

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

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

Date of report (Date of earliest event reported): July 30, 2019 (July 30, 2019)

Acadia Healthcare Company, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-35331
(Commission File Number)

45-2492228
(IRS Employer Identification No.)

6100 Tower Circle, Suite 1000
Franklin, Tennessee
(Address of Principal Executive Offices)

37067
(Zip Code)

(615) 861-6000
(Registrant's Telephone Number, including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|--------------------------------|-----------------------|--|
| Common Stock, \$0.01 par value | ACHC | NASDAQ Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On July 30, 2019, Acadia Healthcare Company, Inc. (“Acadia”) issued a press release announcing, among other things, Acadia’s operating and financial results for the second quarter ended June 30, 2019. The press release is furnished herewith as Exhibit 99 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[99 Press Release of Acadia Healthcare Company, Inc., dated July 30, 2019.](#)

SIGNATURE

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 hereunto duly authorized.

ACADIA HEALTHCARE COMPANY, INC.

Date: July 30, 2019

By: /s/ Christopher L. Howard
Christopher L. Howard
Executive Vice President and General Counsel

Acadia Healthcare Reports Second Quarter 2019 Revenue of \$789.4 Million, EPS of \$0.55 and Adjusted EPS of \$0.61

U.S. Same Facility Revenue Grows 6.6%

Company Narrows 2019 Guidance

FRANKLIN, Tenn.--(BUSINESS WIRE)--July 30, 2019--Acadia Healthcare Company, Inc. (NASDAQ: ACHC) today announced financial results for the second quarter ended June 30, 2019.

The Company reported revenue of \$789.4 million for the second quarter of 2019, a 3.1% increase compared with \$765.7 million for the second quarter of 2018. Net income attributable to Acadia stockholders was \$48.1 million, or \$0.55 per diluted share, for the second quarter of 2019 compared with \$58.8 million, or \$0.67 per diluted share, for the second quarter of 2018. Results for the second quarter of 2019 include transaction-related expenses of \$5.2 million and the income tax effect of adjustments to income of \$0.4 million based on a tax rate of 17.2%. Adjusted income attributable to Acadia stockholders was \$53.8 million, or \$0.61 per diluted share, for the second quarter of 2019. Results for the second quarter of 2018 included transaction-related expenses of \$2.9 million and the income tax effect of adjustments to income of \$0.5 million based on a tax rate of 15.2%. Adjusted income attributable to Acadia stockholders for the second quarter of 2018 was \$61.2 million, or \$0.70 per diluted share.

A reconciliation of all non-GAAP financial results in this release appears beginning on page 8.

“We are pleased to report a solid financial and operating performance for the second quarter of 2019,” said Debbie Osteen, Chief Executive Officer of Acadia Healthcare Company. “These results were in line with expectations, reflecting consistent execution of our growth strategy. Our U.S. operations showed strong top-line growth and favorable trends in key operating metrics compared with the second quarter of 2018. For our U.K. operations, we delivered both sequential and year-over-year revenue growth for the second quarter of 2019. Across our operations, we are working hard to deliver on the operational efficiencies identified during our recent strategic review, while meeting our primary objective to deliver the highest quality of patient care.

“We have continued to focus on bed expansion opportunities and additional service offerings as the primary drivers of our growth. During the second quarter of 2019, we added 118 beds to Acadia’s operations. These expansions included the addition of 72 beds to existing facilities and 46 beds related to the acquisition of Bradford Recovery Center, a specialty treatment facility located in Millerton, Pennsylvania. For the full year 2019, we expect to add approximately 700 beds to existing and new facilities, exclusive of acquisitions,” added Osteen.

The Company's total same facility revenue increased 5.7% for the second quarter of 2019 compared with the second quarter of 2018, including a 1.7% increase in patient days and a 3.9% increase in revenue per patient day. Total same facility EBITDA margin declined 110 basis points to 24.7%. U.S. same facility revenue rose 6.6%, on a 3.3% increase in patient days and a 3.2% increase in revenue per patient day. U.S. same facility EBITDA margin was consistent with the second quarter last year at 28.2%. For the U.K. operations, same facility revenue grew 3.9% for the second quarter of 2019 from the second quarter last year, reflecting a 4.1% increase in revenue per patient day offset by a 0.2% decrease in patient days. U.K. same facility EBITDA margin declined 360 basis points to 17.8%. Acadia's consolidated adjusted EBITDA for the second quarter of 2019 was \$158.9 million, compared with \$165.0 million for the second quarter of 2018.

Acadia narrowed its previously established financial guidance for 2019, as follows:

- Revenue for 2019 in a range of \$3.15 billion to \$3.175 billion;
- Adjusted EBITDA for 2019 in a range of \$610 million to \$620 million; and
- Adjusted earnings per diluted share for 2019 in a range of \$2.15 to \$2.23.

The Company's guidance does not include the impact of any future acquisitions or transaction-related expenses.

EBITDA is defined as net income adjusted for net income attributable to noncontrolling interests, provision for income taxes, net interest expense and depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted for equity-based compensation expense, transaction-related expenses and debt extinguishment costs. Adjusted income is defined as net income adjusted for transaction-related expenses, tax reform impact, debt extinguishment costs and income tax effect of adjustments to income.

Acadia will hold a conference call to discuss its second quarter 2019 financial results at 9:00 a.m. Eastern Time on Wednesday, July 31, 2019. A live webcast of the conference call will be available at www.acadiahealthcare.com in the "Investors" section of the website. The webcast of the conference call will be available through August 15, 2019.

Risk Factors

This news release contains forward-looking statements. Generally, words such as “may,” “will,” “should,” “could,” “anticipate,” “expect,” “intend,” “estimate,” “plan,” “continue,” and “believe” or the negative of or other variation on these and other similar expressions identify forward-looking statements. These forward-looking statements are made only as of the date of this news release. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements are based on current expectations and involve risks and uncertainties and our future results could differ significantly from those expressed or implied by our forward-looking statements. Factors that may cause actual results to differ materially include, without limitation, (i) our ability to successfully implement the strategic initiatives that we adopted following our review of our business in early 2019; (ii) potential difficulties operating our business in light of political and economic instability in the U.K. and globally relating to Brexit; (iii) the impact of fluctuations in foreign exchange rates, including the devaluation of the British Pound Sterling (GBP) relative to the U.S. Dollar (USD); (iv) Acadia’s ability to complete acquisitions and successfully integrate the operations of acquired facilities; (v) Acadia’s ability to add beds, expand services, enhance marketing programs and improve efficiencies at its facilities; (vi) potential reductions in payments received by Acadia from government and third-party payors; (vii) the occurrence of patient incidents and governmental investigations, which could adversely affect the price of our common stock and result in substantial fines and incremental regulatory burdens; (viii) the risk that Acadia may not generate sufficient cash from operations to service its debt and meet its working capital and capital expenditure requirements; and (ix) potential operating difficulties, labor costs, client preferences, changes in competition and general economic or industry conditions that may prevent Acadia from realizing the expected benefits of its business strategy. These factors and others are more fully described in Acadia’s periodic reports and other filings with the SEC.

About Acadia

Acadia is a leading provider of behavioral healthcare services. At June 30, 2019, Acadia operated a network of 595 behavioral healthcare facilities with approximately 18,200 beds in 40 states, the United Kingdom and Puerto Rico. Acadia provides behavioral health and addiction services to its patients in a variety of settings, including inpatient psychiatric hospitals, specialty treatment facilities, residential treatment centers and outpatient clinics.

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

| | <u>Three Months Ended June 30,</u> | | <u>Six Months Ended June 30,</u> | |
|---|------------------------------------|------------------|----------------------------------|-------------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| (In thousands, except per share amounts) | | | | |
| Revenue | \$ 789,362 | \$ 765,738 | \$ 1,549,979 | \$ 1,507,979 |
| Salaries, wages and benefits (including equity-based compensation expense of \$4,182, \$7,129, \$10,283 and \$14,048, respectively) | 430,219 | 416,741 | 859,798 | 828,269 |
| Professional fees | 58,429 | 53,461 | 115,436 | 107,479 |
| Supplies | 30,914 | 30,133 | 60,871 | 59,497 |
| Rents and leases | 20,419 | 20,236 | 40,726 | 40,524 |
| Other operating expenses | 94,677 | 87,282 | 188,542 | 175,513 |
| Depreciation and amortization | 41,077 | 39,928 | 81,657 | 79,701 |
| Interest expense, net | 48,610 | 45,812 | 96,740 | 91,055 |
| Debt extinguishment costs | - | - | - | 940 |
| Transaction-related expenses | 5,212 | 2,887 | 9,533 | 7,655 |
| Total expenses | <u>729,557</u> | <u>696,480</u> | <u>1,453,303</u> | <u>1,390,633</u> |
| Income before income taxes | 59,805 | 69,258 | 96,676 | 117,346 |
| Provision for income taxes | 11,604 | 10,368 | 18,964 | 7,582 |
| Net income | 48,201 | 58,890 | 77,712 | 109,764 |
| Net income attributable to noncontrolling interests | (61) | (54) | (101) | (109) |
| Net income attributable to Acadia Healthcare Company, Inc. | <u>\$ 48,140</u> | <u>\$ 58,836</u> | <u>\$ 77,611</u> | <u>\$ 109,655</u> |
| Earnings per share attributable to Acadia Healthcare Company, Inc. stockholders: | | | | |
| Basic | <u>\$ 0.55</u> | <u>\$ 0.67</u> | <u>\$ 0.89</u> | <u>\$ 1.26</u> |
| Diluted | <u>\$ 0.55</u> | <u>\$ 0.67</u> | <u>\$ 0.88</u> | <u>\$ 1.26</u> |
| Weighted-average shares outstanding: | | | | |
| Basic | 87,618 | 87,303 | 87,562 | 87,205 |
| Diluted | 87,837 | 87,467 | 87,770 | 87,351 |

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

| | June 30, | December 31, |
|-------------------------------------|-----------------------|---------------------|
| | 2019 | 2018 |
| | (In thousands) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 43,541 | \$ 50,510 |
| Accounts receivable, net | 346,489 | 318,087 |
| Other current assets | 81,464 | 81,820 |
| Total current assets | 471,494 | 450,417 |
| Property and equipment, net | 3,164,076 | 3,107,766 |
| Goodwill | 2,435,025 | 2,396,412 |
| Intangible assets, net | 89,613 | 88,990 |
| Deferred tax assets | 3,404 | 3,468 |
| Derivative instrument assets | 72,965 | 60,524 |
| Operating lease right-of-use assets | 491,551 | - |
| Other assets | 62,290 | 64,927 |
| Total assets | \$ 6,790,418 | \$ 6,172,504 |

LIABILITIES AND EQUITY

| | | |
|--|--------------|--------------|
| Current liabilities: | | |
| Current portion of long-term debt | \$ 38,895 | \$ 34,112 |
| Accounts payable | 115,651 | 117,740 |
| Accrued salaries and benefits | 110,445 | 113,299 |
| Current portion of operating lease liabilities | 27,578 | - |
| Other accrued liabilities | 138,119 | 151,226 |
| Total current liabilities | 430,688 | 416,377 |
| Long-term debt | 3,206,868 | 3,159,375 |
| Deferred tax liabilities | 83,096 | 80,372 |
| Operating lease liabilities | 490,903 | - |
| Other liabilities | 124,310 | 154,267 |
| Total liabilities | 4,335,865 | 3,810,391 |
| Redeemable noncontrolling interests | 32,207 | 28,806 |
| Equity: | | |
| Common stock | 876 | 874 |
| Additional paid-in capital | 2,550,653 | 2,541,987 |
| Accumulated other comprehensive loss | (459,617) | (462,377) |
| Retained earnings | 330,434 | 252,823 |
| Total equity | 2,422,346 | 2,333,307 |
| Total liabilities and equity | \$ 6,790,418 | \$ 6,172,504 |

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

| | Six Months Ended June 30, | |
|---|----------------------------------|-------------|
| | 2019 | 2018 |
| | (In thousands) | |
| Operating activities: | | |
| Net income | \$ 77,712 | \$ 109,764 |
| Adjustments to reconcile net income to net cash provided by continuing operating activities: | | |
| Depreciation and amortization | 81,657 | 79,701 |
| Amortization of debt issuance costs | 5,887 | 5,124 |
| Equity-based compensation expense | 10,283 | 14,048 |
| Deferred income taxes | (205) | (3,978) |
| Debt extinguishment costs | - | 940 |
| Other | 2,395 | 1,040 |
| Change in operating assets and liabilities: | | |
| Accounts receivable, net | (27,669) | (26,104) |
| Other current assets | (10,591) | 9,953 |
| Other assets | 661 | 2,761 |
| Accounts payable and other accrued liabilities | (11,060) | 21,066 |
| Accrued salaries and benefits | (3,232) | 4,364 |
| Other liabilities | 2,848 | (793) |
| Net cash provided by continuing operating activities | 128,686 | 217,886 |
| Net cash used in discontinued operating activities | - | (572) |
| Net cash provided by operating activities | 128,686 | 217,314 |
| Investing activities: | | |
| Cash paid for acquisitions, net of cash acquired | (44,900) | - |
| Cash paid for capital expenditures | (139,128) | (161,555) |
| Cash paid for real estate acquisitions | (4,448) | (8,857) |
| Other | 10,494 | (3,337) |
| Net cash used in investing activities | (177,982) | (173,749) |
| Financing activities: | | |
| Borrowings on revolving credit facility | 76,573 | - |
| Principal payments on revolving credit facility | (11,573) | - |
| Principal payments on long-term debt | (16,492) | (23,246) |
| Common stock withheld for minimum statutory taxes, net | (1,615) | (2,134) |
| Other | (4,345) | (5,172) |
| Net cash provided by (used in) financing activities | 42,548 | (30,552) |
| Effect of exchange rate changes on cash | (221) | (840) |
| Net (decrease) increase in cash and cash equivalents | (6,969) | 12,173 |
| Cash and cash equivalents at beginning of the period | 50,510 | 67,290 |
| Cash and cash equivalents at end of the period | \$ 43,541 | \$ 79,463 |
| Effect of acquisitions: | | |
| Assets acquired, excluding cash | \$ 48,555 | \$ - |
| Liabilities assumed | (3,655) | - |
| Cash paid for acquisitions, net of cash acquired | \$ 44,900 | \$ - |

Acadia Healthcare Company, Inc.
Operating Statistics
(Unaudited, Revenue in thousands)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|-----------------------------|------------|----------|---------------------------|--------------|----------|
| | 2019 | 2018 | % Change | 2019 | 2018 | % Change |
| Same Facility Results (a,c) | | | | | | |
| Revenue | \$ 748,877 | \$ 708,672 | 5.7% | \$ 1,472,684 | \$ 1,393,898 | 5.7% |
| Patient Days | 1,139,514 | 1,119,945 | 1.7% | 2,262,522 | 2,212,314 | 2.3% |
| Admissions | 43,761 | 42,559 | 2.8% | 87,488 | 83,700 | 4.5% |
| Average Length of Stay (b) | 26.0 | 26.3 | -1.0% | 25.9 | 26.4 | -2.2% |
| Revenue per Patient Day | \$ 657 | \$ 633 | 3.9% | \$ 651 | \$ 630 | 3.3% |
| EBITDA margin | 24.7% | 25.8% | -110 bps | 23.7% | 25.0% | -130 bps |
| U.S. Same Facility Results (a) | | | | | | |
| Revenue | \$ 494,524 | \$ 463,961 | 6.6% | \$ 969,542 | \$ 911,545 | 6.4% |
| Patient Days | 636,518 | 616,123 | 3.3% | 1,262,072 | 1,215,633 | 3.8% |
| Admissions | 41,472 | 40,186 | 3.2% | 82,815 | 78,891 | 5.0% |
| Average Length of Stay (b) | 15.3 | 15.3 | 0.1% | 15.2 | 15.4 | -1.1% |
| Revenue per Patient Day | \$ 777 | \$ 753 | 3.2% | \$ 768 | \$ 750 | 2.4% |
| EBITDA margin | 28.2% | 28.2% | 0 bps | 27.2% | 27.2% | 0 bps |
| U.K. Same Facility Results (a,c) | | | | | | |
| Revenue | \$ 254,353 | \$ 244,711 | 3.9% | \$ 503,142 | \$ 482,353 | 4.3% |
| Patient Days | 502,996 | 503,822 | -0.2% | 1,000,450 | 996,681 | 0.4% |
| Admissions | 2,289 | 2,373 | -3.5% | 4,673 | 4,809 | -2.8% |
| Average Length of Stay (b) | 219.7 | 212.3 | 3.5% | 214.1 | 207.3 | 3.3% |
| Revenue per Patient Day | \$ 506 | \$ 486 | 4.1% | \$ 503 | \$ 484 | 3.9% |
| EBITDA margin | 17.8% | 21.4% | -360 bps | 17.1% | 21.0% | -390 bps |
| U.S. Facility Results | | | | | | |
| Revenue | \$ 509,813 | \$ 481,470 | 5.9% | \$ 997,773 | \$ 943,875 | 5.7% |
| Patient Days | 656,456 | 635,766 | 3.3% | 1,296,780 | 1,248,655 | 3.9% |
| Admissions | 43,153 | 40,519 | 6.5% | 85,405 | 79,451 | 7.5% |
| Average Length of Stay (b) | 15.2 | 15.7 | -3.0% | 15.2 | 15.7 | -3.4% |
| Revenue per Patient Day | \$ 777 | \$ 757 | 2.5% | \$ 769 | \$ 756 | 1.8% |
| EBITDA margin | 26.6% | 27.0% | -40 bps | 25.5% | 26.2% | -70 bps |
| U.K. Facility Results (c) | | | | | | |
| Revenue | \$ 279,549 | \$ 268,562 | 4.1% | \$ 552,206 | \$ 530,453 | 4.1% |
| Patient Days | 671,140 | 676,901 | -0.9% | 1,335,533 | 1,342,472 | -0.5% |
| Admissions | 2,653 | 2,712 | -2.2% | 5,411 | 5,474 | -1.2% |
| Average Length of Stay (b) | 253.0 | 249.6 | 1.4% | 246.8 | 245.2 | 0.6% |
| Revenue per Patient Day | \$ 417 | \$ 397 | 5.0% | \$ 413 | \$ 395 | 4.6% |
| EBITDA margin | 16.4% | 19.1% | -270 bps | 15.6% | 18.7% | -310 bps |
| Total Facility Results (c) | | | | | | |
| Revenue | \$ 789,362 | \$ 750,032 | 5.2% | \$ 1,549,979 | \$ 1,474,328 | 5.1% |
| Patient Days | 1,327,596 | 1,312,667 | 1.1% | 2,632,313 | 2,591,127 | 1.6% |
| Admissions | 45,806 | 43,231 | 6.0% | 90,816 | 84,925 | 6.9% |
| Average Length of Stay (b) | 29.0 | 30.4 | -4.5% | 29.0 | 30.5 | -5.0% |
| Revenue per Patient Day | \$ 595 | \$ 571 | 4.1% | \$ 589 | \$ 569 | 3.5% |
| EBITDA margin | 23.0% | 24.2% | -120 bps | 22.0% | 23.5% | -150 bps |

(a) Results for the periods presented exclude the elderly care division of our U.K. operations and certain closed services.

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

(c) Revenue and revenue per patient day for the three and six months ended June 30, 2018 is adjusted to reflect the foreign currency exchange rate for the comparable periods of 2019 in order to eliminate the effect of changes in the exchange rate. The exchange rate used in the adjusted revenue and revenue per patient day amounts for both the three and six months ended June 30, 2018 is 1.29.

Acadia Healthcare Company, Inc.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-------------------|---------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | (in thousands) | | | |
| Net income attributable to Acadia Healthcare Company, Inc. | \$ 48,140 | \$ 58,836 | \$ 77,611 | \$ 109,655 |
| Net income attributable to noncontrolling interests | 61 | 54 | 101 | 109 |
| Provision for income taxes | 11,604 | 10,368 | 18,964 | 7,582 |
| Interest expense, net | 48,610 | 45,812 | 96,740 | 91,055 |
| Depreciation and amortization | 41,077 | 39,928 | 81,657 | 79,701 |
| EBITDA | <u>149,492</u> | <u>154,998</u> | <u>275,073</u> | <u>288,102</u> |
| Adjustments: | | | | |
| Equity-based compensation expense (a) | 4,182 | 7,129 | 10,283 | 14,048 |
| Transaction-related expenses (b) | 5,212 | 2,887 | 9,533 | 7,655 |
| Debt extinguishment costs (c) | - | - | - | 940 |
| Adjusted EBITDA | <u>\$ 158,886</u> | <u>\$ 165,014</u> | <u>\$ 294,889</u> | <u>\$ 310,745</u> |

See footnotes on page 10.

Acadia Healthcare Company, Inc.
Reconciliation of Adjusted Income Attributable to Acadia Healthcare Company, Inc. to
Net Income Attributable to Acadia Healthcare Company, Inc.
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|-------------|----------------------------------|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| | (in thousands, except per share amounts) | | | |
| Net income attributable to Acadia Healthcare Company, Inc. | \$ 48,140 | \$ 58,836 | \$ 77,611 | \$ 109,655 |
| Adjustments to income: | | | | |
| Transaction-related expenses (b) | 5,212 | 2,887 | 9,533 | 7,655 |
| Tax reform impact (d) | - | - | - | (10,472) |
| Debt extinguishment costs (c) | - | - | - | 940 |
| Income tax effect of adjustments to income (e) | 438 | (554) | 987 | (1,415) |
| Adjusted income attributable to Acadia Healthcare Company, Inc. | \$ 53,790 | \$ 61,169 | \$ 88,131 | \$ 106,363 |
| Weighted-average shares outstanding - diluted | 87,837 | 87,467 | 87,770 | 87,351 |
| Adjusted income attributable to Acadia Healthcare Company, Inc. per diluted share | \$ 0.61 | \$ 0.70 | \$ 1.00 | \$ 1.22 |

See footnotes on page 10.

Acadia Healthcare Company, Inc.

Footnotes

We have included certain financial measures in this press release, including EBITDA, Adjusted EBITDA, and Adjusted income, which are “non-GAAP financial measures” as defined under the rules and regulations promulgated by the SEC. We define EBITDA as net income adjusted for net income attributable to noncontrolling interests, provision for income taxes, net interest expense and depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted for equity-based compensation expense, transaction-related expenses and debt extinguishment costs. We define Adjusted income as net income adjusted for transaction-related expenses, tax reform impact, debt extinguishment costs, and income tax effect of adjustments to income.

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

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

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

(b) Represents transaction-related expenses incurred by Acadia primarily related to acquisitions and integration efforts.

(c) Represents debt extinguishment costs recorded in connection with the repricing amendments to the Amended and Restated Credit Agreement in March 2018.

(d) Represents tax benefit related to the enactment of the Tax Cuts and Jobs Act.

(e) Represents the income tax effect of adjustments to income based on tax rates of 17.2% and 15.2% for the three months ended June 30, 2019 and 2018, respectively, and 16.9% and 15.5% for the six months ended June 30, 2019 and 2018, respectively.

Contacts

Gretchen Hommrich
Director, Investor Relations
(615) 861-6000