UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission File Number: 001-35331

Acadia Healthcare Company, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**45-2492228**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

6100 Tower Circle, Suite 1000
Franklin, Tennessee 37067
(Address, including zip code, of principal executive offices)

(615) 861-6000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value	ACHC	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At May 12, 2025, there were 92,122,163 shares of the registrant's common stock outstanding.

ACADIA HEALTHCARE COMPANY, INC.
QUARTERLY REPORT ON FORM 10-Q
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Acadia Healthcare Company, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2025	December 31, 2024
	(In thousands, except share and per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 91,236	$ 76,305
Accounts receivable, net	396,632	365,339
Other current assets	151,082	135,848
Total current assets	638,950	577,492
Property and equipment, net	2,955,952	2,853,193
Goodwill	2,276,368	2,264,851
Intangible assets, net	78,825	70,003
Deferred tax assets	23,179	20,964
Operating lease right-of-use assets	120,701	118,369
Other assets	53,623	52,043
Total assets	$ 6,147,598	$ 5,956,915
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 16,250	$ 76,816
Accounts payable	204,012	232,704
Accrued salaries and benefits	140,125	155,426
Current portion of operating lease liabilities	24,816	25,462
Other accrued liabilities	88,148	87,511
Total current liabilities	473,351	577,919
Long-term debt	2,184,293	1,880,093
Deferred tax liabilities	80,540	83,946
Operating lease liabilities	101,314	101,828
Other liabilities	134,122	122,298
Total liabilities	2,973,620	2,766,084
Redeemable noncontrolling interests	132,420	117,116
Equity:		
Preferred stock, $0.01 par value; 10,000,000 shares authorized, no shares issued	—	—
Common stock, $0.01 par value; 180,000,000 shares authorized; 90,388,634 and 91,775,264 issued and outstanding at March 31, 2025 and December 31, 2024, respectively	904	918
Additional paid-in capital	2,692,203	2,685,464
Retained earnings	348,451	387,333
Total equity	3,041,558	3,073,715
Total liabilities and equity	$ 6,147,598	$ 5,956,915

See accompanying notes.

Acadia Healthcare Company, Inc.
Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(In thousands, except per share amounts)	
Revenue	$ 770,505	$ 768,051
Salaries, wages and benefits (including equity-based compensation expense of $8,677 and $8,678, respectively)	445,271	417,523
Professional fees	45,707	45,688
Supplies	28,342	26,652
Rents and leases	11,656	11,863
Other operating expenses	114,002	101,073
Depreciation and amortization	47,032	36,347
Interest expense, net	29,182	27,214
Debt extinguishment costs	1,269	—
Legal settlements expense	3,504	—
Transaction, legal and other costs	31,072	2,847
Total expenses	757,037	669,207
Income before income taxes	13,468	98,844
Provision for income taxes	4,404	20,074
Net income	9,064	78,770
Net income attributable to noncontrolling interests	(690)	(2,387)
Net income attributable to Acadia Healthcare Company, Inc.	$ 8,374	$ 76,383
Earnings per share attributable to Acadia Healthcare Company, Inc. stockholders:		
Basic	$ 0.09	$ 0.84
Diluted	$ 0.09	$ 0.83
Weighted-average shares outstanding:		
Basic	91,654	91,363
Diluted	92,038	92,010

See accompanying notes.

Acadia Healthcare Company, Inc.
Condensed Consolidated Statements of Equity
(Unaudited)
(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount			
Balance at December 31, 2023	91,264	$ 913	$ 2,649,340	$ 131,721	$ 2,781,974
Common stock issued under stock incentive plans	310	3	4,099	—	4,102
Repurchase of shares for payroll tax withholding, net of proceeds from stock option exercises	—	—	(5,115)	—	(5,115)
Equity-based compensation expense	—	—	8,678	—	8,678
Net income attributable to Acadia Healthcare Company, Inc.	—	—	—	76,383	76,383
Balance at March 31, 2024	91,574	916	2,657,002	208,104	2,866,022
Common stock issued under stock incentive plans	107	1	1,477	—	1,478
Repurchase of shares for payroll tax withholding, net of proceeds from stock option exercises	—	—	(2,133)	—	(2,133)
Equity-based compensation expense	—	—	8,869	—	8,869
Net income attributable to Acadia Healthcare Company, Inc.	—	—	—	78,482	78,482
Balance at June 30, 2024	91,681	917	2,665,215	286,586	2,952,718
Common stock issued under stock incentive plans	76	1	1,608	—	1,609
Repurchase of shares for payroll tax withholding, net of proceeds from stock option exercises	—	—	(765)	—	(765)
Equity-based compensation expense	—	—	9,467	—	9,467
Other	—	—	357	—	357
Net income attributable to Acadia Healthcare Company, Inc.	—	—	—	68,132	68,132
Balance at September 30, 2024	91,757	918	2,675,882	354,718	3,031,518
Common stock issued under stock incentive plans	18	—	21	—	21
Repurchase of shares for payroll tax withholding, net of proceeds from stock option exercises	—	—	(538)	—	(538)
Equity-based compensation expense	—	—	10,099	—	10,099
Net income attributable to Acadia Healthcare Company, Inc.	—	—	—	32,615	32,615
Balance at December 31, 2024	91,775	918	2,685,464	387,333	3,073,715
Common stock issued under stock incentive plans	217	2	(2)	—	—
Repurchase of shares for payroll tax withholding, net of proceeds from stock option exercises	—	—	(1,936)	—	(1,936)
Repurchase of common stock	(1,603)	(16)	—	(47,256)	(47,272)
Equity-based compensation expense	—	—	8,677	—	8,677
Net income attributable to Acadia Healthcare Company, Inc.	—	—	—	8,374	8,374
Balance at March 31, 2025	90,389	$ 904	$ 2,692,203	$ 348,451	$ 3,041,558

See accompanying notes.

Acadia Healthcare Company, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(In thousands)	
Operating activities:		
Net income	$ 9,064	$ 78,770
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	47,032	36,347
Amortization of debt issuance costs	1,056	1,016
Equity-based compensation expense	8,677	8,678
Deferred income taxes	(5,621)	17,476
Debt extinguishment costs	1,269	—
Legal settlements	3,504	—
Other	73	(4,094)
Change in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable, net	(30,993)	(22,930)
Other current assets	(9,019)	(15,629)
Other assets	(1,214)	696
Accounts payable and other accrued liabilities	(9,242)	(403,340)
Accrued salaries and benefits	(19,801)	(25,024)
Other liabilities	16,692	6,749
Net cash provided by (used in) operating activities	11,477	(321,285)
Investing activities:		
Cash paid for acquisitions, net of cash acquired	(8,594)	(50,353)
Cash paid for capital expenditures	(174,631)	(142,410)
Proceeds from sale of property and equipment	43	9,056
Other	(56)	(907)
Net cash used in investing activities	(183,238)	(184,614)
Financing activities:		
Borrowings on long-term debt	1,200,000	350,000
Borrowings on revolving credit facility	760,000	160,000
Principal payments on revolving credit facility	(1,035,000)	(15,000)
Principal payments on long-term debt	—	(10,242)
Repayment of long-term debt	(670,856)	—
Payment of debt issuance costs	(18,615)	(1,518)
Repurchase of shares for payroll tax withholding, net of proceeds from stock option exercises	(1,936)	(1,013)
Repurchase of common stock	(46,880)	—
Contributions from noncontrolling partners in joint ventures	—	2,280
Distributions to noncontrolling partners in joint ventures	—	(1,020)
Other	(21)	(358)
Net cash provided by financing activities	186,692	483,129
Net increase (decrease) in cash and cash equivalents	14,931	(22,770)
Cash and cash equivalents at beginning of the period	76,305	100,073
Cash and cash equivalents at end of the period	$ 91,236	$ 77,303
Effect of acquisitions:		
Assets acquired, excluding cash	$ 19,768	$ 55,309
Liabilities assumed	(300)	(3,456)
Contingent consideration issued in connection with an acquisition	—	(1,500)
Redeemable noncontrolling interest resulting from an acquisition	(10,874)	—
Cash paid for acquisitions, net of cash acquired	$ 8,594	$ 50,353

See accompanying notes.

Acadia Healthcare Company, Inc.
Notes to Condensed Consolidated Financial Statements
March 31, 2025
(Unaudited)

1. Description of Business and Basis of Presentation

Description of Business

Unless the context otherwise requires, all references herein to "Acadia," "the Company," "we," "us" or "our" mean Acadia Healthcare Company, Inc. and its consolidated subsidiaries. Acadia Healthcare Company, Inc. is a holding company whose direct and indirect subsidiaries own and operate acute inpatient psychiatric facilities, specialty treatment facilities, comprehensive treatment centers ("CTCs"), residential treatment centers and facilities providing outpatient behavioral healthcare services to serve the behavioral healthcare and recovery needs of communities throughout the United States (the "U.S.") and Puerto Rico. At March 31, 2025, these subsidiaries operated 270 behavioral healthcare facilities with approximately 12,000 beds in 39 states and Puerto Rico. The terms "facilities," "centers," "clinics," and "hospitals" refer to entities owned, operated, or managed by subsidiaries of Acadia Healthcare Company, Inc. References herein to "employees" refer to employees of subsidiaries of Acadia Healthcare Company, Inc.

Basis of Presentation

The business of the Company is conducted through limited liability companies, partnerships and C-corporations. The Company's condensed consolidated financial statements include the accounts of the Company and all subsidiaries controlled by the Company through its direct or indirect ownership of majority interests and exclusive rights granted to the Company as the controlling member of an entity. All intercompany accounts and transactions have been eliminated in consolidation.

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation of the Company's financial position and results of operations have been included. The Company's fiscal year ends on December 31 and interim results are not necessarily indicative of results for a full year or any other interim period. The condensed consolidated balance sheet at December 31, 2024 has been derived from the audited financial statements as of that date. The information contained in these condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the fiscal year ended December 31, 2024 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on February 27, 2025. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Certain reclassifications have been made to the prior year to conform to the current year presentation.

2. Recently Issued Accounting Standards

In August 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2023-05 *Business Combinations—Joint Venture Formations (Subtopic 805-60)* ("ASU 2023-05") "*Recognition and Initial Measurement*". ASU 2023-05 requires entities to recognize and initially measure a joint venture's assets and liabilities at fair value on the formation date. This guidance is effective prospectively for all joint ventures formed on or after January 1, 2025 and may be applied either prospectively or retrospectively. The Company prospectively adopted ASU 2023-05 on January 1, 2025, and such adoption did not have a significant impact on the Company's condensed consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07 *Segment Reporting (Topic 280)* ("ASU 2023-07") *"Improvements to Reportable Segment Disclosures".* ASU 2023-07 is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance in ASU 2023-07 regarding interim disclosures is effective for interim periods within fiscal years beginning after December 15, 2024. The Company adopted the interim disclosure requirements in ASU 2023-07 on January 1, 2025, and such adoption did not have a significant impact on the Company's condensed consolidated financial statements. See Note 19 — Segments for additional information on the Company's accounting for segment reporting.

In December 2023, the FASB issued ASU 2023-09 *Income Taxes (Topic 740)* ("ASU 2023-09") "*Improvements to Income Tax Disclosures*". ASU 2023-09 is intended to enhance the transparency and decision usefulness of annual income tax disclosures. This guidance is effective for fiscal years beginning after December 15, 2024 and may be applied either prospectively or retrospectively. The Company is currently evaluating the impact of ASU 2023-09 on the Company's condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03 *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03") *"Disaggregation of Income Statement Expenses*". ASU 2024-03 requires disaggregated disclosure of certain income statement expenses. This guidance is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted and must be applied prospectively. The Company is currently evaluating the impact of ASU 2024-03 on the Company's condensed consolidated financial statements.

3. Revenue

Revenue is primarily derived from services rendered to patients for inpatient psychiatric and substance abuse care, outpatient psychiatric care and residential treatment. The services provided by the Company have no fixed duration and can be terminated by the patient or the facility at any time, and therefore, each treatment is its own stand-alone contract.

Services ordered by a healthcare provider in an episode of care are not separately identifiable and therefore have been combined into a single performance obligation for each contract. The Company recognizes revenue as its performance obligations are completed. The performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefits of the healthcare services provided. For inpatient services, the Company recognizes revenue equally over the patient stay on a daily basis. For outpatient services, the Company recognizes revenue equally over the number of treatments provided in a single episode of care. Typically, patients and third-party payors are billed within several days of the service being performed or the patient being discharged, and payments are due based on contract terms.

As the Company's performance obligations relate to contracts with a duration of one year or less, the Company elected the optional exemption in Accounting Standards Codification ("ASC") 606-10-50-14(a). Therefore, the Company is not required to disclose the transaction price for the remaining performance obligations at the end of the reporting period or when the Company expects to recognize the revenue. The Company has minimal unsatisfied performance obligations at the end of the reporting period as its patients typically are under no obligation to remain admitted in the Company's facilities.

The Company disaggregates revenue from contracts with customers by service type and by payor.

The Company's facilities and services provided by the facilities can generally be classified into the following categories: acute inpatient psychiatric facilities; specialty treatment facilities; CTCs; and residential treatment centers.

Acute inpatient psychiatric facilities. Acute inpatient psychiatric facilities provide a high level of care in order to stabilize patients that are either a threat to themselves or to others. The acute setting provides 24-hour observation, daily intervention and monitoring by psychiatrists.

Specialty treatment facilities. Specialty treatment facilities include residential recovery facilities and eating disorder facilities. The Company provides a comprehensive continuum of care for adults with addictive disorders and co-occurring mental disorders. Inpatient, including detoxification and rehabilitation, partial hospitalization and outpatient treatment programs give patients access to the least restrictive level of care.

Comprehensive treatment centers. CTCs specialize in providing medication-assisted treatment in an outpatient setting to individuals addicted to opioids such as opioid analgesics (prescription pain medications).

Residential treatment centers. Residential treatment centers treat patients with behavioral disorders in a non-hospital setting. The facilities balance therapy activities with social, academic and other activities.

The table below presents total revenue attributed to each category (in thousands):

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Acute inpatient psychiatric facilities	$ 412,232	$ 406,422
Specialty treatment facilities	136,974	143,832
Comprehensive treatment centers	136,985	132,167
Residential treatment centers	84,314	85,630
Revenue	$ 770,505	$ 768,051

The Company receives payments from the following sources for services rendered in its facilities: (i) state governments under their respective Medicaid and other programs; (ii) commercial insurers; (iii) the federal government under the Medicare program administered by the Centers for Medicare and Medicaid Services ("CMS") and other programs; and (iv) individual patients and clients.

The Company determines the transaction price based on established billing rates reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients and implicit price concessions. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience. Most of the Company's facilities have contracts containing variable consideration. However, it is unlikely a significant reversal of revenue will occur when the uncertainty is resolved, and therefore, the Company has included the variable consideration in the estimated transaction price. Subsequent changes resulting from a patient's ability to pay are recorded as bad debt expense, which is included as a component of other operating expenses in the condensed consolidated statements of income. Bad debt expense for the three months ended March 31, 2025 and 2024 was not significant.

The following table presents the Company's revenue by payor type and as a percentage of revenue (in thousands):

	Three Months Ended March 31,			
	2025		2024	
	Amount	%	Amount	%
Commercial	$ 192,755	25.0%	$ 196,017	25.5%
Medicare	114,754	14.9%	109,388	14.2%
Medicaid	430,814	55.9%	436,422	56.9%
Self-Pay	18,165	2.4%	16,427	2.1%
Other	14,017	1.8%	9,797	1.3%
Revenue	$ 770,505	100.0%	$ 768,051	100.0%

4. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share for the three months ended March 31, 2025 and 2024 (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net income attributable to Acadia Healthcare Company, Inc.	$ 8,374	$ 76,383
Denominator:		
Weighted average shares outstanding for basic earnings per share	91,654	91,363
Effects of dilutive instruments	384	647
Shares used in computing diluted earnings per common share	92,038	92,010
Earnings per share attributable to Acadia Healthcare Company, Inc. stockholders:		
Basic	$ 0.09	$ 0.84
Diluted	$ 0.09	$ 0.83

Approximately 1.4 million and 0.3 million shares of common stock issuable upon exercise of outstanding stock option awards were excluded from the calculation of diluted earnings per share for the three months ended March 31, 2025 and 2024, respectively, because their effect would have been anti-dilutive.

5. Acquisitions

The Company's acquisition strategy is to acquire and develop behavioral healthcare facilities and improve operating results within its facilities and its other behavioral healthcare operations.

On February 22, 2024, the Company acquired substantially all of the assets of Turning Point Centers ("Turning Point"), a 76-bed specialty provider of substance use disorder and primary mental health treatment services that supports the Salt Lake City, Utah, metropolitan market. Turning Point provides a full continuum of treatment services, including residential, partial hospitalization and intensive outpatient services.

Goodwill

The changes in goodwill during 2024 and 2025 are as follows (in thousands):

Balance at January 1, 2024	$	2,225,962
Increase from acquisitions		38,889
Balance at December 31, 2024		2,264,851
Increase from acquisitions		8,555
Increase from contribution of redeemable noncontrolling interests		2,923
Adjustments related to 2024 acquisitions		39
Balance at March 31, 2025	$	2,276,368

6. Other Current Assets

Other current assets consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Prepaid expenses	$ 36,082	$ 41,359
Income taxes receivable	30,024	31,863
Other receivables	24,995	24,321
Assets held for sale	18,338	18,477
Workers' compensation deposits – current portion	16,200	12,000
Cost report receivables	15,825	—
Inventory	5,710	5,654
Insurance receivable – current portion	548	452
Other	3,360	1,722
Other current assets	$ 151,082	$ 135,848

7. Property and Equipment

Property and equipment consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Land	$ 209,989	$ 202,550
Building and improvements	2,533,822	2,326,108
Equipment	477,164	448,107
Construction in progress	677,428	772,505
	3,898,403	3,749,270
Less: accumulated depreciation	(942,451)	(896,077)
Property and equipment, net	$ 2,955,952	$ 2,853,193

The Company has recorded assets held for sale within other current assets on the condensed consolidated balance sheets for closed properties actively marketed of $18.3 million and $18.5 million at March 31, 2025 and December 31, 2024, respectively.

8. Other Intangible Assets

Other identifiable intangible assets and related accumulated amortization consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Licenses and accreditations	$ 11,669	$ 11,631
Trade names	46,328	39,587
Certificates of need	20,828	18,785
Total	$ 78,825	$ 70,003

All of the Company’s definite-lived intangible assets are fully amortized. The Company’s licenses and accreditations, trade names and certificates of need have indefinite lives and are, therefore, not subject to amortization.

9. Commitments and Contingencies

Professional and General Liability

The Company is subject to medical malpractice and other lawsuits due to the nature of the services the Company provides. A portion of the Company’s professional liability risks are insured through a wholly-owned insurance subsidiary providing coverage for up to $7.0 million per claim and $10.0 million for certain other claims through August 31, 2024 and $10.0 million per claim, $15.0 million per claim for certain other claims and $25.0 million for certain batched claims thereafter. The Company has obtained reinsurance coverage from a third-party to cover claims in excess of those limits. The reinsurance policy has a coverage limit of $78.0 million or $75.0 million in the aggregate for certain other claims through August 31, 2024 and $80.0 million or $75.0 million in the aggregate for certain other claims thereafter. The Company’s reinsurance receivables are recognized consistent with the related liabilities and include known claims and any incurred but not reported claims that are covered by current insurance policies in place.

Legal Proceedings

The Company is, from time to time, subject to various claims, lawsuits, governmental investigations and regulatory actions, including claims for damages for personal injuries, medical malpractice, overpayments, breach of contract, securities law violations, and tort and employment related claims. In these actions, plaintiffs request a variety of damages, including, in some instances, punitive and other types of damages that may not be covered by insurance. In addition, healthcare companies are subject to numerous investigations by various governmental agencies. Certain of the Company’s individual facilities have received, and from time to time, other facilities may receive, subpoenas, civil investigative demands, audit requests and other inquiries from, and may be subject to investigation by, federal and state agencies. These investigations can result in repayment obligations, and violations of the federal False Claims Act can result in substantial monetary penalties and fines, the imposition of a corporate integrity agreement and exclusion from participation in governmental health programs. In addition, the False Claims Act permits private parties to bring qui tam, or “whistleblower,” suits against companies that submit false claims for payments to, or improperly retain overpayments from, the government. Some states have adopted similar state whistleblower and false claims provisions.

Desert Hills

From October 2018 to August 2020, the Company, its subsidiary Youth and Family Centered Services of New Mexico, Inc. (“Desert Hills”), and FamilyWorks, a not-for-profit treatment foster care program to which Desert Hills provided management services, including day-to-day administration of the program, via a management services agreement, were among a number of defendants named in five lawsuits (collectively, the “Desert Hills Litigation”) filed in New Mexico State District Court (the “District Court”). These lawsuits each related to abuse by a foster parent, Clarence Garcia, that occurred in foster homes where FamilyWorks had placed children. In 2021, the Company finalized out-of-court settlements for two of the five cases for amounts covered under the Company’s professional liability insurance: *Dorsey, as Guardian ad Litem of M.R. v. Clarence Garcia, et al.* (the “M.R. case”), and *Higgins, as Guardian ad Litem of J.H. v. Clarence Garcia, et al* (the “J.H. case”). While the plaintiffs in those two cases had claims pending against FamilyWorks, and FamilyWorks had raised claims or potential claims against the Company, the parties in each of those cases finalized settlements that resolved all claims between FamilyWorks and the Company. The District Court approved the settlement in the J.H. case on June 10, 2024 and the settlement in the M.R. case on August 12, 2024.

On July 7, 2023, in connection with one of the lawsuits in the Desert Hills Litigation styled *Inman v. Garcia, et al., Case No. D-117-CV-2019-00136* (the “Inman Litigation”), a jury awarded the plaintiff compensatory damages of $80.0 million and punitive damages of $405.0 million. This award far exceeded the Company’s reasonable expectation based on the previously resolved complaints and far exceeded any precedent for comparable cases.

On October 30, 2023, the Company and Desert Hills entered into settlement agreements in connection with the Inman Litigation, as well as two other related cases – *Rael v. Garcia, et al., Case No. D-117-CV-2019-00135 and Endicott-Quinones v. Garcia, et al., Case No. D-117-CV-2019-00137* (together with the Inman Litigation, the “Cases”).

The settlement agreements for the Cases were approved by the District Court in December 2023 and fully resolve each of the Cases with no admission of liability or wrongdoing by either the Company or Desert Hills. On January 19, 2024, pursuant to the terms of the settlement agreements, the Company paid an aggregate amount of $400.0 million in exchange for the release and discharge of all claims arising from, relating to, concerning or with respect to all harm, injuries or damages asserted in the Cases or that may be asserted in the future by the plaintiffs in the Cases.

On January 30, 2024, a sixth lawsuit styled *CNRAG, Inc. as Legal Guardian of A.C. v. Garcia et al., No. D-117-CV-2024-00045* was filed in the District Court alleging similar claims as the previous five lawsuits in the Desert Hills Litigation. The ward in this sixth lawsuit was referenced in prior criminal charges against Garcia in January 2019; however, prior to this lawsuit, neither the ward nor guardian made contact with the Company about a possible claim. The Company determined that a lawsuit from this plaintiff was unlikely because no claims had ever been asserted and the statute of limitations had expired. Plaintiff's allegations assert certain claims, which, if true, may toll the statute of limitations. At this time, the Company is not able to reasonably estimate the amount or range of the ultimate liability, if any, in connection with this sixth lawsuit. No additional victims are referenced in the prior criminal charges against Garcia.

Securities Litigation

On April 1, 2019, a consolidated complaint was filed against the Company and certain former and current officers in the lawsuit styled *St. Clair County Employees' Retirement System v. Acadia Healthcare Company, Inc., et al., Case No. 3:19-cv-00988*, which is pending in the United States District Court for the Middle District of Tennessee. The complaint is brought on behalf of a class consisting of all persons (other than defendants) who purchased securities of the Company between April 30, 2014 and November 15, 2018, and alleges that defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder. On September 30, 2022, the court entered an order certifying a class consisting of all persons who purchased or otherwise acquired the common stock of the Company between April 30, 2014 and November 15, 2018.

On October 16, 2024, a putative class action complaint was filed against the Company and certain former and current officers in the lawsuit styled *Kachrodia v. Acadia Healthcare Company, Inc., et al., Case No. 3:24-cv-01238*, which is pending in the United States District Court for the Middle District of Tennessee. The complaint is brought on behalf of a putative class consisting of all persons (other than defendants) who purchased or otherwise acquired publicly traded securities of the Company between February 28, 2020 and September 26, 2024, and alleges that defendants violated Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. On October 21, 2024, an amended putative class action complaint was filed, asserting the same claims but expanding the proposed class period to October 18, 2024. On October 29, 2024, a putative class action complaint was filed against the Company and certain former and current officers in the lawsuit styled *Dyar v. Acadia Healthcare Company, Inc., et al., Case No. 3:24-cv-01300*, which is pending in the United States District Court for the Middle District of Tennessee. The complaint is brought on behalf of a putative class consisting of all persons (other than defendants) who purchased or otherwise acquired publicly traded securities of the Company between February 28, 2020 and October 18, 2024, and alleges that defendants violated Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. On December 3, 2024, the *Kachrodia* and *Dyar* cases were consolidated. On December 10, 2024, a putative class action complaint was filed against the Company and certain former and current officers in the lawsuit styled *City of Fort Lauderdale Police and Firefighters Retirement System v. Acadia Healthcare Company, Inc. et al., Case No. 3:24-cv-01447*, which is pending in the United States District Court for the Middle District of Tennessee. The complaint is brought on behalf of a putative class consisting of all persons (other than defendants) who purchased or otherwise acquired publicly traded securities of the Company between February 8, 2020 and October 30, 2024, and alleges that defendants violated Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. A joint motion is pending to consolidate the *City of Fort Lauderdale* case with the *Kachrodia* and *Dyar* cases.

At this time, the Company is not able to reasonably estimate the amount or range of the ultimate liability, if any, in connection with these cases.

Derivative Actions

On February 21, 2019, a purported stockholder filed a related derivative action on behalf of the Company against certain former and current officers and directors in the lawsuit styled *Davydov v. Jacobs, et al., Case No. 3:19-cv-00167*, which is pending in the United States District Court for the Middle District of Tennessee. The complaint alleges claims for violations of Section 10(b) and 14(a) of the Exchange Act, breach of fiduciary duty, waste of corporate assets, and unjust enrichment. On May 23, 2019, a purported stockholder filed a second related derivative action on behalf of the Company against certain former and current officers and directors in the lawsuit styled *Beard v. Jacobs, et al., Case No. 3:19-cv-0441*, which is pending the United States District Court for the Middle District of Tennessee. The complaint alleges claims for violations of Sections 10(b), 14(a), and 21D of the Exchange Act, breach of fiduciary duty, waste of corporate assets, unjust enrichment, and insider selling. On June 11, 2019, the Davydov and Beard actions were consolidated. On February 22, 2021, the court entered an order staying the case. On October 23, 2020, a purported stockholder filed a third related derivative action on behalf of the Company against former and current officers and directors in the lawsuit styled *Pfenning v. Jacobs, et al., Case No. 2020-0915-NAC*, which is pending in the Court of Chancery of the State of Delaware. The complaint alleges claims for breach of fiduciary duty. On February 17, 2021, the court entered an order staying the case. On February 24, 2021, a purported stockholder filed a fourth derivative action on behalf of the Company against former and current officers and directors in the lawsuit styled *Solak v. Jacobs, et al., Case No. 2021-0163-NAC*, which is pending in the Court of Chancery of the State of Delaware. The complaint alleges claims for breach of fiduciary duty, unjust enrichment, waste of corporate assets, and insider selling.

On February 14, 2025, a purported stockholder filed a related derivative action on behalf of the Company against certain former and current officers and directors in the lawsuit styled *Kachrodia v. Osteen, et al., Case No. 3:25-cv-00172*, which is pending in the United States District Court for the Middle District of Tennessee. The complaint alleges claims for violations of Section 10(b) and 21D of the Exchange Act, breach of fiduciary duty, insider selling, unjust enrichment, and waste of corporate assets.

At this time, the Company is not able to reasonably estimate the amount or range of the ultimate liability, if any, in connection with these derivative actions.

Government Investigations

In the fall of 2017, the Office of Inspector General of the U.S. Department of Health and Human Services (the "OIG") issued subpoenas to three of the Company's facilities requesting certain documents from January 2013 to the date of the subpoenas. The U.S. Attorney's Office for the Middle District of Florida issued a civil investigative demand to one of the Company's facilities in December 2017 requesting certain documents from November 2012 to the date of the demand. In April 2019, the OIG issued subpoenas relating to six additional facilities requesting certain documents and information from January 2013 to the date of the subpoenas. In June 2023, the State of Nevada issued a subpoena relating to one of the same facilities as part of the same investigation. The government's investigation of each of these facilities (collectively, the "2017 OIG/DOJ Investigation") focused on claims not eligible for payment because of alleged violations of certain regulatory requirements relating to, among other things, medical necessity, admission eligibility, discharge decisions, length of stay and patient care issues. On September 23, 2024, the Company entered into a civil settlement agreement with the federal government (the "2017 OIG/DOJ Settlement Agreement"), which fully resolved the 2017 OIG/DOJ Investigation with no admission of liability or wrongdoing by the Company. During the year ended December 31, 2024, pursuant to the 2017 OIG/DOJ Settlement Agreement, the Company paid $19.9 million, plus interest, to the federal government and four states that participated in the 2017 OIG/DOJ Investigation in exchange for the release and discharge of any civil or administrative monetary claims arising from the 2017 OIG/DOJ Investigation.

In September 2024, the Company received a grand jury subpoena from the United States District Court for the Western District of Missouri (the "W.D.Mo."), issued by attorneys from the Criminal Division of the U.S. Department of Justice (the "DOJ Criminal Division"), related to the Company's acute care service line and related admissions, length of stay and billing practices. In addition, Lakeland Hospital Acquisition, LLC, a subsidiary of the Company, also received a grand jury subpoena from the W.D.Mo. on the same day regarding similar subject matter. The Company had also received requests in September 2024 for information on similar subject matter from the United States Attorney's Office for the Southern District of New York, which were withdrawn in the same month. The investigation is being led by attorneys from the DOJ Criminal Division. The DOJ Criminal Division withdrew its subpoenas in October 2024, then re-issued subpoenas regarding the same subject matter in December 2024. The DOJ Criminal Division is leading and coordinating the efforts from a number of federal agencies and departments investigating such issues, any of which might later make their own requests for information. The Company has also received subpoenas from the SEC requesting similar information as well as information relating to the CTC service line. The Company is currently conducting a comprehensive internal investigation using external advisors, but, at this time, no findings or conclusions have been made. The Company is fully cooperating with authorities, including active engagement with the DOJ Criminal Division and the SEC. At this time, the Company cannot speculate on whether the outcome of these investigations will have any impact on its business or operations and cannot reasonably estimate the amount or range of the ultimate liability, if any, in connection with these investigations.

Certain members of the United States Congress have requested, and such members or other members may in the future request, information from or about the Company related to, among other things, the Company's admissions, length of stay, billing practices, and opioid treatment programs. The Company intends to cooperate with any such request. At this time, the Company cannot speculate on the outcome or duration of any such inquiries.

10. Other Accrued Liabilities

Other accrued liabilities consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Accrued expenses	$ 30,365	$ 38,759
Accrued interest	19,708	18,048
Insurance liability – current portion	12,486	12,486
Accrued property taxes	9,599	8,671
Contract liabilities	1,810	1,686
Finance lease liabilities	1,089	1,089
Cost report payable	—	808
Other	13,091	5,964
Other accrued liabilities	$ 88,148	$ 87,511

11. Long-Term Debt

Long-term debt consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Credit Facility:		
Term Loan A	$ 650,000	$ —
Revolving Line of Credit	95,000	—
Prior Credit Facility:		
Term Loan A	—	670,856
Revolving Line of Credit	—	370,000
5.500% Senior Notes due 2028	450,000	450,000
5.000% Senior Notes due 2029	475,000	475,000
7.375% Senior Notes due 2033	550,000	—
Less: unamortized debt issuance costs, discount and premium	(19,457)	(8,947)
	2,200,543	1,956,909
Less: current portion	(16,250)	(76,816)
Long-term debt	$ 2,184,293	$ 1,880,093

Credit Facility

On February 28, 2025 (the "Credit Facility Closing Date"), the Company entered into a new credit agreement (the "Credit Agreement"), which provides for a $1.0 billion senior secured revolving credit facility (including a $50.0 million sublimit for the issuance of letters of credit and a $50.0 million swingline subfacility) (the "Revolving Facility") and a $650.0 million senior secured term loan facility (the "Term Loan Facility," and, together with the Revolving Facility, the "Credit Facility"), each maturing on February 28, 2030.

On the Credit Facility Closing Date, the full $650.0 million amount of the Term Loan Facility was funded, and $550.0 million was funded under the Revolving Facility, which amounts were used, among other things, to refinance the outstanding obligations under the Prior Credit Facility (as defined below).

Borrowings under the Credit Agreement bear interest at a floating rate equal to, at the Company's option, either (i) a Secured Overnight Financing Rate ("SOFR") -based rate plus a margin ranging from 1.375% to 2.250% or (ii) a base rate plus a margin ranging from 0.375% to 1.250%, in each case, depending on the Company's Consolidated Total Net Leverage Ratio (as defined in the Credit Agreement). In addition, an unused fee that varies according to the Company's Consolidated Total Net Leverage Ratio ranging from 0.200% to 0.350% is payable quarterly in arrears based on the average daily undrawn portion of the commitments in respect of the Revolving Facility. The Term Loan Facility requires quarterly principal repayments of $4.0 million from June 30, 2025 to March 31, 2026, $8.1 million from June 30, 2026 to March 31, 2028, $12.2 million from June 30, 2028 to March 31, 2029 and $16.2 million from June 30, 2029 to December 31, 2029, with the remaining outstanding principal balance of the Term Loan Facility due on the maturity date of February 28, 2030.

The Company has the ability to increase the amount of the Credit Facility, which may take the form of increases to the Revolving Facility or the Term Loan Facility or the issuance of one or more incremental term loan facilities (collectively, the "Incremental Facilities"), upon obtaining additional commitments from new or existing lenders and the satisfaction of certain customary conditions precedent for such Incremental Facilities. Such Incremental Facilities may not exceed the sum of (i) the greater of $710.0 million and an amount equal to 100% of the LTM Consolidated EBITDA (as defined in the Credit Agreement) of the Company at the time of determination and (ii) additional amounts that would not cause the Company's Consolidated Senior Secured Net Leverage Ratio (as defined in the Credit Agreement) to exceed 4.0 to 1.0.

Subject to certain exceptions, substantially all of the Company's existing and subsequently acquired or organized direct and indirect wholly-owned U.S. subsidiaries are required to guarantee the repayment of the Company's obligations under the Credit Agreement. The obligations of the Company and such guarantor subsidiaries are secured by a pledge of substantially all assets of the Company and such guarantor subsidiaries (excluding all real property and certain other customarily excluded assets).

The Credit Agreement contains customary representations and warranties and affirmative and negative covenants, including limitations on the ability of the Company and its subsidiaries to: (i) incur debt; (ii) permit additional liens; (iii) make investments and acquisitions; (iv) merge or consolidate with others; (v) dispose of assets; (vi) pay dividends and distributions; (vii) pay junior indebtedness; and (viii) enter into affiliate transactions, in each case, subject to customary exceptions. In addition, the Credit

Agreement contains financial covenants requiring the Company to maintain, on a consolidated basis as of the last day of each quarterly period, a Consolidated Total Net Leverage Ratio of not more than 5.0 to 1.0 (which may be increased in connection with a material acquisition to 5.5 to 1.0 for a four quarter period up to three times during the term of the Credit Agreement) and a Consolidated Interest Coverage Ratio (as defined in the Credit Agreement) of at least 3.0 to 1.0. The Credit Agreement also includes events of default customary for facilities of this type and upon the occurrence of such events of default, among other things, all outstanding loans under the Credit Agreement may be accelerated, lenders commitments terminated, and/or the lenders may exercise collateral remedies. At March 31, 2025, the Company's Consolidated Total Net Leverage Ratio was 3.2x, and the Company was in compliance with all financial covenants.

During the three months ended March 31, 2025, the Company borrowed $645.0 million on the Revolving Facility and repaid $550.0 million of the balance outstanding.

At March 31, 2025, the Company had $901.6 million of availability under the Revolving Facility and had standby letters of credit outstanding of $3.4 million related to security for the payment of claims required by its workers' compensation insurance program.

Prior Credit Facility

On March 17, 2021, the Company entered into a credit agreement (as amended, the "Prior Credit Facility"), which provided for a $600.0 million senior secured revolving credit facility (the "Prior Revolving Facility") and a senior secured term loan facility in an initial principal amount of $425.0 million, which amount was later increased by $350.0 million (as increased , the "Prior Term Loan Facility"), each of which was scheduled to mature on March 17, 2026. The Prior Revolving Facility further provided for a $20.0 million subfacility for the issuance of letters of credit.

During the three months ended March 31, 2025, the Company borrowed $115.0 million on the Prior Revolving Facility and repaid $485.0 million of the balance outstanding. During the three months ended March 31, 2024, the Company borrowed $160.0 million on the Prior Revolving Facility and repaid $15.0 million of the balance outstanding.

On February 28, 2025, the Company refinanced the Prior Credit Facility by using the proceeds of the Credit Facility to repay the outstanding balances of the Prior Term Loan Facility and the Prior Revolving Facility, which totaled $670.9 million and $485.0 million, respectively. In connection therewith, the Company recorded a loss on extinguishment of $1.3 million, which is included in debt extinguishment costs in the condensed consolidated statements of income.

Senior Notes

5.500% Senior Notes due 2028

On June 24, 2020, the Company issued $450.0 million of 5.500% Senior Notes due 2028 (the "5.500% Senior Notes"). The 5.500% Senior Notes mature on July 1, 2028 and bear interest at a rate of 5.500% per annum, payable semi-annually in arrears on January 1 and July 1 of each year, commencing on January 1, 2021.

5.000% Senior Notes due 2029

On October 14, 2020, the Company issued $475.0 million of 5.000% Senior Notes due 2029 (the "5.000% Senior Notes"). The 5.000% Senior Notes mature on April 15, 2029 and bear interest at a rate of 5.000% per annum, payable semi-annually in arrears on April 15 and October 15 of each year, commencing on April 15, 2021.

7.375% Senior Notes due 2033

On March 10, 2025, the Company issued $550.0 million of 7.375% Senior Notes due 2033 (the "7.375% Senior Notes"). The 7.375% Senior Notes mature on March 15, 2033 and bear interest at a rate of 7.375% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, commencing on September 15, 2025. The net proceeds from the issuance and sale of the 7.375% Senior Notes, together with cash on hand, were used to pay down $550.0 million of outstanding borrowings under the Revolving Facility.

The indentures governing the 5.500% Senior Notes, the 5.000% Senior Notes and the 7.375% Senior Notes (together, the "Senior Notes") contain covenants that, among other things, limit the Company's ability and the ability of its restricted subsidiaries to: (i) pay dividends, redeem stock or make other distributions or investments; (ii) incur additional debt or issue certain preferred stock; (iii) transfer or sell assets; (iv) engage in certain transactions with affiliates; (v) create restrictions on dividends or other payments by the restricted subsidiaries; (vi) merge, consolidate or sell substantially all of the Company's assets; and (vii) create liens on assets.

The Senior Notes issued by the Company are guaranteed by each of the Company's subsidiaries that guarantee the Company's obligations under the Credit Agreement. The guarantees are full and unconditional and joint and several.

The Company may redeem the Senior Notes at its option, in whole or part, at the dates and amounts set forth in the applicable indentures.

12. Noncontrolling Interests

Noncontrolling interests in the condensed consolidated financial statements represent the portion of equity held by noncontrolling partners in the Company’s non-wholly owned subsidiaries. At March 31, 2025, the Company operated 12 facilities through non-wholly owned subsidiaries. The Company owns between approximately 65% and 87% of the equity interests of these entities and noncontrolling partners own the remaining equity interests. The initial value of the noncontrolling interests is based on the fair value of contributions. The Company consolidates the operations of each facility based on its status as primary beneficiary, as further discussed in Note 13 – Variable Interest Entities. The noncontrolling interests are reflected as redeemable noncontrolling interests on the accompanying condensed consolidated balance sheets based on put rights that could require the Company to purchase the noncontrolling interests upon the occurrence of a change in control.

The components of redeemable noncontrolling interests are as follows (in thousands):

Balance at January 1, 2024	$ 105,686
Contributions from noncontrolling partners in joint ventures	5,530
Net income attributable to noncontrolling interests	8,872
Distributions to noncontrolling partners in joint ventures	(2,972)
Balance at December 31, 2024	117,116
Contributions from noncontrolling partners in joint ventures	14,614
Net income attributable to noncontrolling interests	690
Balance at March 31, 2025	$ 132,420

13. Variable Interest Entities

For legal entities where the Company has a financial relationship, the Company evaluates whether it has a variable interest and determines if the entity is considered a variable interest entity (“VIE”). If the Company concludes an entity is a VIE and the Company is the primary beneficiary, the entity is consolidated. The primary beneficiary analysis is a qualitative analysis based on power and benefits. A reporting entity has a controlling financial interest in a VIE and must consolidate the VIE if it has both power and benefits. It must have the power to direct the activities that most significantly impact the VIE’s economic performance and the obligation to absorb losses of the VIE that potentially could be significant to the VIE or the right to receive benefits from the VIE that potentially could be significant to the VIE.

At March 31, 2025, the Company operated 12 facilities through non-wholly owned subsidiaries. The Company owns between approximately 65% and 87% of the equity interests of these entities, and noncontrolling partners own the remaining equity interests. The Company manages each of these facilities, is responsible for the day to day operations and, therefore, has the power to direct the activities that most significantly impact the VIE’s economic performance and the obligation to absorb losses or receive benefits from the VIE that could potentially be significant to the VIE. These activities include, but are not limited to, behavioral healthcare services, human resource and employment-related decisions, marketing and finance. The terms of the agreements governing each of the Company’s VIEs prohibit the Company from using the assets of each VIE to satisfy the obligations of other entities. Consolidated assets at March 31, 2025 and December 31, 2024 include total assets of variable interest entities of $1,045.6 million and $930.9 million, respectively, which cannot be used to settle the obligations of other entities. Consolidated liabilities at March 31, 2025 and December 31, 2024 include total liabilities of variable interest entities of $35.3 million and $36.8 million, respectively.

The consolidated VIE assets and liabilities in the Company's condensed consolidated balance sheets are shown below (in thousands):

	March 31, 2025	December 31, 2024
Cash and cash equivalents	$ 96,477	$ 97,901
Accounts receivable, net	41,739	39,050
Other current assets	9,845	5,388
Total current assets	148,061	142,339
Property and equipment, net	812,558	718,084
Goodwill	45,307	42,384
Intangible assets, net	27,181	18,394
Operating lease right-of-use assets	12,474	9,724
Total assets	$ 1,045,581	$ 930,925
Accounts payable	$ 7,798	$ 9,756
Accrued salaries and benefits	9,108	12,608
Current portion of operating lease liabilities	633	613
Other accrued liabilities	8,227	4,054
Total current liabilities	25,766	27,031
Operating lease liabilities	9,576	9,740
Total liabilities	$ 35,342	$ 36,771

14. Equity-Based Compensation

Equity Incentive Plans

The Company issues stock-based awards, including stock options, restricted stock units and performance stock units, to certain officers, employees and non-employee directors under the Acadia Healthcare Company, Inc. Amended and Restated Incentive Compensation Plan (the "Equity Incentive Plan"). At March 31, 2025, a maximum of 12,700,000 shares of the Company's common stock were authorized for issuance as stock options, restricted stock units and performance stock units or other share-based compensation under the Equity Incentive Plan, of which 1,202,970 were available for future grant. Stock options may be granted for terms of up to ten years. The Company recognizes expense on all share-based awards on a straight-line basis over the requisite service period of the entire award. Grants to employees generally vest in annual increments of 25% or 33% each year, commencing one year after the date of grant. The exercise prices of stock options are equal to the closing price of the Company's common stock on the most recent trading date prior to the date of grant.

The Company recognized $8.7 million in equity-based compensation expense for each of the three months ended March 31, 2025 and 2024. Stock compensation expense for the three months ended March 31, 2025 and 2024 is impacted by forfeiture adjustments and performance stock unit adjustments based on actual performance compared to vesting targets. At March 31, 2025, there was $83.6 million of unrecognized compensation expense related to unvested options, restricted stock units and performance stock units, which is expected to be recognized over the remaining weighted-average vesting period of 1.1 years.

The Company recognized a deferred income tax benefit of $2.4 million for each of the three months ended March 31, 2025 and 2024, related to equity-based compensation expense.

Stock Options

Stock option activity during 2024 and 2025 was as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding at January 1, 2024	936,545	$ 56.21		
Options granted	4,000	75.30		
Options exercised	(158,714)	45.43		
Options cancelled	(86,810)	66.91		
Options outstanding at December 31, 2024	695,021	57.45		
Options granted	—	—		
Options exercised	—	—		
Options cancelled	(39,335)	57.51		
Options outstanding at March 31, 2025	655,686	$ 57.44	6.20	$ 128,417
Options exercisable at March 31, 2025	484,070	$ 52.43	5.69	$ 128,417

Fair values are estimated using the Black-Scholes option pricing model. There were no stock options granted during the three months ended March 31, 2025. The following table summarizes the grant-date fair value of options and the assumptions used to develop the fair value estimates for options granted during the year ended December 31, 2024:

	December 31, 2024
Weighted average grant-date fair value of options	$ 27.24
Risk-free interest rate	4.4%
Expected volatility	33%
Expected life (in years)	4.8

The Company’s estimate of expected volatility for stock options is based upon the volatility of its stock price over the expected life of the award. The risk-free interest rate is the approximate yield on U.S. Treasury Strips having a life equal to the expected option life on the date of grant. The expected life is an estimate of the number of years an option will be held before it is exercised.

Other Stock-Based Awards

Restricted stock unit activity during 2024 and 2025 was as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2024	1,030,478	$ 68.38
Granted	608,572	71.78
Cancelled	(127,761)	72.84
Vested	(365,871)	63.29
Unvested at December 31, 2024	1,145,418	$ 71.31
Granted	950,348	30.15
Cancelled	(29,043)	67.55
Vested	(237,478)	72.39
Unvested at March 31, 2025	1,829,245	$ 49.84

Performance stock unit activity during 2024 and 2025 was as follows:

	Number of Units	Weighted Average Grant-Date Fair Value
Unvested at January 1, 2024	336,031	$ 69.35
Granted	78,955	68.04
Performance adjustment	(9,241)	72.99
Cancelled	(15,723)	70.37
Vested	(98,504)	61.52
Unvested at December 31, 2024	291,518	$ 71.47
Granted	—	—
Performance adjustment	(22,974)	72.07
Cancelled	—	—
Vested	(66,676)	73.96
Unvested at March 31, 2025	201,868	$ 70.58

Restricted stock unit awards are time-based vesting awards that vest over a period of three or four years and are subject to continuing service of the employee or non-employee director over the ratable vesting periods. The fair values of the restricted stock unit awards were determined based on the closing price of the Company's common stock on the trading date immediately prior to the grant date.

Performance stock units are granted to employees and are subject to Company performance compared to pre-established targets. In addition to Company performance, these performance-based stock units are subject to the continuing service of the employee during the three-year period covered by the awards. The performance conditions for the performance stock units are based on the Company's achievement of annually established targets for diluted earnings per share, adjusted earnings before interest, income taxes, depreciation and amortization and/or revenue. The number of shares issuable at the end of the applicable vesting period of performance stock units ranges from 0% to 200% of the targeted units based on the Company's actual performance compared to the targets.

The fair values of performance stock units were determined based on the closing price of the Company's common stock on the trading date immediately prior to the grant date for units subject to performance conditions.

15. Share Repurchase Program

On February 25, 2025, the Company's board of directors authorized a share repurchase program (the "Share Repurchase Program") pursuant to which the Company may, from time to time, acquire up to $300.0 million of outstanding shares of its common stock, exclusive of any fees, commissions, or other expenses related to such repurchases. Repurchases made pursuant to the Share Repurchase Program will be made in accordance with applicable securities laws and may be made at management's discretion from time to time in the open market, in privately negotiated transactions, or through block trades, derivatives transactions, or purchases made in accordance with Rule 10b-18 and Rule 10b5-1 of the Exchange Act. The Share Repurchase Program has no termination date and may be modified, suspended or discontinued by the Company's board of directors at any time. The authorization does not obligate the Company to repurchase any shares. During the three months ended March 31, 2025, the Company repurchased 1,602,688 shares of its common stock under the Share Repurchase Program that were each cancelled at the time of repurchase for a total of $47.3 million. As of March 31, 2025, there was $253.2 million of authorization remaining under the Share Repurchase Program.

16. Transaction, legal and other costs

Transaction, legal and other costs represent costs primarily related to legal, accounting, government investigation, termination, restructuring, management transition, acquisition and other similar costs. Transaction, legal and other costs comprised the following costs for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Government investigations	$ 31,011	$ 481
Termination and restructuring costs	2,166	(3,400)
Legal, accounting and other acquisition-related costs	(2,105)	4,757
Management transition costs	—	1,009
Total	$ 31,072	$ 2,847

Government investigations include legal fees and settlement costs related to certain litigation, including the matters referenced in Note 9 – Commitments and Contingencies. Legal, accounting and other acquisition-related costs include costs incurred for the development of new facilities ($0.9 million and $0.6 million for the three months ended March 31, 2025 and 2024, respectively); legal and settlement costs incurred related to certain litigation not included in government investigations ($(3.0) million and $4.0 million for the three months ended March 31, 2025 and 2024, respectively); and direct costs associated with acquisitions ($0.2 million for the three months ended March 31, 2024). Management transition costs include certain costs associated with the transition of the leadership team, including the design and implementation of the revised organizational structure. Management transition costs incurred with the transition of the Company's Chief Executive Officer beginning in the first quarter of 2022 concluded in the fourth quarter of 2024. Termination and restructuring costs include costs, net of gains, incurred related to the closure and disposition of certain facilities or contract amendments.

17. Income Taxes

The provision for income taxes for the three months ended March 31, 2025 and 2024 reflects effective tax rates of 32.7% and 20.3%, respectively. The increase in the effective tax rate for the three months ended March 31, 2025 was primarily attributable to the Company's lower pre-tax results for the three months ended March 31, 2025, which yields higher volatility in the items impacting the effective tax rate when compared to prior periods and decreased deductions related to equity-based compensation in the current year. In addition, the three months ended March 31, 2024 included a tax benefit related to a legal entity restructuring.

As the Company continues to monitor the implications of potential tax legislation in each of its jurisdictions, the Company may adjust estimates and record additional amounts for tax assets and liabilities. Any adjustments to the Company's tax assets and liabilities could materially impact the provision for income taxes and its effective tax rate in the periods in which they are made.

18. Fair Value Measurements

The carrying amounts reported for cash and cash equivalents, accounts receivable, other current assets, accounts payable and other current liabilities approximate fair value because of the short-term maturity of these instruments.

The carrying amounts and fair values of the Credit Facility, the Prior Credit Facility, and the Senior Notes at March 31, 2025 and December 31, 2024 were as follows (in thousands):

	Carrying Amount		Fair Value	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Credit Facility	$ 740,277	$ —	$ 740,277	$ —
Prior Credit Facility	$ —	$ 1,039,349	$ —	$ 1,039,349
5.500% Senior Notes due 2028	$ 446,668	$ 446,435	$ 429,918	$ 425,229
5.000% Senior Notes due 2029	$ 471,326	$ 471,125	$ 443,046	$ 439,324
7.375% Senior Notes due 2033	$ 542,272	$ —	$ 539,561	$ —

The Credit Facility, the Prior Credit Facility, and the Senior Notes were categorized as Level 2 in the GAAP fair value hierarchy. Fair values were based on trading activity among the Company's lenders and the average bid and ask price as determined using published rates.

19. Segments

The Company has one reportable segment, behavioral healthcare services. The behavioral healthcare services segment provides inpatient and outpatient behavioral healthcare services. The Company derives revenue from 39 states and Puerto Rico and manages business activities on a consolidated basis. Revenue is primarily derived from services rendered to patients for inpatient psychiatric and substance abuse care, outpatient psychiatric care and adolescent residential treatment.

The Company's Chief Operating Decision Maker ("CODM") is the Chief Executive Officer. The CODM assesses performance for the behavioral healthcare services segment and decides how to allocate resources based on earnings before interest, income taxes, depreciation and amortization ("EBITDA"). The CODM reviews expenses in a format consistent with the condensed consolidated statements of income. The measure of segment assets is reported on the balance sheet as total assets.

The CODM uses EBITDA to evaluate income generated from segment assets in deciding whether to reinvest assets into the behavioral healthcare services segment or into other parts of the entity, such as for acquisitions or debt reduction. EBITDA is used to monitor budget versus actual results. The CODM also uses EBITDA in competitive analysis by benchmarking to the Company's competitors. The competitive analysis along with the monitoring of budgeted versus actual results are used in assessing performance of the segment and in establishing management's compensation. The Company does not have intra-entity sales or transfers.

20. Subsequent Events

Subsequent to March 31, 2025, the Company repurchased 103,939 shares of its common stock under the Share Repurchase Program that were each cancelled at the time of repurchase for a total of $3.2 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations with our unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "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," "would," "should," "could" or the negative thereof. Generally, the words "anticipate," "believe," "continue," "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 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. These risks, uncertainties and other factors include, but are not limited to:

- the impact of internal or governmental investigations, regulatory actions, whistleblower lawsuits and other legal proceedings;
- the impact of competition for staffing, labor shortages and higher turnover rates on our labor costs and profitability;
- the impact of inflationary pressure and interest rate volatility;
- compliance with laws and government regulations;
- our indebtedness, our ability to meet our debt obligations, and our ability to incur substantially more debt;
- the impact of payments received from the government and third-party payors on our revenue and results of operations;
- the impact of volatility in the global capital and credit markets, as well as significant developments in macroeconomic and political conditions that are out of our control;
- the impact of general economic and employment conditions on our business and future results of operations, including increased construction and other costs due to inflation, the imposition of tariffs or trade disputes;
- difficulties in successfully integrating the operations of acquired facilities or realizing the potential benefits and synergies of our acquisitions and joint ventures;
- our ability to recruit and retain quality psychiatrists and other physicians, nurses, counselors and other medical support personnel;
- the occurrence of patient incidents, which could result in negative media coverage, adversely affect the price of our securities and result in incremental regulatory burdens and governmental investigations;
- the impact of claims brought against us or our facilities including claims for damages for personal injuries, medical malpractice, overpayments, breach of contract, securities law violations, tort and employee related claims;
- the outcome of pending litigation;
- the impact of carrying a large self-insured retention, the possibilities of being responsible for significant amounts not covered by insurance, premium increases and insurance not being available on acceptable terms because of our claims experience;
- the impact of the enactment, amendment or expiration of statutes and regulations affecting the healthcare industry, and potential reductions to Medicare and Medicaid payment rates, changes in reimbursement practices or funding levels, or modification of Medicaid supplemental payment programs;
- the impact of the restructuring, consolidation, and elimination of federal agencies that regulate the healthcare industry, which could result in changes to federal agency reviews and enforcement activities, priorities, and guidance, and has the potential to cause delays in obtaining necessary or desired reviews and approvals for our facilities;
- our acquisition, joint venture and wholly-owned de novo strategies, which expose us to a variety of operational and financial risks, as well as legal and regulatory risks;

- the impact of state efforts to regulate the construction or expansion of healthcare facilities on our ability to operate and expand our operations;
- our ability to implement our business strategies;
- the impact of disruptions on our inpatient and outpatient volumes caused by pandemics, epidemics or outbreaks of infectious diseases;
- our dependence on key management personnel, key executives and local facility management personnel;
- our restrictive covenants, which may restrict our business and financing activities;
- the impact of adverse weather conditions and climate change, including the effects of hurricanes, wildfires and other natural disasters, and any resulting outmigration;
- the risk of a cybersecurity incident and any resulting adverse impact on our operations or violation of laws and regulations regarding information privacy;
- the impact on our business if our information systems fail or our databases are destroyed or damaged;
- our ability to access capital on acceptable terms;
- our future cash flow and earnings;
- the impact of our highly competitive industry on patient volumes;
- our ability to cultivate and maintain relationships with referral sources;
- the impact of the trend for insurance companies and managed care organizations to enter into sole source contracts on our ability to obtain patients;
- the impact of value-based purchasing programs on our revenue;
- our potential inability to extend leases at expiration;
- the impact of controls designed to reduce inpatient services on our revenue;
- the impact of different interpretations of accounting principles on our results of operations or financial condition;
- the impact of environmental, health and safety laws and regulations, especially in locations where we have concentrated operations;
- the impact of laws and regulations relating to privacy and security of patient health information and standards for electronic transactions;
- the impact of a change in the mix of our earnings, adverse changes in our effective tax rate and adverse developments in tax laws generally;
- changes in interpretations, assumptions and expectations regarding tax legislation and policy, including provisions that may be issued by federal and state taxing authorities;
- failure to maintain effective internal control over financial reporting;
- the impact of fluctuations in our operating results, quarter to quarter earnings and other factors on the price of our securities; and
- those risks and uncertainties described from time to time in our filings with the SEC.

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. These forward-looking statements are made only as of the date of this Quarterly Report on Form 10-Q. 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.

Overview

Our business strategy is to become the indispensable behavioral healthcare provider for the high-acuity and complex needs patient population. We are committed to providing the communities we serve with high-quality, cost-effective behavioral healthcare services, while growing our business, increasing profitability and creating long-term value for our stockholders. This strategy includes five growth pathways: expansions of existing facilities, joint venture partnerships, de novo facilities, acquisitions and expansion across our continuum of care. At March 31, 2025, we operated 270 behavioral healthcare facilities with approximately 12,000 beds in 39 states and Puerto Rico. During the three months ended March 31, 2025, we added 378 beds, consisting of 90 beds added to existing facilities and 288 beds added through the opening of one wholly-owned facility and one joint venture facility, and we opened seven CTCs.

We are the leading publicly traded pure-play provider of behavioral healthcare services in the U.S. Management believes that we are positioned as a leading platform in a highly fragmented industry under the direction of an experienced management team that has significant industry expertise. Management expects to take advantage of several strategies that are more accessible as a result of our increased size and geographic scale, including continuing a national marketing strategy to attract new patients and referral sources, increasing our volume of out-of-state referrals, providing a broader range of services to new and existing patients and clients and selectively pursuing opportunities to expand our facility and bed count through acquisitions, wholly-owned de novo facilities, joint ventures and bed additions in existing facilities.

Results of Operations

The following table illustrates our consolidated results of operations for the respective periods shown (dollars in thousands):

	Three Months Ended March 31,			
	2025		2024	
	Amount	%	Amount	%
Revenue	$ 770,505	100.0%	$ 768,051	100.0%
Salaries, wages and benefits	445,271	57.8%	417,523	54.4%
Professional fees	45,707	5.9%	45,688	5.9%
Supplies	28,342	3.7%	26,652	3.5%
Rents and leases	11,656	1.5%	11,863	1.5%
Other operating expenses	114,002	14.8%	101,073	13.2%
Depreciation and amortization	47,032	6.1%	36,347	4.7%
Interest expense, net	29,182	3.8%	27,214	3.5%
Debt extinguishment costs	1,269	0.2%	—	0.0%
Legal settlements expense	3,504	0.5%	—	0.0%
Transaction, legal and other costs	31,072	4.0%	2,847	0.4%
Total expenses	757,037	98.3%	669,207	87.1%
Income before income taxes	13,468	1.7%	98,844	12.9%
Provision for income taxes	4,404	0.6%	20,074	2.6%
Net income	9,064	1.2%	78,770	10.3%
Net income attributable to noncontrolling interests	(690)	-0.2%	(2,387)	-0.4%
Net income attributable to Acadia Healthcare Company, Inc.	$ 8,374	1.1%	$ 76,383	9.9%

We believe that we are well positioned to help meet the growing demand for behavioral healthcare services and recorded revenue growth of 0.3% for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. Similar with many other healthcare providers and other industries across the country, we continue to navigate a tight labor market. While we experienced higher wage inflation compared to historical averages in recent years, we continue to see stability in our labor costs and our proactive focus helps us manage through this environment. We remain focused on ensuring that we have the level of staff to meet the demand in our markets across 39 states and Puerto Rico.

The following table sets forth percent changes in same facility operating data for the three months ended March 31, 2025 compared to the same period in 2024:

Same Facility Results (a)	
Revenue growth	2.1%
Patient days growth	2.2%
Admissions growth	2.1%
Average length of stay change (b)	0.1%
Revenue per patient day growth	-0.2%

(a) Results for the periods presented include facilities we have operated more than one year and exclude certain closed services.
(b) Average length of stay is defined as patient days divided by admissions.

Same facility results include operating results only for facilities and services operated in both the current and prior year. These metrics exclude the operating results associated with facilities under operation for less than one year and facilities acquired during the current or prior year, as well as facilities divested or removed from service, and also exclude general and administrative costs related to our corporate functions. Such costs related to our corporate functions include, amongst others, costs for accounting and finance, information systems, human resources, legal and operational and executive leadership. General and administrative costs directly related to the facilities are included in same facility results. Such costs directly related to our facilities include, amongst others, labor at the facility level, insurance, including property, professional, legal and general liability insurance, hospital supplies, including medication, utilities and food service, and general maintenance costs for the facility. We determine which general and administrative costs to exclude and include in same facility results by ensuring those costs directly associated with facility operations are captured at the facility level for reporting.

We believe that providing results on a same facility basis is helpful to our investors as a measure of our financial and operating performance because it neutralizes the impact of corporate-level items that do not arise out of our core operations at our facilities and because it neutralizes the impact of new facilities that are in early stages of operation and facilities that we no longer operate, each of which may distort investors’ understanding of our underlying performance at our existing and continuing facilities. Further, we believe that providing same facility information is helpful to our investors as a measure of the financial and operating performance of our existing and continuing facilities on a comparable basis, and same facility results metrics provide investors with information useful in understanding underlying organic growth in such facilities. For these reasons, we believe that same facility results are particularly useful during periods of significant expansion or contraction.

Same facility results reflect adjustments that are intended to provide the specific presentation described above and that may be irregular in timing from period to period related to newly opened or acquired facilities or facilities that we no longer operate, and may omit certain results that investors may view as important. Same facility results may therefore not be indicative of the overall performance of our business and should be not be considered as an alternative for net income or any other performance measures derived in accordance with GAAP.

Three months ended March 31, 2025 compared to the three months ended March 31, 2024

Revenue. Revenue increased $2.5 million, or 0.3%, to $770.5 million for the three months ended March 31, 2025 from $768.1 million for the three months ended March 31, 2024. Same facility revenue increased $15.3 million, or 2.1%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024, resulting from same facility growth in patient days of 2.2% slightly offset by a decrease in same facility revenue per day of -0.2%. Consistent with same facility revenue growth in 2024, the growth in same facility patient days for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 resulted from the addition of beds to our existing facilities and ongoing demand for our services.

Salaries, wages and benefits. Salaries, wages and benefits (“SWB”) expense was $445.3 million for the three months ended March 31, 2025 compared to $417.5 million for the three months ended March 31, 2024, an increase of $27.8 million. SWB expense included $8.7 million of equity-based compensation expense for both the three months ended March 31, 2025 and 2024. Excluding equity-based compensation expense, SWB expense was $436.6 million, or 56.7% of revenue, for the three months ended March 31, 2025, compared to $408.8 million, or 53.2% of revenue, for the three months ended March 31, 2024. Same facility SWB expense was $390.0 million for the three months ended March 31, 2025, or 51.3% of revenue, compared to $366.3 million for the three months ended March 31, 2024, or 49.2% of revenue.

Professional fees. Professional fees were $45.7 million for the three months ended March 31, 2025, or 5.9% of revenue, compared to $45.7 million for the three months ended March 31, 2024, or 5.9% of revenue. Same facility professional fees were $39.2 million for the three months ended March 31, 2025, or 5.2% of revenue, compared to $38.4 million for the three months ended March 31, 2024, or 5.2% of revenue.

Supplies. Supplies expense was $28.3 million for the three months ended March 31, 2025, or 3.7% of revenue, compared to $26.7 million for the three months ended March 31, 2024, or 3.5% of revenue. Same facility supplies expense was $27.4 million for the three months ended March 31, 2025, or 3.6% of revenue, compared to $25.6 million for the three months ended March 31, 2024, or 3.4% of revenue.

Rents and leases. Rents and leases were $11.7 million for the three months ended March 31, 2025, or 1.5% of revenue, compared to $11.9 million for the three months ended March 31, 2024, or 1.5% of revenue. Same facility rents and leases were $10.2 million for the three months ended March 31, 2025, or 1.3% of revenue, compared to $10.5 million for the three months ended March 31, 2024, or 1.4% of revenue.

Other operating expenses. Other operating expenses consisted primarily of purchased services, utilities, insurance, travel and repairs and maintenance expenses. Other operating expenses were $114.0 million for the three months ended March 31, 2025, or 14.8% of revenue, compared to $101.1 million for the three months ended March 31, 2024, or 13.2% of revenue. Same facility other operating expenses were $101.4 million for the three months ended March 31, 2025, or 13.3% of revenue, compared to $93.0 million for the three months ended March 31, 2024, or 12.5% of revenue.

Depreciation and amortization. Depreciation and amortization expense was $47.0 million for the three months ended March 31, 2025, or 6.1% of revenue, compared to $36.3 million for the three months ended March 31, 2024, or 4.7% of revenue.

Interest expense. Interest expense was $29.2 million for the three months ended March 31, 2025 compared to $27.2 million for the three months ended March 31, 2024. The increase in interest expense was primarily the result of interest on the 7.375% Senior Notes issued during the first quarter of 2025.

Debt extinguishment costs. Debt extinguishment costs were $1.3 million for the three months ended March 31, 2025 related to the refinancing of the Prior Credit Facility.

Legal settlements expense. Legal settlements expense was $3.5 million for the three months ended March 31, 2025 related to costs associated with the Desert Hills Litigation.

Transaction, legal and other costs. Transaction, legal and other costs were $31.1 million for the three months ended March 31, 2025, compared to $2.8 million for the three months ended March 31, 2024. Transaction, legal and other costs represent legal, accounting, government investigation, termination, restructuring, management transition, acquisition and other similar costs incurred in the respective period, as summarized below (in thousands).

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Government investigations	$ 31,011	$ 481
Termination and restructuring costs	2,166	(3,400)
Legal, accounting and other acquisition-related costs	(2,105)	4,757
Management transition costs	—	1,009
Total	$ 31,072	$ 2,847

Government investigations include legal fees and settlement costs related to certain litigation, including the matters referenced in Note 9 — Commitments and Contingencies. Legal, accounting and other acquisition-related costs include costs incurred for the development of new facilities ($0.9 million and $0.6 million for the three months ended March 31, 2025 and 2024, respectively); legal and settlement costs incurred related to certain litigation not included in government investigations ($(3.0) million and $4.0 million for the three months ended March 31, 2025 and 2024, respectively); and direct costs associated with acquisitions ($0.2 million for the three months ended March 31, 2024). Management transition costs include certain costs associated with the transition of the leadership team, including the design and implementation of the revised organizational structure. Management transition costs incurred with the transition of our Chief Executive Officer beginning in the first quarter of 2022 concluded in the fourth quarter of 2024. Termination and restructuring costs include costs, net of gains, incurred related to the closure and disposition of certain facilities or contract amendments.

Provision for income taxes. For the three months ended March 31, 2025, the provision for income taxes was $4.4 million, reflecting an effective tax rate of 32.7%, compared to $20.1 million, reflecting an effective tax rate of 20.3%, for the three months ended March 31, 2024. The increase in the effective tax rate for the three months ended March 31, 2025 was primarily attributable to our lower pre-tax results for the three months ended March 31, 2025, which yields higher volatility in the items impacting the effective tax rate when compared to prior periods and decreased deductions related to equity-based compensation in the current year. In addition, the three months ended March 31, 2024 included a tax benefit related to a legal entity restructuring.

As we continue to monitor the implications of potential tax legislation in each of our jurisdictions, we may adjust our estimates and record additional amounts for tax assets and liabilities. Any adjustments to our tax assets and liabilities could materially impact our provision for income taxes and our effective tax rate in the periods in which they are made.

Revenue

Our revenue is primarily derived from services rendered to patients for inpatient psychiatric and substance abuse care, outpatient psychiatric care and adolescent residential treatment. We receive payments from the following sources for services rendered in our facilities: (i) state governments under their respective Medicaid and other programs; (ii) commercial insurers; (iii) the federal government under the Medicare program administered by CMS and other programs; and (iv) individual patients and clients. We determine the transaction price based on established billing rates reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients and implicit price concessions. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience.

The following table presents revenue by payor type and as a percentage of revenue for the three months ended March 31, 2025 and 2024 (dollars in thousands):

	Three Months Ended March 31,			
	2025		2024	
	Amount	%	Amount	%
Commercial	$ 192,755	25.0%	$ 196,017	25.5%
Medicare	114,754	14.9%	109,388	14.2%
Medicaid	430,814	55.9%	436,422	56.9%
Self-Pay	18,165	2.4%	16,427	2.1%
Other	14,017	1.8%	9,797	1.3%
Revenue	$ 770,505	100.0%	$ 768,051	100.0%

The following tables present a summary of our aging of accounts receivable at March 31, 2025 and December 31, 2024:

March 31, 2025

	Current	30-90	90-150	>150	Total
Commercial	17.4%	4.8%	2.2%	6.8%	31.2%
Medicare	9.9%	1.6%	0.5%	1.2%	13.2%
Medicaid	33.3%	6.4%	3.0%	5.6%	48.3%
Self-Pay	1.7%	1.7%	1.2%	2.3%	6.9%
Other	0.4%	0.0%	0.0%	0.0%	0.4%
Total	62.7%	14.5%	6.9%	15.9%	100.0%

December 31, 2024

	Current	30-90	90-150	>150	Total
Commercial	17.0%	4.7%	2.5%	8.2%	32.4%
Medicare	9.0%	1.6%	0.6%	1.2%	12.4%
Medicaid	33.9%	5.6%	2.9%	5.2%	47.6%
Self-Pay	1.5%	1.7%	1.5%	2.9%	7.6%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Total	61.4%	13.6%	7.5%	17.5%	100.0%

Liquidity and Capital Resources

Cash provided by operating activities for the three months ended March 31, 2025 was $11.5 million compared to cash used in operating activities of $321.3 million for the three months ended March 31, 2024. Days sales outstanding at March 31, 2025 was 46 days compared to 43 days at December 31, 2024.

Cash used in investing activities for the three months ended March 31, 2025 was $183.2 million compared to $184.6 million for the three months ended March 31, 2024. Cash used in investing activities for the three months ended March 31, 2025 primarily consisted of $174.6 million of cash paid for capital expenditures and $8.6 million of cash paid for acquisitions. Cash paid for capital expenditures for the three months ended March 31, 2025 was $174.6 million, consisting of routine or maintenance capital expenditures of $22.2 million and expansion capital expenditures of $152.4 million. We define expansion capital expenditures as those that increase the capacity of our facilities or otherwise enhance revenue. Routine or maintenance capital expenditures, including information technology capital expenditures, were approximately 3% of revenue for the three months ended March 31, 2025. Cash used in investing activities for the three months ended March 31, 2024 primarily consisted of $142.4 million of cash paid for capital expenditures, $50.4 million of cash paid for acquisitions and $0.9 million of other, offset by $9.1 million of proceeds from sales of property and equipment. Cash paid for capital expenditures for the three months ended March 31, 2024 was $142.4 million, consisting of routine or maintenance capital expenditures of $22.3 million and expansion capital expenditures of $120.1 million.

Cash provided by financing activities for the three months ended March 31, 2025 was $186.7 million compared to $483.1 million for the three months ended March 31, 2024. Cash provided by financing activities for the three months ended March 31, 2025 consisted of borrowings on long-term debt of $1,200.0 million and borrowings on revolving credit facility of $760.0 million, offset by principal payments on revolving credit facility of $1,035.0 million, repayment of long-term debt of $670.9 million, payment of debt issuance costs of $18.6 million, repurchase of common stock of $46.9 million and repurchase of shares for payroll tax withholding, net of proceeds from stock option exercises of $1.9 million. Cash provided by financing activities for the three months ended March 31, 2024 consisted of borrowings on long-term debt of $350.0 million, borrowings on revolving credit facility of $160.0 million and contributions from noncontrolling partners in joint ventures of $2.3 million, offset by principal payments on revolving credit facility of $15.0 million, principal payments on long-term debt of $10.2 million, payment of debt issuance costs of $1.5 million, distributions to noncontrolling partners in joint ventures of $1.0 million, repurchase of shares for payroll tax withholding, net of proceeds from stock option exercises of $1.0 million and $0.4 million of other.

We had total available cash and cash equivalents of $91.2 million and $76.3 million at March 31, 2025 and December 31, 2024, respectively, of which approximately $6.0 million and $7.7 million was held by our foreign subsidiaries, respectively. Our strategic plan does not require the repatriation of foreign cash in order to fund our operations in the U.S.

Desert Hills Litigation

As described in more detail in Note 9 – Commitments and Contingencies in the accompanying notes to our condensed consolidated financial statements, on October 30, 2023, we entered into settlement agreements in connection with the Cases. The settlement agreements for the Cases were approved by the District Court in December 2023 and fully resolve each of the Cases with no admission of liability or wrongdoing by us or Desert Hills. On January 19, 2024, pursuant to the terms of the settlement agreements, we paid an aggregate amount of $400.0 million in exchange for the release and discharge of all claims arising from, relating to, concerning or with respect to all harm, injuries or damages asserted in the Cases or that may be asserted in the future by the plaintiffs in the Cases.

Credit Facility

On the Credit Facility Closing Date, we entered into the Credit Agreement, which provides for the $1.0 billion Revolving Facility (including a $50.0 million sublimit for the issuance of letters of credit and a $50.0 million swingline subfacility) and the $650.0 million Term Loan Facility, each maturing on February 28, 2030.

On the Credit Facility Closing Date, the full $650.0 million amount of the Term Loan Facility was funded, and $550.0 million was funded under the Revolving Facility, which amounts were used, among other things, to refinance the outstanding obligations under the Prior Credit Facility.

Borrowings under the Credit Agreement bear interest at a floating rate equal to, at our option, either (i) a SOFR-based rate plus a margin ranging from 1.375% to 2.250% or (ii) a base rate plus a margin ranging from 0.375% to 1.250%, in each case, depending on our Consolidated Total Net Leverage Ratio. In addition, an unused fee that varies according to our Consolidated Total Net Leverage Ratio ranging from 0.200% to 0.350% is payable quarterly in arrears based on the average daily undrawn portion of the commitments in respect of the Revolving Facility. The Term Loan Facility requires quarterly principal repayments of $4.0 million from June 30, 2025 to March 31, 2026, $8.1 million from June 30, 2026 to March 31, 2028, $12.2 million from June 30, 2028 to March 31, 2029 and

$16.2 million from June 30, 2029 to December 31, 2029, with the remaining outstanding principal balance of the Term Loan Facility due on the maturity date of February 28, 2030.

We have the ability to increase the amount of the Credit Facility, which may take the form of increases to the Revolving Facility or the Term Loan Facility or the issuance of one or more Incremental Facilities, upon obtaining additional commitments from new or existing lenders and the satisfaction of certain customary conditions precedent for such Incremental Facilities. Such Incremental Facilities may not exceed the sum of (i) the greater of $710.0 million and an amount equal to 100% of our LTM Consolidated EBITDA at the time of determination and (ii) additional amounts that would not cause our Consolidated Senior Secured Net Leverage Ratio to exceed 4.0 to 1.0.

Subject to certain exceptions, substantially all of our existing and subsequently acquired or organized direct and indirect wholly-owned U.S. subsidiaries are required to guarantee the repayment of our obligations under the Credit Agreement. The obligations of us and such guarantor subsidiaries are secured by a pledge of substantially all of our and such guarantor subsidiaries' assets (excluding all real property and certain other customarily excluded assets).

The Credit Agreement contains customary representations and warranties and affirmative and negative covenants, including limitations on the ability of us and our subsidiaries to: (i) incur debt; (ii) permit additional liens; (iii) make investments and acquisitions; (iv) merge or consolidate with others; (v) dispose of assets; (vi) pay dividends and distributions; (vii) pay junior indebtedness; and (viii) enter into affiliate transactions, in each case, subject to customary exceptions. In addition, the Credit Agreement contains financial covenants requiring us to maintain on a consolidated basis as of the last day of each quarterly period, a Consolidated Total Net Leverage Ratio of not more than 5.0 to 1.0 (which may be increased in connection with a material acquisition to 5.5 to 1.0 for a four quarter period up to three times during the term of the Credit Agreement) and a Consolidated Interest Coverage Ratio of at least 3.0 to 1.0. The Credit Agreement also includes events of default customary for facilities of this type and upon the occurrence of such events of default, among other things, all outstanding loans under the Credit Agreement may be accelerated, lenders commitments terminated, and/or lenders may exercise collateral remedies. At March 31, 2025, our Consolidated Total Net Leverage Ratio was 3.2x, and we were in compliance with all financial covenants. Consolidated Total Net Leverage Ratio is being reported as calculated under the Credit Agreement and not pursuant to GAAP. Investors should refer to the agreements governing the Credit Agreement attached as exhibits to our periodic reports for further information related to the calculation thereof, and should not consider Consolidated Total Net Leverage Ratio as an alternative for any measures derived in accordance with GAAP. For risks related to our indebtedness and compliance with these covenants, see "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

During three months ended March 31, 2025, we borrowed $645.0 million on the Revolving Facility and repaid $550.0 million of the balance outstanding.

At March 31, 2025, we had $901.6 million of availability under the Revolving Facility and had standby letters of credit outstanding of $3.4 million related to security for the payment of claims required by our workers' compensation insurance program.

Prior Credit Facility

On March 17, 2021, we entered into the Prior Credit Facility, which provided for the Prior Revolving Facility and the Prior Term Loan Facility, each of which was scheduled to mature on March 17, 2026.

During the three months ended March 31, 2025, we borrowed $115.0 million on the Prior Revolving Facility and repaid $485.0 million of the balance outstanding. During the three months ended March 31, 2024, we borrowed $160.0 million on the Prior Revolving Facility and repaid $15.0 million of the balance outstanding.

On February 28, 2025, we refinanced the Prior Credit Facility by using the proceeds of the Credit Facility to repay the outstanding balances of the Prior Term Loan Facility and the Prior Revolving Facility, which totaled $670.9 million and $485.0 million, respectively. In connection therewith, we recorded a loss on extinguishment of $1.3 million, which is included in debt extinguishment costs in the condensed consolidated statements of income.

Senior Notes

5.500% Senior Notes due 2028

On June 24, 2020, we issued $450.0 million of 5.500% Senior Notes. The 5.500% Senior Notes mature on July 1, 2028 and bear interest at a rate of 5.500% per annum, payable semi-annually in arrears on January 1 and July 1 of each year, commencing on January 1, 2021.

5.000% Senior Notes due 2029

On October 14, 2020, we issued $475.0 million of 5.000% Senior Notes. The 5.000% Senior Notes mature on April 15, 2029 and bear interest at a rate of 5.000% per annum, payable semi-annually in arrears on April 15 and October 15 of each year, commencing on April 15, 2021.

7.375% Senior Notes due 2033

On March 10, 2025, we issued $550.0 million of 7.375% Senior Notes. The 7.375% Senior Notes mature on March 15, 2033 and bear interest at a rate of 7.375% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, commencing on September 15, 2025. The net proceeds from the issuance and sale of the 7.375% Senior Notes, together with cash on hand, were used to pay down $550.0 million of outstanding borrowings under the Revolving Facility.

The indentures governing the Senior Notes contain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to: (i) pay dividends, redeem stock or make other distributions or investments; (ii) incur additional debt or issue certain preferred stock; (iii) transfer or sell assets; (iv) engage in certain transactions with affiliates; (v) create restrictions on dividends or other payments by the restricted subsidiaries; (vi) merge, consolidate or sell substantially all of our assets; and (vii) create liens on assets.

The Senior Notes issued by us are guaranteed by each of our subsidiaries that guarantee our obligations under the Credit Agreement. The guarantees are full and unconditional and joint and several.

We may redeem the Senior Notes at our option, in whole or part, at the dates and amounts set forth in the applicable indentures.

Supplemental Guarantor Financial Information

We conduct substantially all of our business through our subsidiaries. The Senior Notes are jointly and severally guaranteed on an unsecured senior basis by all of our subsidiaries that guarantee our obligations under the Credit Agreement. The summarized financial information presented below is consistent with our condensed consolidated financial statements, except transactions between combining entities have been eliminated. Financial information for our combined non-guarantor entities has been excluded pursuant to SEC Regulation S-X Rule 13-01. Presented below is condensed financial information for our combined wholly-owned subsidiary guarantors at March 31, 2025 and December 31, 2024, and for the three months ended March 31, 2025.

Summarized balance sheet information (in thousands):

	March 31, 2025	December 31, 2024
Current assets	$ 497,787	$ 436,571
Property and equipment, net	2,031,721	1,819,037
Goodwill	2,153,046	2,144,452
Total noncurrent assets	4,479,649	4,246,078
Current liabilities	468,529	548,909
Long-term debt	2,184,293	1,880,093
Total noncurrent liabilities	2,412,067	2,111,252
Redeemable noncontrolling interests	—	—
Total equity	2,096,840	2,022,488

Summarized operating results information (in thousands):

	Three Months Ended March 31, 2025
Revenue	$ 646,540
Income before income taxes	3,244
Net income	2,003
Net income attributable to Acadia Healthcare Company, Inc.	2,003

Contractual Obligations

The following table presents a summary of contractual obligations at March 31, 2025 (in thousands):

	Payments Due by Period				
	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	Total
Long-term debt (a)	$ 149,927	$ 327,384	$ 1,765,316	$ 671,687	$ 2,914,314
Operating lease liabilities (b)	32,036	45,942	31,189	56,973	166,140
Finance lease liabilities	1,089	2,178	2,223	19,326	24,816
Total obligations and commitments	$ 183,052	$ 375,504	$ 1,798,728	$ 747,986	$ 3,105,270

(a) Amounts include required principal and interest payments. The projected interest payments reflect the interest rates in place on our variable-rate debt at March 31, 2025.
(b) Amounts exclude variable components of lease payments.

Critical Accounting Policies

There have been no material changes in our critical accounting policies at March 31, 2025 from those described in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our interest expense is sensitive to changes in market interest rates. Our long-term debt outstanding at March 31, 2025 was composed of $1,460.3 million of fixed-rate debt and $724.0 million of variable-rate debt with interest based on Adjusted Term SOFR plus an applicable margin. Based on our borrowing level at March 31, 2025, a hypothetical 1% increase in interest rates would decrease our pretax income on an annual basis by approximately $7.2 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, our management conducted an evaluation, with the participation of our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the three months ended March 31, 2025 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to this item may be found in Note 9 – Commitments and Contingencies in the accompanying notes to our condensed consolidated financial statements of this Quarterly Report on Form 10-Q, which information is incorporated herein by reference.

Item 1A. Risk Factors

In addition to the other information set forth in this report, an investor should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, which are incorporated herein by reference. The risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, are not the only risks facing the Company. Additional risks and uncertainties not currently known to management or that management currently deems immaterial also may materially, adversely affect the Company's business, financial condition, operating results or cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides our repurchases of shares of our common stock during the three months ended March 31, 2025:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share (b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) (c)
January 1 - January 31	1,772	$ 44.72	—	—
February 1 - February 28	41,393	$ 40.50	—	—
March 1 - March 31	1,647,619	$ 29.25	1,602,868	$ 253.20
Total	1,690,784			

(a) There were 1,602,868 shares repurchased during the three months ended March 31, 2025 under the Share Repurchase Program, and there were 87,916 shares repurchased in connection with tax withholding payments due upon vesting of employee restricted stock awards and the use of shares of our common stock to pay the exercise price on employee stock options.

(b) Excludes commissions paid and excise taxes accrued related to share repurchases.

(c) We may repurchase up to $300.0 million of our common stock under the Share Repurchase Program announced on February 27, 2025. As of March 31, 2025, $253.2 million remained available under the Share Repurchase Program. The Share Repurchase Program has no termination date and may be modified, suspended or discontinued by the Company's board of directors at any time.

Item 5. Other Information

From time to time, certain of our executive officers and directors may enter into, amend or terminate written trading arrangements pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934 or otherwise. During the three months ended March 31, 2025, none of the Company's directors or officers adopted or terminated any Rule 10b5-1 trading arrangement or non- Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit No.	Exhibit Description
3.1	Amended and Restated Certificate of Incorporation, as amended. (1)
3.2	Amended and Restated Bylaws of the Company, as amended. (2)
4.1	Indenture, dated March 10, 2025, by and among the Company, the guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee. (3)
4.2	Form of 7.375% Senior Note due 2033 (included as Exhibit A1 to Exhibit 4.1) (3).
10.1	Credit Agreement, dated as of February 28, 2025, among the Company, the several banks and other financial institutions as may from time to time become parties thereunder as lenders, and JPMorgan Chase Bank, N.A., as Administrative Agent. (4)
22*	List of Subsidiary Guarantors and Issuers of Guaranteed Securities.
31.1*	Certification of the Chief Executive Officer of the Company pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer of the Company pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Certification of Chief Executive Officer and Chief Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH**	Inline XBRL Taxonomy Extension Schema with embedded Linkbase Documents.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, has been formatted in Inline XBRL.

(1) Incorporated by reference to exhibits filed with the Company's Current Report on Form 8-K filed May 24, 2024 (File No. 001-35331).

(2) Incorporated by reference to exhibits filed with the Company's Current Report on Form 8-K filed May 25, 2017 (File No. 001-35331).

(3) Incorporated by reference to exhibits filed with the Company's Current Report on Form 8-K filed March 10, 2025 (File No. 001-35331).

(4) Incorporated by reference to exhibits filed with the Company's Current Report on Form 8-K filed February 28, 2025 (File No. 001-35331).

* Filed herewith.

** The XBRL related information in Exhibit 101 to this quarterly report on Form 10-Q shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Acadia Healthcare Company, Inc.

By: /s/Heather Dixon
Heather Dixon
Chief Financial Officer

Dated: May 12, 2025

Exhibit 22

List of Guarantor Subsidiaries

The following subsidiaries of the Company were, as of March 31, 2025, guarantors of the Company's 5.500% Senior Notes, 5.000% Senior Notes and 7.375% Senior Notes:

Acadia Florida Holdco, LLC
Acadia IN Holdco, LLC
Acadia JV Holdings, LLC
Acadia LaPlace Holdings, LLC
Acadia Management Company, LLC
Acadia Merger Sub, LLC
Acadia Reading Holdings, LLC
Acadia Realty Holdings, LLC
Acadiana Addiction Center, LLC
Advanced Treatment Systems, LLC
Aspen Education Group, Inc.
Aspen Youth, Inc.
ATS of Cecil County, LLC
ATS of Delaware, LLC
ATS of North Carolina, LLC
Austin Behavioral Hospital, LLC
Azure Acres Treatment Center, LLC
Baton Rouge Treatment Center, LLC
Bayside Marin, Inc.
BCA of Detroit, LLC
Beckley Treatment Center, LLC
Belmont Behavioral Hospital, LLC
BGI of Brandywine, LLC
Blue Ridge Mountain Recovery Center, LLC
Bowling Green Inn of Pensacola, LLC
Bowling Green Inn of South Dakota, Inc.
Brooksville Behavioral Health Services, LLC
California Treatment Services, LLC
Cartersville Center, LLC
Cascade Behavioral Holding Company, LLC
Cascade Behavioral Hospital, LLC
Center for Behavioral Health - HA, LLC
Center for Behavioral Health-ME, Inc.
Center for Behavioral Health-PA, LLC
CenterPointe Behavioral Health System, LLC
CenterPointe Columbia Real Estate, LLC
CenterPointe Hospital of Columbia LLC
Chambersburg Comprehensive Treatment Center, LLC
Charleston Treatment Center, LLC
Chicago BH Hospital, LLC
Clarksburg Treatment Center, LLC
Clearbrook Treatment Centers, LLC
Commodore Acquisition Sub, LLC
Conway Behavioral Health, LLC
Concord CTC, LLC
Corrections - Comprehensive Treatment Centers, LLC
CP Acquisition Sub, LLC
CRC ED Treatment, LLC
CRC Group, LLC
CRC Health, LLC
CRC Health Oregon, LLC

CRC Health Treatment Clinics, LLC
CRC Recovery, Inc.
CRC Wisconsin RD, LLC
Crossroads Regional Hospital, LLC
Detroit Behavioral Institute, LLC
Discovery House CC, LLC
Discovery House CU, LLC
Discovery House of Central Maine, Inc.
Discovery House TV, Inc.
Discovery House Utah, Inc.
Discovery House WC, Inc.
Discovery House, LLC
Discovery House-BC, LLC
Discovery House-BR, Inc.
Discovery House-Group, LLC
Discovery House-LT, Inc.
Discovery House-NC, LLCDiscovery House-UC, Inc.
Duffy's Napa Valley Rehab, LLC
East Indiana Treatment Center, LLC
El Paso Behavioral Hospital, LLC
Evansville Treatment Center, LLC
Four Circles Recovery Center, LLC
Galax Treatment Center, LLC
Georgia CTC, LLC
Gifford Street Wellness Center, LLC
Greenbrier Acquisition, LLC
Greenbrier Holdings, L.L.C.
Greenbrier Hospital, L.L.C.
Greenleaf Center, LLC
Habilitation Center, LLC
Habit Opco, LLC
Hermitage Behavioral, LLC
HMIH Cedar Crest, LLC
Huntington Treatment Center, LLC
Indianapolis Treatment Center, LLC
Indio Behavioral Hospital, LLC
Integrated Treatment Centers, LLC
Jacksonville BH Services. LLC
Kids Behavioral Health Of Montana, Inc.
Lakeland Hospital Acquisition, LLC
Lewistown Comprehensive Treatment Center, LLC
Little Hills Healthcare, L.L.C.
Madison BH LLC
McCallum Group, LLC
Mesa Development Sub. LLC
Millcreek School of Arkansas, LLC
Millcreek Schools, LLC
Millerton Acquisition Sub, LLC
Milwaukee Health Services System, LLC
Mission Treatment Centers, Inc.
Mission Treatment Services, Inc.
Mississippi Comprehensive Treatment Centers, LLC
Mt. Airy Development, LLC
Muncie Treatment Center, LLC
North Port BH, LLC
Ohio Hospital For Psychiatry, LLC

Ohio Treatment Center, LLC
Options Treatment Center Acquisition Corporation
Parkersburg Treatment Center, LLC
PHC MeadowWood, LLC
PHC of Michigan, LLC
PHC of Utah, Inc.
PHC of Virginia, LLC
Piney Ridge Treatment Center, LLC
Pocono Mountain Recovery Center, LLC
Psychiatric Resource Partners, LLC
Quality Addiction Management, Inc.
R.I.S.A.T., LLC
Rebound Behavioral Health, LLC
Red River Holding Company, LLC
Red River Hospital, LLC
Rehabilitation Centers, LLC
Resolute Acquisition Corporation
Richland County Comprehensive Treatment Center, LLC
Richmond Treatment Center, LLC
Riverview Behavioral Health, LLC
Riverwoods Behavioral Health, LLC
Rock Crest LLC Limited Liability Company
Rolling Hills Hospital, LLC
RTC Resource Acquisition Corporation,
Sahara Health Systems, L.L.C.
San Diego Health Alliance
San Diego Treatment Services, LLC
SC Legacy Sub, LLC
Serenity Knolls
Seven Hills Hospital, LLC
Seymour Treatment Center, LLC
Sheltered Living Incorporated
Sierra Tucson, LLC
Signature Behavioral Hospital Operations, LLC
Signature Hospital of Leavenworth, LLC
SJBH, LLC
Sober Living by the Sea, Inc.
Sonora Behavioral Health Hospital, LLC
South Carolina CTC, LLC
Southern Indiana Treatment Center, LLC
Southstone Behavioral Healthcare Center, LLC
Southwestern Children's Health Services, Inc.
Southwood Psychiatric Hospital, LLC
Starlite Recovery Center, LLC
Structure House, LLC
SUWS of the Carolinas, Inc.
Ten Broeck Tampa, LLC
Texarkana Behavioral Associates, L.C.
The Camp Recovery Center, LLC
The Pavilion at HealthPark, LLC
The Refuge, A Healing Place, LLC
TK Behavioral, LLC
TK Behavioral Holding Company, LLC
Transcultural Health Development, Inc.
Treatment Associates, Inc.
Utah Behavioral Health Services, LLC

Vallejo Acquisition Sub, LLC
Valley Behavioral Health System, LLC
Vermilion Hospital, LLC
Village Behavioral Health, LLC
Virginia Treatment Center, LLC
Vista Behavioral Holding Company, LLC
Vista Behavioral Hospital, LLC
WCHS, Inc.
Wellplace, LLC
Westminster Behavioral Health, LLC
Wheeling Treatment Center, LLC
White Deer Realty, LLC
White Deer Run, LLC
Wichita Treatment Center Inc.
Williamson Treatment Center, LLC
Wilmington Treatment Center, LLC
WP Acquisition Sub, LLC
Youth and Family Centered Services of New Mexico, Inc.
Youth Care of Utah, Inc.

Exhibit 31.1

**CERTIFICATION OF CEO PURSUANT TO
RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christopher H. Hunter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Acadia Healthcare Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2025

/s/ Christopher H. Hunter
Christopher H. Hunter
Chief Executive Officer and Director

Exhibit 31.2

**CERTIFICATION OF CFO PURSUANT TO
RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Heather Dixon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Acadia Healthcare Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2025

/s/ Heather Dixon
Heather Dixon
Chief Financial Officer

Exhibit 32

**CERTIFICATIONS OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Acadia Healthcare Company, Inc. (the "Company") for the quarterly period ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher H. Hunter, Chief Executive Officer of the Company, and I, Heather Dixon, Chief Financial Officer of the Company, each certify, for the purpose of complying with 18 U.S.C. Section 1350 and Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: May 12, 2025

/s/ Christopher H. Hunter
Christopher H. Hunter
Chief Executive Officer and Director

/s/ Heather Dixon
Heather Dixon
Chief Financial Officer