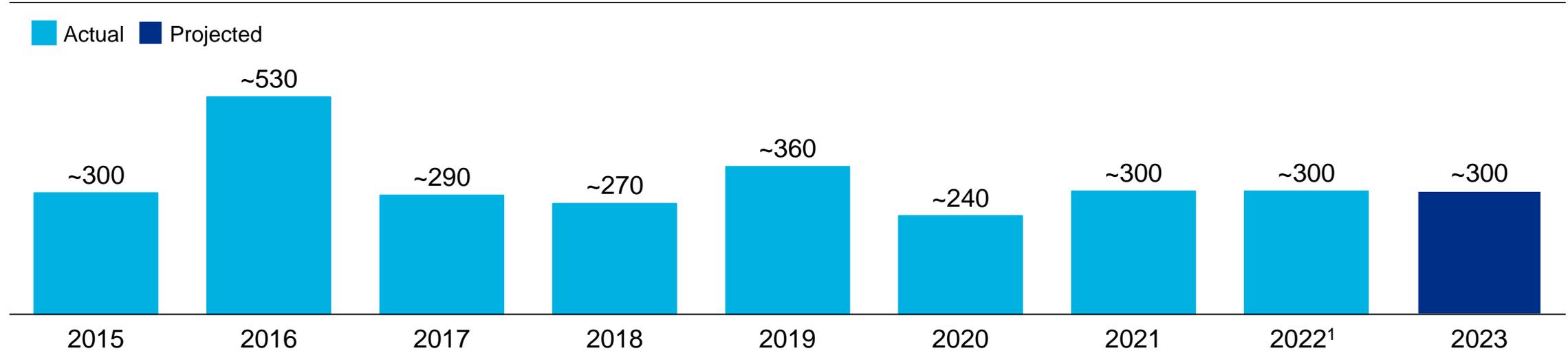
2024 JVs

2025 JVs



# We have a strong track record of expanding existing facilities and are confident in the future outlook

Number of beds added per year across our existing IP facilities, 2015-2023



## Sample inpatient hospitals with recent bed additions



**Acute facility**

Opened in 2016

Expected to add 53 beds in 2022



**Specialty facility**

Acquired in 2015

Opened a 6-bed addition in early 2022



**Acute facility**

Opened in 2019

Expected to add 52 beds over 2022 and 2023

1. Estimated additions as of end of year 2022

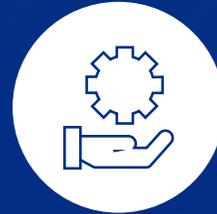
# Acadia has a well-established approach to de novo builds



## Proprietary methodology for market identification

**40+** variables in an analytical approach to identify high-potential markets

Additional qualitative metrics to identify best modes of entry (JV, de novo, M&A)



## Experts at constructing and operating BH hospitals

**~530** beds constructed since 2015



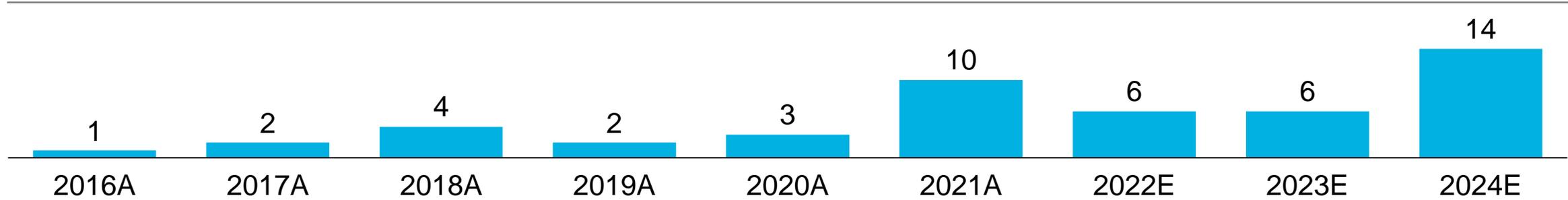
## Track record of rapid path towards profitability

**12** months, on average, to break-even

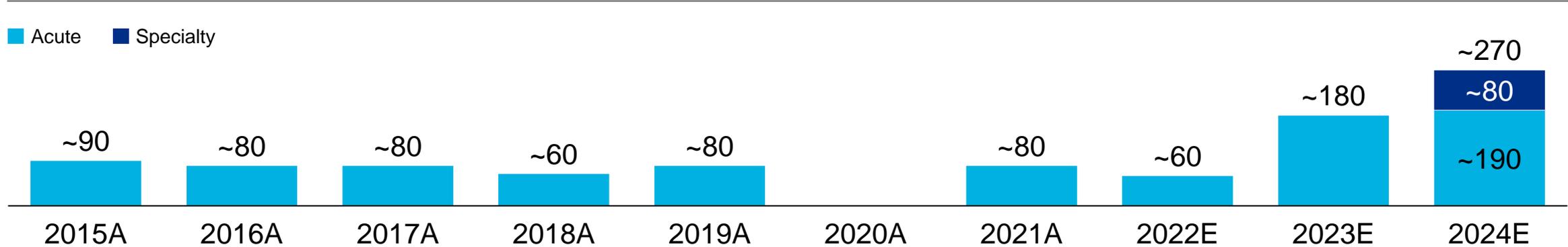
Ability to build strong local relationships and referral pathways

# Going forward, we expect to expand our de novo across CTC, Acute and Specialty

Number of CTC de novo locations, 2016-2024



Number of de novo beds per year, 2015-2024



Example de novo openings in 2023:





# Acadia is accelerating de novo and JV construction



Bronson Behavioral Health Hospital in Battle Creek Michigan



**BH-specific expertise** distinguishes Acadia’s behavioral health hospitals vs. general hospitals, ensuring that the unique patient needs are in focus (e.g., safety)



**Leading design capabilities** ensures facilities are state-of-the-art, safe, aesthetic, clinically appropriate and environmentally friendly



**Deliberate construction process** drives speed to market, with strong supply chain mitigation, usage of pre-fabricated materials and clear processes for all critical pathways (e.g., accountability to general contractors, early orders)



**Regulatory expertise** enables us to meet all local, state, CMS and Joint Commission requirements



**Robust recruiting capabilities** enables us to attract leading medical, leadership and line staff (e.g., through relationships with residency programs)



**Experienced real estate team** identifies attractive sites, acquires land and obtains all local project approvals in an efficient way

# Acadia has a strong track record of M&A and strong go-forward pipeline



## **Solid track record**

**6 inpatient facilities and 13 CTC facilities acquired 2019-2022, with total acquisition spend of ~\$200M**

## **Fragmented market**

**Consolidation opportunities across acute, SUD and CTC (e.g., ~1,900 OTPs in the US, 70% of the freestanding IP psychiatric beds are operated by small facilities)**

## **Strong balance sheet**

**Balance sheet ready to support potential acquisitions (tuck-ins and larger deals)**

## **Strong deal pipeline**

**Extensive market analysis leads to proactive deal pipeline across service lines**

# We have a targeted and programmatic approach to M&A



We focus on 1) methodical tuck-in acquisition of small/medium providers that meet our investment criteria and 2) select opportunistic acquisitions. We target assets that have:



**Supplement to our growth of our Acute, Specialty and CTC service lines**



**Clear path to enhance ROIC post acquisition** (with target metrics in place)



**Reputation for providing quality clinical care**



**Synergistic and strategic value**

- Bring synergies to other Acadia in-market assets
- Accelerate entry into our target MSAs



**Suitable size** (e.g., 80+ beds for Acute, 40-80 beds for SUD)

# Acadia has an integrated and complementary portfolio ...

	Service line			
	Acute	Specialty	CTC	RTC
Highest ↓ Treatment acuity	Inpatient <sup>1</sup>	✓	✓	
	Residential		✓	✓
	Partial hospital	✓	✓	
	Intensive outpatient	✓	✓	
	Outpatient		✓	✓
Moderate	Virtual	✓	✓	✓

**Uniquely positioned as a provider at scale covering all sites of care across the continuum**

1. Includes detox services for treatment of substance withdrawal (e.g., benzodiazepines)

# ... and continuously strives to enhance the care continuum

 **Extend continuum of care**



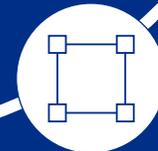
Leveraging virtual care platforms to scale innovative and high-impact clinical programs from Sierra Tucson and Timberline Knolls to all Specialty and Acute care facilities



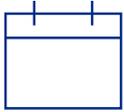
Building new facilities and expanding offerings across the care continuum in new geographies for Acadia and MSAs with existing service gaps



Expanding PHP/IOP offering as a natural step-up/step-down from Acute services



Further enhancing continuum of care by scaling referral programs



# Agenda

Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

Our services

Q&A panel – clinical overview and services

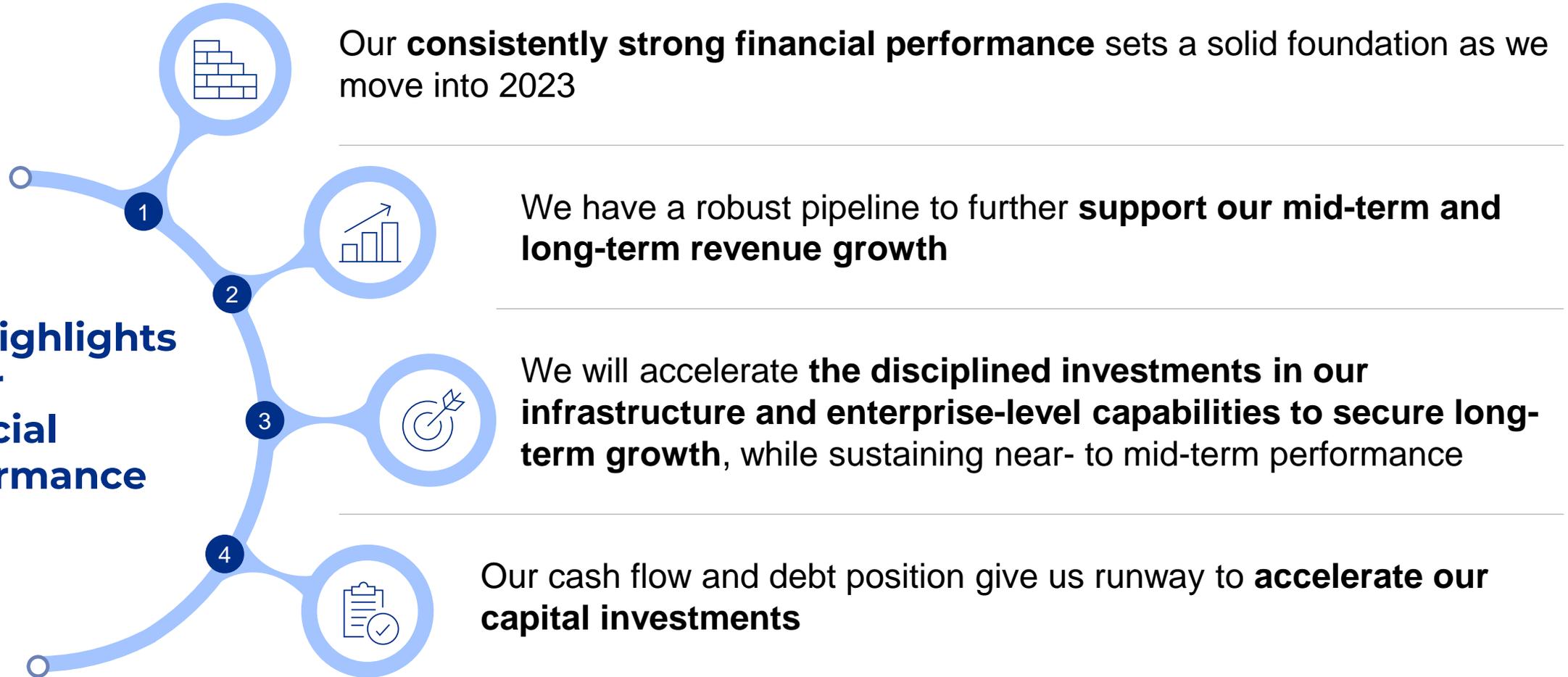
Growth strategy overview

**Financial overview**

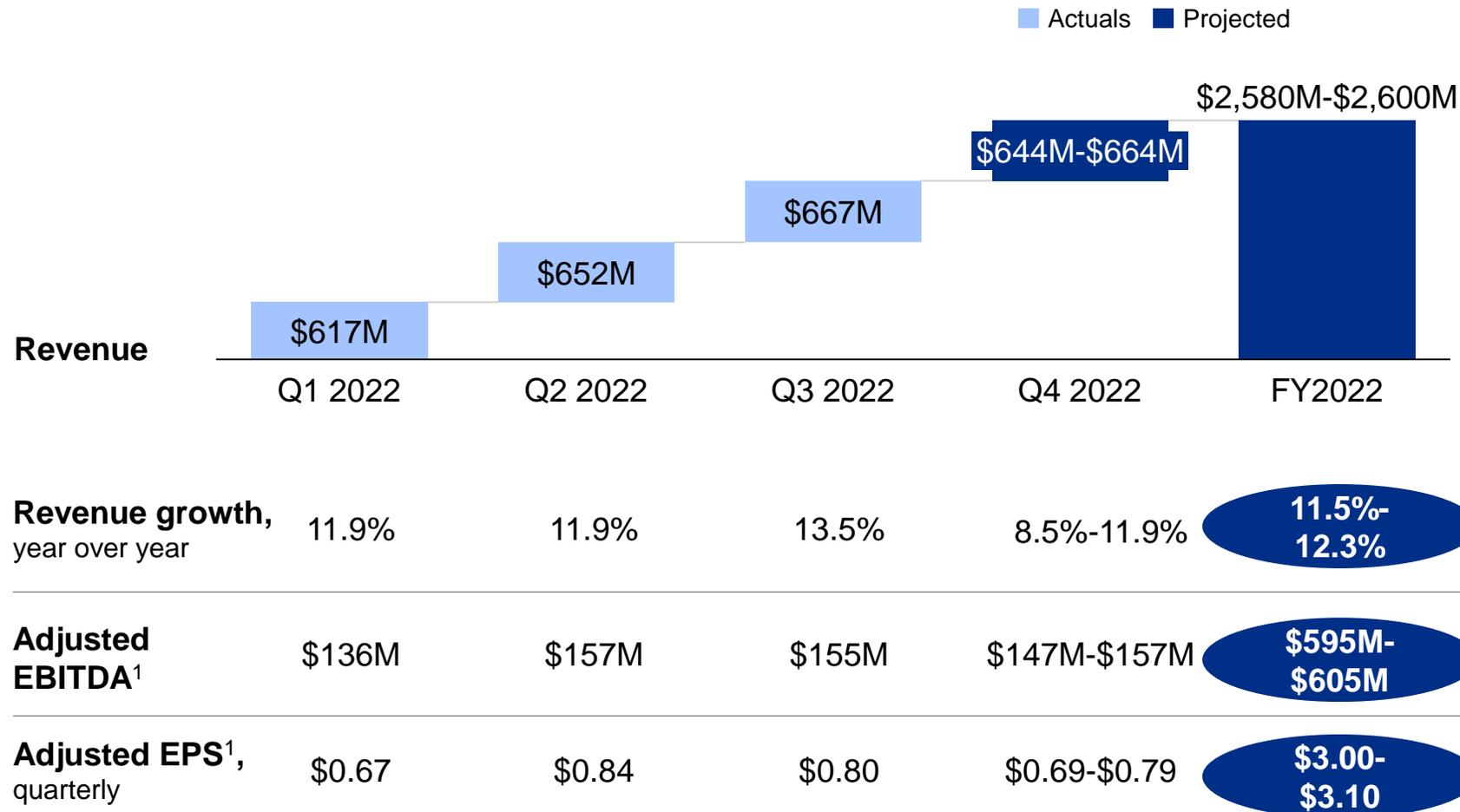
Q&A panel – growth and financial overview

Closing remarks

## Key highlights of our financial performance



# 1. Consistent execution throughout 2022



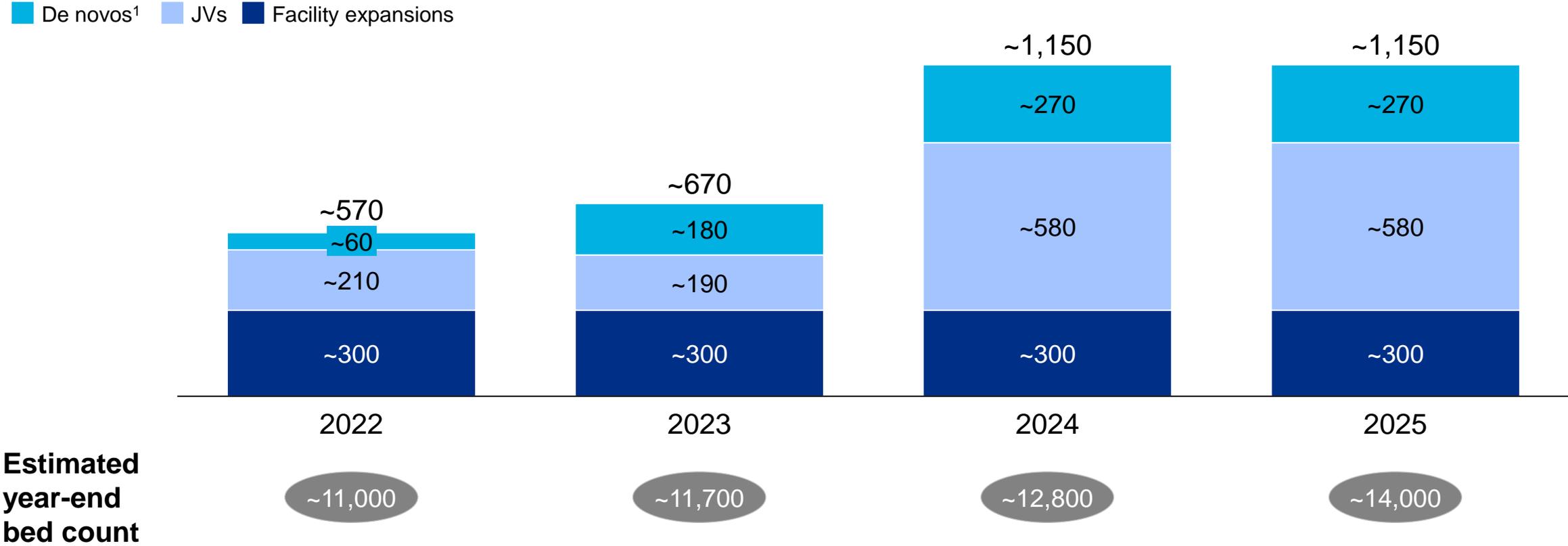
## Key drivers of EBITDA

- ✓ High clinical quality
- ✓ High occupancy rates across facilities
- ✓ Strong relationships with payors
- ✓ Successful bed expansion in existing facilities
- ✓ Stability and management of labor costs

1. Excluding income from provider relief fund. See appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures

# 2. Our combined growth pathways are expected to generate 1,000+ beds annually starting in 2024

Estimated bed additions by growth pathway, 2022-2025



1. De novo in specialty and acute

## 2. We have a clear path to continue our strong organic revenue and EBITDA trajectory in the near-to-long-term

EBITDA growth

Key investments to fuel go-forward growth

Near-term growth (2023)

**9-10%**

Estimated EBITDA growth (2022-23)

- Investments in the **expansion of our existing facilities**, primarily through bed additions (~300 beds per year)
- Expansion in high-need markets through **de novo and JV facilities**
- Ongoing focus on **operational efficiencies and cost-management**

Mid- to long-term growth (2024-28)

**10-12%**

Estimated annual EBITDA growth (2024-28)

- Continued investments in the **expansion of our existing facilities**, primarily through bed additions
- Accelerated **de novos, JV facilities and facility expansions** (1,000+ beds per year)
- Expanded **focus on substance use disorder (SUD)** for increased de novo opportunities in attractive markets
- **Stronger foundational improvements** through select investments in our infrastructure (e.g., technology infrastructure, analytics, automation, care navigation)

## 2. We are providing initial guidance for 2023 reflecting 9-10% growth

	2022 Estimates	2023 Guidance	Growth at Midpoint
Revenue	\$2.58B-\$2.60B	\$2.79B-\$2.86B	~9%
Adjusted EBITDA <sup>1</sup>	\$595M-\$605M	\$630M-\$680M	9-10%
Adjusted EPS <sup>1</sup>	\$3.00-\$3.10	\$3.10-\$3.45	~8%

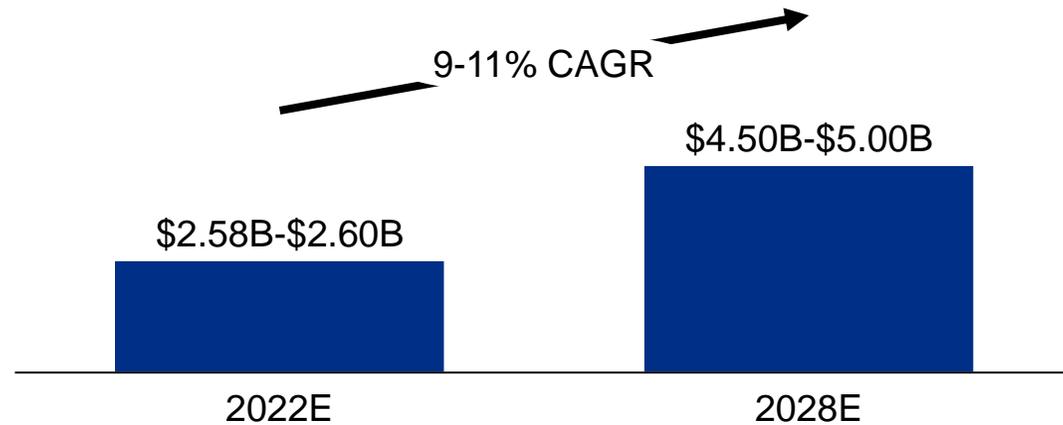
1. See appendix for information on these non-GAAP financial measures

### Growth drivers for 2023

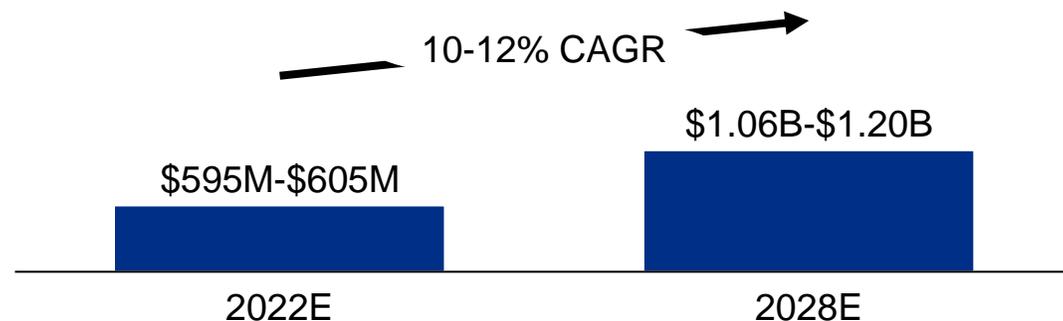
- Adding ~300 new organic beds to our existing facilities in both 2022 and 2023
- Expected to open 2 Acute de novo facilities and 6 CTC de novo facilities in 2023
- Strong JV pipeline with 2 partnerships (Geisinger, Bronson) opening in 2023
- Stability and ongoing increases expected in revenue per day
- Moderate improvement expected in our labor costs, including base wages and premium pay
- Interest expense expected to increase from ~\$70M to a range of \$80M to \$85M (adjusted EPS impact of \$0.10)
- Guidance does not include M&A

## 2. We expect to meet our long-term growth targets

### Projected revenue (2022E-28E)



### Projected adjusted EBITDA<sup>1</sup> (2022E-28E)



1. See appendix for information on this non-GAAP financial measure

### Long-term growth drivers

- Bed additions of more than 1,000 beds per year, representing 7% to 10% annual increases in total bed capacity
- Patient day growth of 5% to 8%
- Growth in CTC revenue from de novo facilities and other initiatives
- Continuing revenue per day growth
- Same facility margins reflecting cost efficiencies and controls
- Increased levels of technology investments and start-up losses are offset by operational efficiencies in the near-term and enables long-term margin expansion

### 3. We will make disciplined technology investments and primarily fund these through our strong operations

NON-EXHAUSTIVE

#### Long-term investment in technology

Technology infrastructure and enhanced systems

Electronic Medical Record

Patient safety and compliance technology

Virtual care platforms

Population health



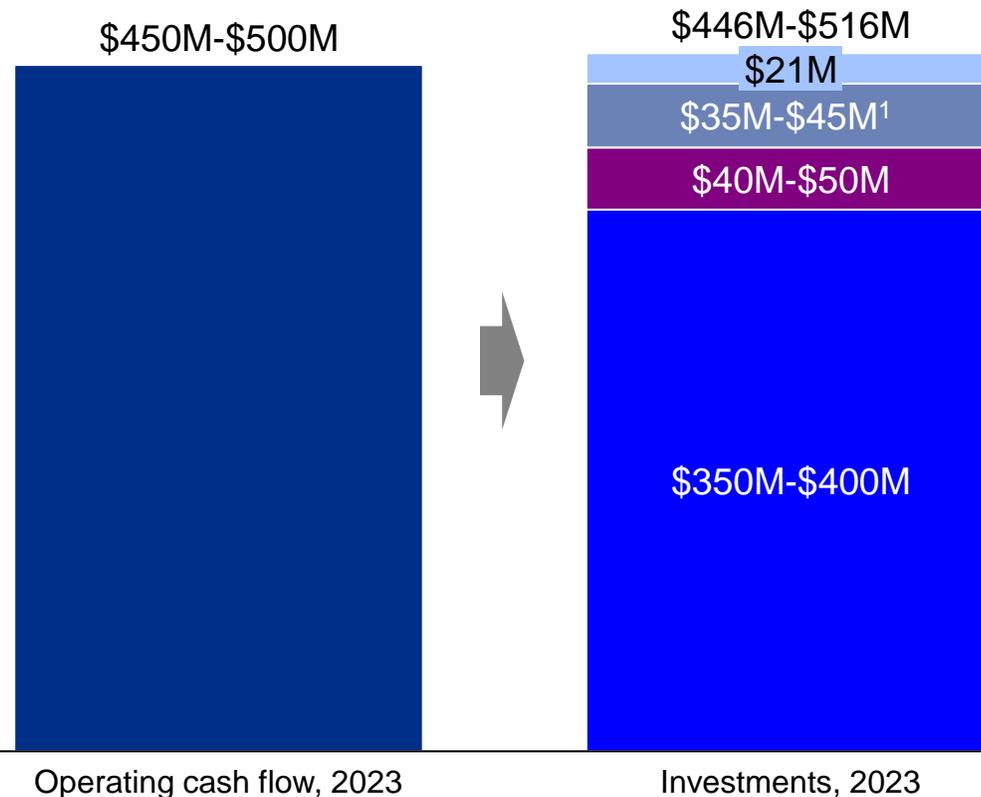
	Financial impact		Clinical impact	
	Revenue	Margin	Patient experience	Care quality
Technology infrastructure and enhanced systems	✓	✓	✓	✓
Electronic Medical Record	✓	✓	✓	✓
Patient safety and compliance technology	✓	✓	✓	✓
Virtual care platforms	✓	✓	✓	✓
Population health	✓		✓	✓

- Increased investments in technology needed to support these initiatives:
  - In 2023, incremental IT capital of ~\$15M to \$25M and incremental operating costs of \$5M (included in 2023 guidance)
  - We expect additional investments based on a disciplined, stage gate approach
  - In total, incremental IT capital is estimated to be \$75M-\$125M for the four years from 2023 to 2026
  - Incremental operating costs are estimated to ramp from ~\$5M in 2023 to \$20M-\$30M in 2026
- Investments will drive topline growth and operational efficiencies and improvements

# 4. We expect to maintain healthy cash flows and strong debt ratios

## Operating cash flow and investments, 2023

- Operating cash flows
- Debt payment
- Technology infrastructure
- Maintenance capital expenditures
- Expansion capital expenditures



1. Compares to historical IT capital spend of approximately \$20M annually

On a longer-term basis, we believe we can fund our investments through our operating cash flows:

- Average operating cash flows will fund expansion capital expenditures, maintenance capital expenditures, our accelerated technology investments as well as mandatory debt repayments
- Expansion capital expenditures are expected to increase as we accelerate de novo and JV facilities and continue with bed expansions
- Incremental technology investments will continue through 2026 before stabilizing over the long-term

**To recap, Acadia has a clear path forward to meet its financial targets**

- ✓ **Strong recent financial, operational and clinical performance**

---

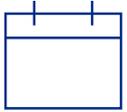
- ✓ **Robust pipeline to meet growth targets**

---

- ✓ **Plan to increase infrastructure and capability investments for long-term growth, while sustaining short-term performance**

---

- ✓ **Capital availability to accelerate growth**



# Agenda

Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

Our services

Q&A panel – clinical overview and services

Growth strategy overview

Financial overview

**Q&A panel – growth and financial overview**

Closing remarks



## Q&A Panel – growth and financial overview



**Chris Hunter**  
Chief Executive Officer



**David Duckworth**  
Chief Financial Officer



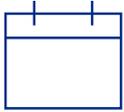
**Isa Diaz**  
SVP, Strategic Affairs



**Andrew Lynch**  
Chief Strategy Officer



**Jeffrey Woods,**  
DNP, Operations Group  
President



# Agenda

Introduction to Acadia and our markets

Clinical overview and enterprise-level capabilities

Our services

Q&A panel – clinical overview and services

Growth strategy overview

Financial overview

Q&A panel – growth and financial overview

**Closing remarks**

# Our strategy...

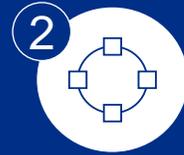
**Become the indispensable behavioral health provider for high-acuity and complex needs patient populations**

## Our core strategic priorities

---



**Fuel facility growth** through accelerated JV partnerships and de novo builds and launching programmatic M&A



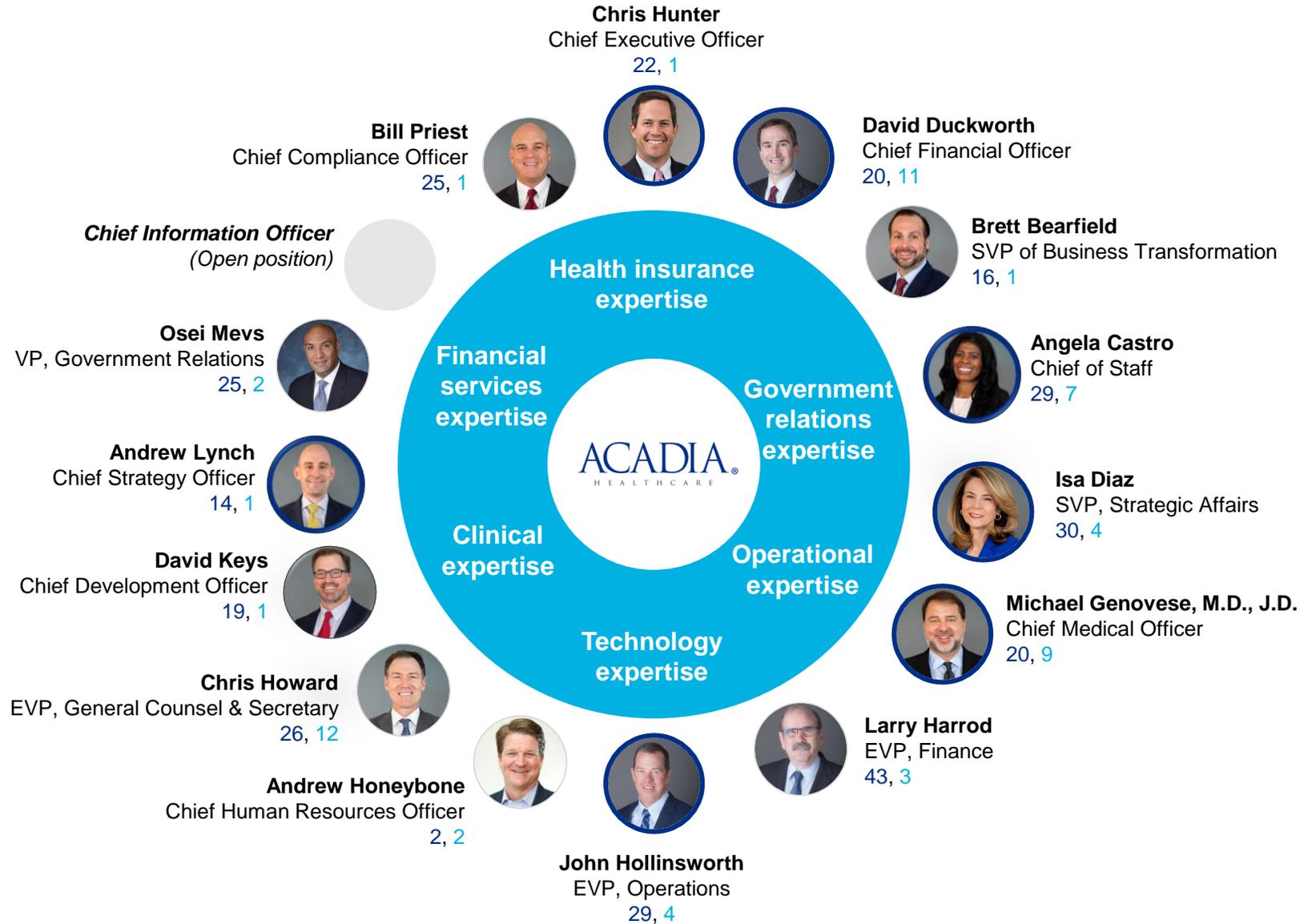
**Accelerate expansion across the care continuum**, particularly for patients with opioid use and other substance use disorders



**Strengthen capabilities and selectively leverage technology** to increase access, improve care delivery and increase clinical integration

# Acadia Healthcare Leadership

# Overview of the Acadia Executive Team



300+ Combined years of experience in healthcare

~60 Years experience at Acadia

○ Speaker at Investor Day, 2022

**In addition, you will also hear from some of our operational leaders:**

-  Gretchen Hommrich, Vice President of Investor Relations
-  Nasser Khan, M.D., CTC Group President
-  Steve Quigley, Specialty Group President
-  Jeffrey Woods, DNP, Operations Group President

# Chris Hunter, Chief Executive Officer



Chris Hunter has served as the CEO of Acadia Healthcare since April 2022. Acadia is the largest stand-alone behavioral health company in the United States, operating a network of 246 behavioral healthcare facilities in 40 states and Puerto Rico. The company has over 22,500 employees serving approximately 75,000 patients daily across 4 service lines.

Prior to joining Acadia, Mr. Hunter served as President of the Group and Military business at Humana, a \$7B+ revenue business, where he was responsible for driving the growth and profitability of Humana's Employer Group products including medical, specialty and wellness offerings. In addition, Mr. Hunter was responsible for Humana's Military Business, the largest Medical Services contractor for active duty and retired military and eligible family members through the Defense Health Agency. In this role, he oversaw nearly 20 million members in 45 states.

From 2014-2018, Mr. Hunter served as Humana's Chief Strategy Officer, with responsibility for leading Humana's corporate strategy, as well as setting the direction of the company's merger and acquisition, joint venture and partnership activities. He has extensive executive experience with both public and private growth companies and brings broad knowledge of the healthcare industry to his role at Acadia. His experience ranges from leadership of strategic planning and corporate development to responsibilities that included broad P&L and Board of Directors accountability.

Prior to starting with Humana in 2014, Mr. Hunter was President of Provider Markets at TriZetto, a Denver-based health IT software/services firm serving more than 200,000 providers. He helped take the company private (NASDAQ:TZIX) in 2008. Previously, he served on the executive leadership team at BlueCross BlueShield of Tennessee between 2004-2012.

Mr. Hunter earned a bachelor's degree with highest honors from the University of North Carolina at Chapel Hill and has an MBA from the Harvard Business School. He currently serves on the Boards of AfterNext HealthTech (NYSE:AFTR) and the Honors Program at the University of North Carolina at Chapel Hill.

# David Duckworth, Chief Financial Officer



David Duckworth has served as Chief Financial Officer of Acadia Healthcare since August 2012, leading the corporate finance initiatives of the company, including the financial planning, analysis, accounting, reporting, tax, investor relations and audit functions. In this capacity he is also responsible for evaluating investment strategies by considering investment returns and liquidity risk. In addition to leading the finance function he is highly involved in the company's corporate and strategy development, which has enabled Acadia's growth over the last decade. Since he joined in 2012, Acadia has increased its revenue by ~\$2B and sustained competitive margins.

Prior to his current role of Chief Financial Officer, Mr. Duckworth served as Acadia's Controller from April 2011 to January 2012 and then Chief Accounting Officer from January 2012 to August 2012.

Prior to joining Acadia, Mr. Duckworth served as Director of Finance at Emdeon Inc., a leading provider of revenue cycle solutions and clinical information exchange solutions from May 2010 to April 2011. Previously, Mr. Duckworth was an Audit Manager at Ernst & Young which he joined in 2002. He focused on the healthcare services industry where he served a range of different providers.

Mr. Duckworth holds a master's degree in accountancy and bachelor's degree from the University of Tennessee.

# Gretchen Hommrich, Vice President of Investor Relations



Gretchen Hommrich has served as Vice President of Investor Relations for Acadia Healthcare since December 2021. In this role, she assists with communicating and educating the financial community about the company's strategy, business activities, financial performance, operating model and key metrics. In addition, Ms. Hommrich assists with handling calls and inquiries from analysts and investors and supports senior management with peer benchmarking, financial analysis, market intelligence and investor feedback. Prior to her current role of Vice President of Investor Relations, Ms. Hommrich served as Director of Investor Relations for Acadia from 2016 to 2021.

Before joining Acadia, Ms. Hommrich held multiple leadership roles at Community Health Systems including Senior Director and Director of Investor Relations, Internal Auditor Manager and Senior Internal Auditor. Within investor relations, she was tasked with preparing quarterly earnings release presentations to compliment the call script and investor presentations to support company-wide strategies. In her role as a lead auditor, Ms. Hommrich performed audit procedures and determined compliance with policies and procedures.

Previously, Ms. Hommrich served as a Staff and In-Charge auditor at Deloitte, which she joined in 2004. In these roles, she led accounting audits for a variety of healthcare and manufacturing companies, managed client engagements and supervised and trained audit staff on audit methodology.

Ms. Hommrich holds a master's degree in accountancy from Auburn University and bachelor's degree from Auburn University.

# Brett Bearfield, Senior Vice President of Business Transformation



Brett Bearfield is the Senior Vice President of Business Transformation at Acadia Healthcare. In this role, Mr. Bearfield is responsible for overseeing the execution of enterprise initiatives developed to support technology modernization, process improvement workstreams and business efficiencies. He also plays a pivotal role in the successful integration of acquisitions and joint ventures that are integral to Acadia's growth strategy.

Mr. Bearfield has a diverse background in executive healthcare leadership, spending 16 years with Humana in several operational roles within Humana's Healthcare Services Segment. Most recently, he served as the Vice President of Humana Home Segment Operations where he led Humana's acquisition of Kindred at Home, the largest Home Health and Hospice provider in the country. He also served as the Vice President of Business Improvement for Humana's Healthcare Services Segment and the Vice President of Business Development and Improvement for Humana Pharmacy.

Mr. Bearfield earned a Bachelor of Science in Finance from Virginia Polytechnic and State University and received his MBA from the University of Kentucky.

# Angela Castro, Chief of Staff



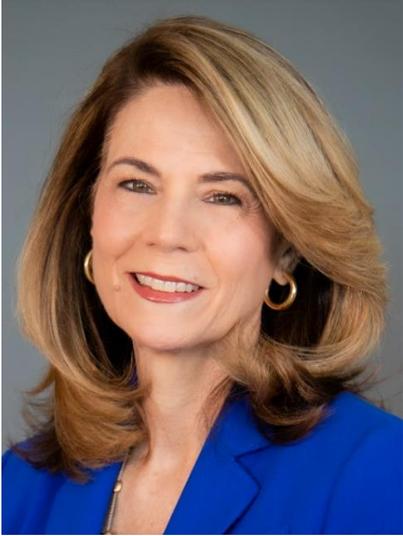
Angela Castro is Chief of Staff at Acadia Healthcare. In this role, Ms. Castro provides direct support to executive team members and enterprise leadership through her decision-making and implementation of strategy efforts which impact the organization at all levels. She works to organize and improve existing complex procedures, ensuring optimal efficiency and productivity and develops large-scale initiative blueprints for novel projects within the enterprise. Often managing these substantial projects from their inception to their execution, she coordinates crucial communications between varying levels of leadership and Acadia's executives.

In her previous role, Ms. Castro was Acadia's Divisional Director of Business Development and was responsible for the management of 28 facilities across the eastern United States and Puerto Rico. She worked extensively on the development of joint venture partnerships within her division and demonstrated her ability to drive desirable outcomes through her expertise regarding strategy development, market needs and trends, branding and project management. From 2015 to 2019, Ms. Castro served as the Director of Business Development at Acadia's Belmont Behavioral Health System in Philadelphia, PA, where she was a driving force behind innovative programs and partnerships and set the industry standard for behavioral healthcare marketing efforts.

Ms. Castro has over 20 years of experience in the behavioral healthcare arena, beginning with positions focused on methadone maintenance and substance use marketing before her transition to psychiatric treatment options. Prior to joining Acadia in 2015, she specialized in market trends and branding through her roles as Director of Business Development (First Hospital of Wyoming Valley | Kingston, PA) and Community Liaison (Horsham Clinic | Ambler, PA).

Ms. Castro earned a Bachelor of Applied Sciences Degree in Business Management, Marketing, and Related Support Services from Cedar Crest College in 2002. She currently serves on the Pediatric Gala Board at Good Shepherd Rehabilitation Network, as well as the Center City Cohesion Board of Allentown, Pennsylvania.

# Isa Diaz, Senior Vice President Strategic Affairs



Isa Diaz joined Acadia Healthcare in February 2019 and currently serves as Senior Vice President of Strategic Affairs. In this role, Mrs. Diaz is responsible for spearheading and developing long-term behavioral health partnerships with health systems and hospitals around the country to expand access to behavioral health services in local communities and enhance Acadia's position as an industry leader. Under her leadership, Acadia has accelerated its joint ventures with premier health systems and more than doubled its partnership footprint, which will generate approximately 1,300 new beds over the next three years, a key growth driver which has positioned Acadia as the leader in behavioral health joint ventures

Mrs. Diaz is a seasoned healthcare executive who has 30 years of experience, including more than 20 years in the behavioral health industry, holding numerous leadership positions in both managed care and hospital organizations. Prior to joining Acadia, Mrs. Diaz worked for Universal Health Services, Inc.'s behavioral health division for 11 years, most recently serving as the division's Vice President of Strategic Planning and Public Affairs. In this role she developed and grew UHS's behavioral health integration product line, which was geared towards developing joint venture partnerships with health systems. Additionally, Mrs. Diaz was responsible for working through FTC challenges on two major M&A transactions, including the \$3.1 billion dollar acquisition of Psychiatric Solutions, Inc. (PSI), the largest standalone operator of freestanding psychiatric facilities at the time with 94 facilities in 32 states, Puerto Rico and the U.S. Virgin Islands. She also led the division's federal and state government affairs activities in 34 states.

Prior to UHS, Mrs. Diaz was Executive Vice President of Corporate Relations for Ramsay Health Care, Inc., a publicly held psychiatric hospital company. During her tenure at RHCI, she played an integral role in public company road shows and the eventual sale of the company to Psychiatric Solutions, Inc. In addition, she spearheaded business development efforts, including the development of the Florida Youth Services product line from inception to over \$40 million in revenues in a three-year period. Before joining RHCI, Mrs. Diaz was Vice President of Corporate Relations for Ramsay-HMO, Inc., a publicly held HMO in South Florida. RMO was sold to United HealthCare for approximately \$500 million, representing a return on invested capital of more than 10 times. Mrs. Diaz was a key member of the management team that developed and implemented the strategy that led to successful statewide expansion and Ramsey-HMO becoming the leading and predominant HMO in the State of Florida.

Mrs. Diaz earned a bachelor's degree in marketing and MBA in Healthcare Administration from the University of Miami in Florida, where she remains active in its alumni programs.

# Michael Genovese, M.D., J.D., Chief Medical Officer



Dr. Michael Genovese is the Chief Medical Officer of Acadia Healthcare and has leadership responsibilities for all aspects of clinical operations. He oversees the enterprise-wide medical affairs providing leadership, management and strategic vision for these efforts across all clinical service lines. The core objective is to improve the health outcomes and wellbeing of Acadia's patients while also developing and strengthening the company's care delivery capabilities.

Prior to his current role of Chief Medical Officer, Dr. Genovese joined Acadia in 2014 as the Medical Director at the Sierra Tucson facility. In this role he was responsible for managing the medical department including psychiatrists, physicians, physician assistants, nurse practitioners as well as overseeing the integrative care team. In addition, Dr. Genovese was responsible for ensuring consistent, high-quality patient care through the optimization of internal processes to help increase provider face-time with patients.

Before joining Acadia, Dr. Genovese co-founded the multidisciplinary medical practice Long Island Mind and Body while practicing as an attending physician at NYU/Winthrop University Hospital. He was previously a fellow at the NYU/North Shore University Hospital Child and Adolescent Psychiatry Program and conducted his psychiatry residency training at the University of Connecticut.

Dr. Genovese is an Assistant Clinical Professor of Medicine at the University of Arizona and currently serves on the CMO Corporate Council of the Joint Commission and as an advisor to the FBI National Academy Associates.

Before beginning his medical studies, Dr. Genovese earned a Juris Doctor degree at the University of Pittsburgh School of Law. He is a member of the New York Bar and the American Bar Association and is an advocate for attorneys and first responders seeking treatment for addiction and co-occurring disorders. Dr. Genovese is also affiliated with several boards and is a fellow of the American Board of Psychiatry and Neurology and a member of the American Medical Association, the American Psychiatric Association, the American Academy of Addiction Psychiatry and the American Society of Addiction Medicine.

# Larry Harrod, Executive Vice President of Finance



Larry Harrod joined Acadia Healthcare in August 2019 as the company's Executive Vice President of Finance. In this role he holds supervisory responsibilities for the hospital financial teams, cash management, government reimbursement, revenue cycle and procurement. Mr. Harrod has been highly involved in driving the financial and operational improvements that have enabled Acadia to increase its market cap and achieve a margin improvement of ~3%.

Prior to joining Acadia, Mr. Harrod spent 23 years at Universal Health Services, Inc., serving most recently as Senior Vice President of Finance in the Behavioral Health Division under former Acadia CEO Debbie Osteen. Under their leadership, UHS's Behavioral Health Division grew from 23 facilities with a net revenue of \$162 million to over 300 facilities with a net revenue of more than \$4.9 billion, which was accomplished from acquisitions and start-ups.

Before joining Universal Health Services, Mr. Harrod spent time as the Chief Financial Officer of Horsham Clinic. Prior to this role he served as the Group Chief Financial Officer of Charter Medical of England, where he oversaw Nightingale Hospital, Charter Clinic Chelsea and Clinique de Matera, facilities based in London and Switzerland. Two out of three of these facilities were startups that were at high occupancy and exceeded all financial goals within two years. Earlier in his career, Mr. Harrod also served as the Chief Financial Officer of Charter Group, overseeing three locations in the Los Angeles Area.

Mr. Harrod earned a bachelor's degree in accounting and business/management and economics from Mercer University.

# John Hollinsworth, Executive Vice President of Operations



John Hollinsworth is Executive Vice President of Operations and leads the operations team for Acadia Healthcare. In this role he holds supervisory responsibilities for the operations team, managed care contracting, corporate marketing, design and construction. He has developed a full continuum of care for Acadia, including inpatient services, partial hospitalization programs, intensive outpatient programs and telehealth. During the COVID pandemic, Mr. Hollinsworth oversaw the operations COVID response team that shifted marketing strategies and expanded telehealth, which maintained admission growth exceeding EBITDA budget and led the company to outperform industry peers. In the role, Mr. Hollinsworth has led Acadia's strong operational performance, which has been instrumental for increasing Acadia's market cap by \$1B over a two-year period.

Prior to being named Executive Vice President of Operations, Mr. Hollinsworth joined Acadia as a group president in January 2018. In this role he was responsible for three division presidents and operations of 28 facilities in eight states overseeing revenue of ~\$600M. During this time, he also led the development of clinical scorecards and benchmarking tools.

Prior to joining Acadia, Mr. Hollinsworth served in multiple leadership positions at Universal Health Services, including Senior Vice President and Division Vice President. As Senior Vice President from 2017-2018, he oversaw the operations of 36 UHS facilities in ten states and Puerto Rico. As a Division Vice President, Mr. Hollinsworth was responsible for operations of 14 UHS facilities across four states.

Prior to joining Universal Health Services, Mr. Hollinsworth was a Division President with Psychiatric Solutions. He also served as a leader for Ten Broeck Hospitals, holding a variety of leadership roles from 1994-2008, including Chief Executive Officer, Vice President Financial Operations and Chief Operating Officer.

Mr. Hollinsworth earned a bachelor's degree in business administration from the University of South Carolina. He also held a Certification in Public Accounting for more than 20 years. Mr. Hollinsworth is a previous board member of the Kentucky Hospital Association and Kentucky Hospital Association System Presidents and is a current member on the National Association for Behavioral Healthcare.

# Andrew Honeybone, Chief Human Resources Officer



Andrew Honeybone joined Acadia Healthcare in February 2021 as Senior Vice President and Chief Human Resources Officer. In this role, Mr. Honeybone has leadership oversight of all human capital strategies and people practices for Acadia's 240+ behavioral healthcare facilities across the U.S, in support of the company's +20,000 employees. He is leading the work to continuously strengthen Acadia's employee value proposition and has been instrumental in developing the company's leading recruiting capabilities.

Prior to joining Acadia, Mr. Honeybone served as the President of DNI Corp, a B2B services provider based in Nashville, TN. In this role he maintained full financial and operational responsibility, coupled with the execution of the company's long-term growth strategy, and delivered exceptional client value while simultaneously creating a differential work experience for DNI employees.

Before joining DNI, Mr. Honeybone held a series of human resources executive roles across several Fortune 500 companies, including Bridgestone Americas, Dollar General, General Mills and General Electric. Over a fifteen-year period within the HR space, his experience ranged across multiple industries and within companies at various stages of the growth and maturity lifecycle, to include experience in both public company settings and private equity ownership. During his time at Bridgestone Americas he led a team of ~100 Human Resources professionals spanning 25 sites with a headcount of ~22,000 employees. Mr. Honeybone has also held several senior HR business line positions within manufacturing, supply chain and retail operations, in addition to functional HR specialist positions within organizational and leadership development, talent management, and talent acquisition.

Mr. Honeybone earned a bachelors degree in history and economics from Trinity University in San Antonio, TX and received his MBA from Vanderbilt University.

# Chris Howard, EVP, General Counsel & Secretary



Chris Howard is Executive Vice President, General Counsel and Secretary of Acadia where he oversees a team of attorneys responsible for all aspects of Acadia's legal affairs and acts as a strategic advisor to Acadia's executive team and the Board of Directors. Mr. Howard has served in this role since joining Acadia in 2011. Mr. Howard's areas of responsibility include securities law, corporate governance, mergers and acquisitions, joint ventures, litigation, labor and employment, legal compliance and regulatory matters.

Prior to joining Acadia, Mr. Howard served as Executive Vice President, General Counsel and Secretary for Psychiatric Solutions, Inc. (PSI), a publicly traded behavioral health care company with approximately 100 facilities across the U.S. and over 20,000 employees. In his prior role, Mr. Howard oversaw PSI's legal affairs including securities law, corporate governance, mergers and acquisitions and litigation.

Prior to joining PSI in 2005, Mr. Howard was a partner with the law firm of Waller Lansden Dortch & Davis, LLP. At Waller, Mr. Howard advised clients on mergers and acquisitions, securities offerings, public company disclosure and periodic reporting requirements, and corporate governance.

Mr. Howard earned a bachelor's degree with highest honors from the University of Tennessee and has a J.D. from Vanderbilt Law School where he served as Managing Editor of the Vanderbilt Law Review. Mr. Howard currently serves on the Board of Advisors at Vanderbilt Law School.

# David Keys, Chief Development Officer



David Keys joined Acadia Healthcare in September 2021 as Chief Development Officer. In this role, Mr. Keys has responsibility for Acadia's strategic growth initiatives including mergers & acquisitions, de novo development and expansion opportunities across each of Acadia's service lines. Over the last year he has been leading Acadia's work to accelerate the de novo pipeline for specialty, CTC and acute facilities.

Prior to joining Acadia, Mr. Keys has been within healthcare services for nearly two decades, including more than 15 years in investment banking and mergers and acquisitions advisory work. Most recently, he covered behavioral health and several physician practice management sectors as a managing director for Truist Securities Inc, which he joined following the merger of SunTrust and BB&T. Prior to the merger, Mr. Keys was managing director and head of healthcare M&A for BB&T Capital Markets. Mr. Keys has held previous roles in investment banking with Harris Williams & Co. and Piper Jaffray. Over the course of his investment banking career, he has executed approximately 50 transactions representing more than \$3 billion in transaction value for founders, entrepreneurs, private equity groups and corporate clients.

Mr. Keys was also a co-founder of Creswell Partners, where he and his partners established a technology-enabled provider of substance use disorder treatment monitoring, care management, and related support services for nearly 500,000 individuals on behalf of judicial treatment programs and in collaboration with treatment providers. At Creswell, Mr. Keys was responsible for sourcing investment opportunities, integrating acquisitions and working with the Chief Technology Officer to develop a proprietary patient engagement system to drive improvements in outcomes.

Mr. Keys earned a bachelor's degree from the University of North Carolina at Chapel Hill and received his MBA from the University of Chicago Booth School of Business. Mr. Keys is also a CFA charterholder.

# Nasser Khan, M.D., Operations Group President - CTC



Dr. Nasser Khan is the Operations Group President for CTC, overseeing all aspects of operations, growth strategy and clinical outcomes for 148 CTC facilities across the US. Dr. Khan brings 2 decades of health services and provider experience to Acadia. Prior to joining Acadia, he served as Senior Vice President of Operations at Shields Health Solutions, a portfolio company of Welsh, Carson, Anderson & Stowe which was acquired by Walgreens Boots Alliance in 2022. In this role he was responsible for all operations across the Western US., driving 3x top-line growth from 2020-2022.

Prior to joining Shields Health Solutions, Dr. Khan served as Head of Program and Chief Medical Officer at Biograph Inc., a healthcare technology startup. He also held a series of progressive leadership roles at DaVita Inc., including Division Vice President of Hospital Services where he oversaw operations for >100 hospital dialysis programs across the Western US and successfully led the turnaround of this business to achieve sustained profitability.

Earlier in his career, Dr. Khan was an Engagement Manager at McKinsey & Company, advising Fortune 500 healthcare companies, providers, and government healthcare agencies on growth strategy, operational excellence, and organizational redesign.

Dr. Khan graduated from Brown University magna cum laude and with honors, receiving a Doctor of Medicine (MD), Masters of Medical Science (MMS) and Bachelor of Arts degrees. He completed his residency training in internal medicine at the Massachusetts General Hospital. Dr. Khan is board certified in internal medicine and maintains an active medical license.

# Andrew Lynch, Chief Strategy Officer



Andrew Lynch joined Acadia Healthcare in October 2022 as Chief Strategy Officer, responsible for driving ongoing enterprise-level strategy development as well as the advancement of key innovation initiatives in partnership with the broader executive team.

In his prior role, Mr. Lynch served as Vice President of Home Solutions at Humana, where we oversaw three areas. First, the advancement and performance of key strategic partnerships with >\$100M invested, notably in the areas of in-home primary care and in-home acute care. Second, the stand up of new home-centric payment and care models, with focus on value-based care. Third, he oversaw overall strategy and investment prioritization for the \$2B Home Solutions business.

Mr. Lynch previously served as Vice President of Healthcare Services Business Development at Humana, where he was responsible for M&A, joint ventures and partnerships. In this role he oversaw the >\$500M acquisition of Enclara, the nation's leading hospice pharmacy/PBM, helped initiate the \$925M DomaniRx joint venture with Anthem and SS&C and served as the Home Solutions lead for \$250M+ in investments in tech-enabled healthcare startups (Dispatch, Heal and Buoy). His first role at Humana was as Director of Corporate Strategy where he helped lead enterprise-level strategic planning across both payor and provider businesses.

Before joining Humana, Mr. Lynch served as Principal of Strategy and Operations at Google and then at Verily, Google's early-stage healthcare wing. At Google, he led a global team in the Google Hardware division (phones, wearables and virtual reality) focused on retail sales strategy, business planning and market intelligence. As part of this role, he led end-to-end operations for a \$10M market research program across 10 countries. At Verily, Mr. Lynch led portfolio strategy across Verily's 30+ healthtech bets and developed product and go-to-market strategy for several of these investments.

Mr. Lynch started his career at McKinsey & Company as a strategy consultant where he led engagements at the intersection between payors, providers and employers, including projects focused on healthcare transparency, direct employer-provider contracting and private equity investments.

Mr. Lynch earned a bachelor's degree with highest honors from the University of Kentucky and a PhD in biomedical engineering from Cambridge University in the United Kingdom. He has made contributions to MIT's AgeLab and is a guest lecturer at Loyola University.

# Osei Mevs, Vice President of Government Relations



Osei Mevs joined Acadia Healthcare in 2021 as Vice President of Government Relations. He oversees Acadia's government relations and public policy functions and strategies at all levels of government. In addition, Mr. Mevs is responsible for identifying and engaging on legislative, regulatory, and industry risks and opportunities. In this role, Mr. Mevs represents Acadia with industry trade association groups to advance the Company's positions on critical issues and provides updates to the Acadia Board and senior management on critical governmental developments and their impact on Acadia Healthcare.

Before joining Acadia, Mr. Mevs served as Regional Executive for the American Hospital Association. In this role he worked with the executive teams of healthcare systems and stand-alone healthcare providers in the complex New England region to advocate for and develop healthcare policy that directly impacted New England providers. During the early days of the COVID pandemic, he worked with AHA members to ensure access to newly formed federal COVID programs that provided access to certified personal protection equipment, funding to maintain and support clinical staffing and the equitable distribution of the COVID vaccine.

Prior to joining the American Hospital Association, Mr. Mevs served in multiple leadership positions at LifePoint Health, including Chief of Staff to the CEO and Director of Government Relations. As the Chief of Staff to the Chairman and CEO, he led a cross-functional accountability team to promote unified project plan integration and achievement for newly acquired hospitals. In addition, he led the creation of an enterprise-wide diversity, inclusion and equity program, which formed one of the *Fortune* 500's most diverse boards of Directors.

Earlier in this career, Mr. Mevs served as the Vice President of External Affairs and Business Development at Meharry Medical College, where he was the principal strategist for securing federal and state funding initiatives.

Mr. Mevs earned a bachelor's degree in psychology from New York University and a master's degree in public health/health policy and management from Columbia University's Mailman School of Public Health in New York. He is a member of the inaugural class of the Nashville Healthcare Fellows and a member of the Trinity-Pawling School board of trustees.

# Bill Priest, Chief Compliance Officer



Bill Priest is Acadia Healthcare's Chief Compliance Officer. In this role he is responsible for overseeing the company's compliance program and maintaining a culture of compliance within the company. His responsibilities include development and management of corporate compliance policies, chairing the Corporate Compliance Committee, providing appropriate training and education on federal healthcare laws and regulations and the Code of Conduct to employees and contractors, ensuring effective lines of communication exist, managing the company's compliance hotline and ensuring timely and appropriate investigations and resolutions of any reported issues and overseeing coding, billing, and documentation audits.

Prior to joining Acadia, Mr. Priest was Chief Compliance Officer of U.S. Anesthesia Partners, one of the nation's largest providers of anesthesia services. Previous roles include Chief Compliance Officer of SouthernCare, Inc., a national hospice provider, Assistant General Counsel of Triad Hospitals, and Associate General Counsel of Baylor Health Care System.

Mr. Priest earned a Bachelor of Arts from Oklahoma State University, received his Juris Doctorate from Washington and Lee University, and is Certified in Healthcare Compliance by the Compliance Certification Board.

# Steve Quigley, Operations Group President - Specialty



Steve Quigley is the Operations Group President for the Specialty Division. In this role he provides strategic leadership to grow Acadia's presence in the specialty market to deliver best-in-class patient and business outcomes on a sustained basis. Mr. Quigley was recently promoted from Division President to Operations Group President for Acadia's Specialty Business after restructuring a geography-based model to a design aimed at driving excellence across Acadia's distinct lines of business. Mr. Quigley transitioned into his new position on November 21, 2022.

Mr. Quigley has held numerous leadership roles in a variety of different types and sizes of facilities over his 28+ years, the last 14+ being at Acadia. Most recently, he served as Division President for a variety of acute, RTC and specialty facilities across Acadia Healthcare. Previous roles during his tenure at Acadia include both Group CEO and CEO responsibilities leading SUD and specialty facilities. Prior to joining Acadia, Mr. Quigley held CEO roles at Psychiatric Solutions Inc. and Universal Health Systems. He also served in senior leadership roles at Cove Forge Behavioral Health Systems, Charter Behavioral Health Systems and Mazzitti & Sullivan.

Mr. Quigley earned a Masters of Science in Public Administration from Mercyhurst University in 1997 and a Bachelor of Science Degree in History from the University of Alabama in 1985.

# Jeffrey Woods, DNP, Operations Group President



Dr. Jeffrey Woods serves as an Operations Group President with Acadia Healthcare. Dr. Woods came to Acadia in 2016 from a private equity firm where he was instrumental in the sale of a psychiatric hospital to Acadia. He is an experienced leader and healthcare executive with 40 years of experience and a successful track record in the hospital and healthcare industry. He is skilled in for-profit and non-profit operations, private equity, de novo and JV development, M&A, management consulting, contracting, provider recruitment, compliance, clinical practice and public speaking. Dr. Woods is a strong health services professional with a doctorate degree in advanced nursing practice and board certification in psychiatric nursing. He holds additional advanced degrees in public health administration and counseling psychology. He is a member of the American College of Healthcare Executives and a former U.S. Army Commissioned Officer.

Dr. Woods is a passionate leader who believes in the value of building sustainable and efficient healthcare facilities and delivery systems that reflect credit on the company and ensures the efforts provide real value for investors and the communities served.

Dr. Woods serves on the Boards of the National Association for Behavioral Healthcare, the Tennessee Hospital Association, United Way, and American Red Cross.

# ACADIA

H E A L T H C A R E

## Appendix

# Use of Non-GAAP Financial Measures

- We have included certain financial measures in this presentation, 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 attributable to Acadia Healthcare Company, Inc. adjusted for net income attributable to noncontrolling interests, loss from discontinued operations, net of taxes, provision for income taxes, net interest expense and depreciation and amortization.
  - Adjusted EBITDA: EBITDA adjusted for equity-based compensation expense, transaction-related expenses, debt extinguishment costs 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 from continuing operations before income taxes attributable to Acadia Healthcare Company, Inc.: net income attributable to Acadia Healthcare Company, Inc. adjusted for loss from discontinued operations, net of taxes, transaction-related expenses, debt extinguishment costs, loss on impairment and provision for income taxes.
  - Adjusted income from continuing operations attributable to Acadia Healthcare Company, Inc.: Adjusted income from continuing operations 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.: the sum of Adjusted income from continuing operations before income taxes attributable to Acadia Healthcare Company, Inc. and income tax effect of adjustments to income.
  - Adjusted income attributable to Acadia Healthcare Company, Inc. excluding income from provider relief fund: Adjusted income from continuing operations attributable to Acadia Healthcare Company, Inc. adjusted for income from provider relief fund.
- 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 and whether including or excluding income from provider relief fund, to expected results due to the unknown effect, timing and potential significance of transaction-related expenses and the tax effect of such expenses.

# Adjusted EBITDA Reconciliation

	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>TTM 9/30/22</u>
	(In thousands)				
Net income attributable to Acadia Healthcare Company, Inc.	\$ 70,278	\$ 60,837	\$ 80,079	\$ 71,099	\$ 282,293
Net income attributable to noncontrolling interests	1,241	1,073	1,853	1,947	6,114
Provision for income taxes	24,609	17,402	27,725	24,056	93,792
Interest expense, net	15,573	15,787	16,565	18,003	65,928
Depreciation and amortization	28,368	28,926	29,128	29,573	115,995
EBITDA	140,069	124,025	155,350	144,678	564,122
Adjustments:					
Equity-based compensation expense (a)	12,542	7,925	6,580	7,240	34,287
Transaction-related expenses (b)	3,458	3,582	3,940	10,859	21,839
Adjusted EBITDA	\$ 156,069	\$ 135,532	\$ 165,870	\$ 162,777	\$ 620,248
Adjusted EBITDA margin	26.3%	22.0%	25.5%	24.4%	24.5%
Adjusted EBITDA excluding income from provider relief fund	\$ 138,169	\$ 135,532	\$ 157,320	\$ 155,121	\$ 586,142
Adjusted EBITDA margin excluding income from provider relief fund	23.3%	22.0%	24.1%	23.3%	23.2%

## DESCRIPTION OF ADJUSTMENTS

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

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

# Adjusted EPS Reconciliation

	<u>Q1 2022</u>	<u>Q2 2022</u>	<u>Q3 2022</u>
	(in thousands, except per share)		
Net income attributable to Acadia Healthcare Company, Inc.	\$ 60,837	\$ 80,079	\$ 71,099
Adjustments to income:			
Transaction-related expenses (a)	3,582	3,940	10,859
Provision for income taxes	<u>17,402</u>	<u>27,725</u>	<u>24,056</u>
Adjusted income from continuing operations before income taxes attributable to Acadia Healthcare Company, Inc.	81,821	111,744	106,014
Income tax effect of adjustments to income (b)	<u>20,619</u>	<u>28,895</u>	<u>27,148</u>
Adjusted income from continuing operations attributable to Acadia Healthcare Company, Inc.	61,202	82,849	78,866
Income from provider relief fund, net of taxes	<u>—</u>	<u>(6,230)</u>	<u>(5,579)</u>
Adjusted income from continuing operations attributable to Acadia Healthcare Company, Inc. excluding income from provider relief fund	<u>\$ 61,202</u>	<u>\$ 76,619</u>	<u>\$ 73,287</u>
Weighted-average shares outstanding - diluted	91,012	91,473	91,723
Adjusted income from continuing operations attributable to Acadia Healthcare Company, Inc. per diluted share	\$ 0.67	\$ 0.91	\$ 0.86
Income from provider relief fund, net of taxes, per diluted share	<u>—</u>	<u>(0.07)</u>	<u>(0.06)</u>
Adjusted income from continuing operations attributable to Acadia Healthcare Company, Inc., excluding income from provider relief fund, per diluted share	<u>\$ 0.67</u>	<u>\$ 0.84</u>	<u>\$ 0.80</u>

## DESCRIPTION OF ADJUSTMENTS

- (a) Represents transaction-related expenses incurred by Acadia primarily related to termination, restructuring, management transition, acquisition and other similar costs.
- (b) Represents the income tax effect of adjustments to income based on tax rates of 25.2%, 25.9% and 25.6% for the three months ended March 31, 2022, June 30, 2022 and September 30, 2022, respectively.