



Investment Case Study

March 2020



Florida Autism Center



Proactive Search for Autism Services Investment

- In 2015, Shore identified autism services as an attractive area for investment following extensive industry research and refined the target criteria to focus on the center-based model
 - Secular Growth Dynamics: Industry tailwinds driven by growing recognition of Autism Spectrum Disorder (“ASD”) and the importance of continuous ABA therapy. Model shifting towards center-based clinical care setting
 - Increasing Prevalence: As of 2018, approximately 1 in 59 children fall somewhere on the autism spectrum, having increased 5.3% on average every year since 2000
 - Expanded Insurance Access: Since 2001, 50 states have passed autism insurance reform legislation

Large and Growing Addressable Market

\$15B+ Autism Market ⁽¹⁾



1/59

Children in the
U.S. have ASD



\$461B

Projected
Expenditures on
ASD by 2025



50 States

Have mandated
coverage for
autism therapy

Trend Towards Center-Based Care Setting

**Opportunity to Build Regional Leader and Address
Market Demand for Scaled Center-Based Model**

**Tiered Staffing
Model**

**Better Recruiting
and Retention**









**Improved Clinical
Outcomes and
Compliance**

**Favorable Labor
Efficiency**

Building a World Class Board of Directors

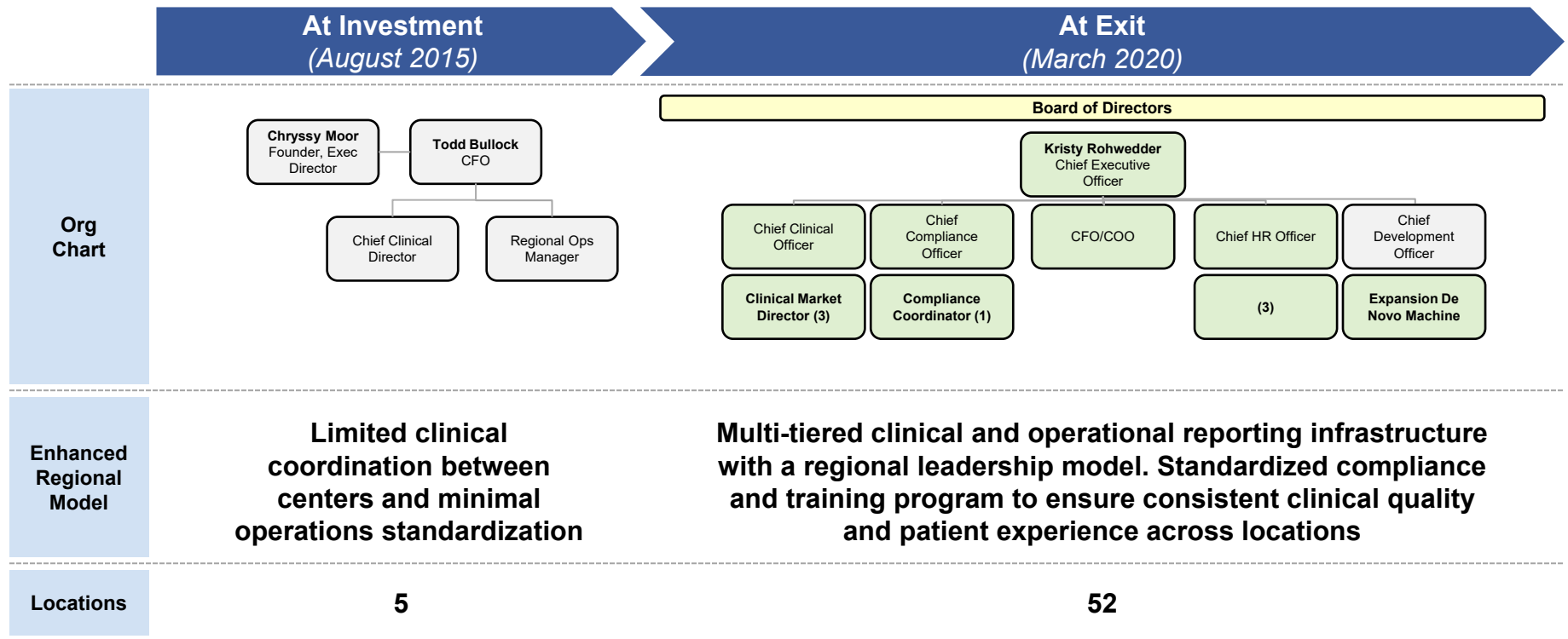
- Shore Capital recruited independent industry experts with meaningful behavioral health experience and broader expertise scaling healthcare services companies

Director Background & Expertise

	Board Member	Specific Value-Add to FAC Strategy	Background and Experience
Behavioral Health	 	<ul style="list-style-type: none"> Served as Lead Independent Director, providing additional mentorship to the CEO and other management team members Helped refine the organizational structure to facilitate accelerated growth Expert on Multi-Site Pediatric Care 	<ul style="list-style-type: none"> Most recently served as President and CEO of Pediatric Services of America ("PSA Healthcare" now d/b/a Aveanna), a leading provider of in-home care for medically fragile children Prior to PSA Healthcare, Jim was Chairman, President, & CEO of PRGX Global, the world's largest provider of recovery audit services
	 	<ul style="list-style-type: none"> Industry expert in Home and Community-Based Behavioral Health and Youth Services Helped develop a best-in-class clinical compliance program and Board subcommittee to ensure continuous improvement and quality Experience in coordination between operations and clinical 	<ul style="list-style-type: none"> Currently serves on the Board of Shore Capital Portfolio Companies Behavioral Innovations and BrightView Health (Lead Independent Director) Ned previously served as Executive Chairman of the Board of Directors of Civitas Solutions, a publicly traded at home- and community-based behavioral health services provider
	 	<ul style="list-style-type: none"> Direct Industry expertise in center-based pediatric autism services and developmental disabilities Significant experience with government payor dynamics and de novo opening process 	<ul style="list-style-type: none"> Serves on the Board of Shore Capital Portfolio Company, Behavioral Innovations, which he grew as President prior to the sale to SCP Previously served as a Co-Founder and Board Member with Educational Services of American / ESA
General Healthcare and Multi-Site Operations	 	<ul style="list-style-type: none"> Extensive background in Multi-Site Standardization and tiered clinical staffing model through his executive roles in the physical therapy industry Provided meaningful guidance on center-level utilization and operational staffing model 	<ul style="list-style-type: none"> Currently serves as President and CEO of Mission Vision Partners, a provider of eye care service in the Midwest Joseph previously served as President and COO of Athletico, the third largest physical therapy company in the US

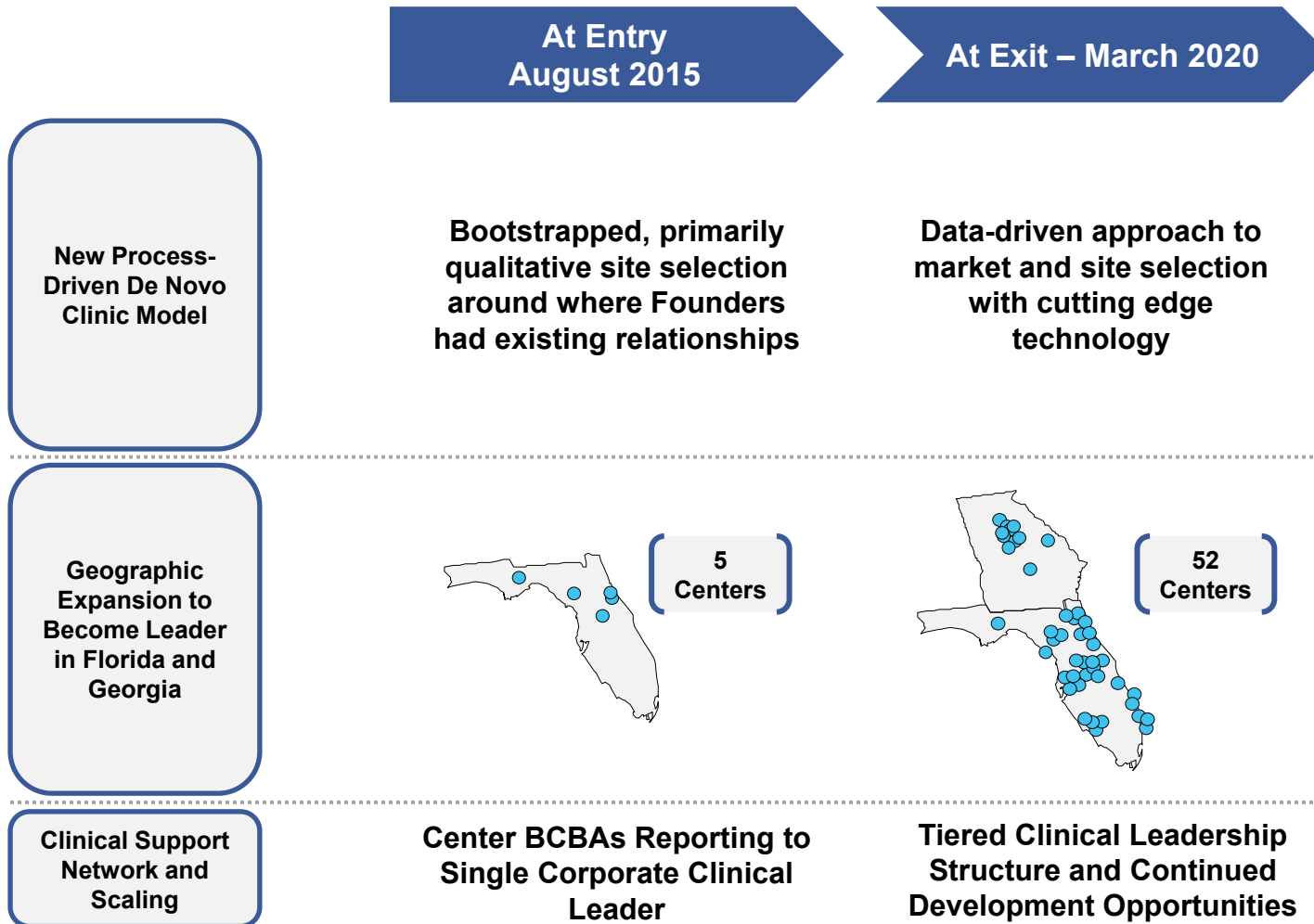
Established Corporate Infrastructure for Growth

- **Shore and the Board of Directors recruited talented executives to help rapidly scale and professionalize the business**
 - In addition, established local and regional leadership structure to transition the business from a “line of sight” management model to a scalable infrastructure capable of transformational growth



Growth Story: Transforming into the Leading Center-Based Autism Services Provider in the Southeast

- Shore Capital developed a rigorous market selection and de novo opening process, refined the growth model and expanded geographically, including a new state expansion:



Attractive and Scarce Asset of Scale in a Highly Fragmented Market: Sale Dynamics

- **Florida Autism Center matured into a highly attractive target for a number of potential buyers in an active M&A environment**
 - Management built a scarce asset in the marketplace with a predictable and repeatable growth model
 - High interest in differentiated behavioral health and autism therapy assets

Active Industry Consolidation



September 2017



April 2018



January 2019

Buyer Consideration

- Autism services market is large, growing, and highly fragmented
- Recent industry consolidation led to strong demand for autism therapy companies with scale
- FAC's consistent and repeatable growth model provides opportunity for significant capital deployment
- Ultimately sold to BlueSprig Pediatrics (or "BSP")
 - BSP had experience and success in the autism services market with clinics across most of the country
 - Realized that FAC allowed them to enter an attractive geographic market that they had previously not penetrated (Florida and Georgia)