Autism Learning Partners actively seeks buys, CEO says
by Deborah Balshem in Fort Lauderdale
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Autism Learning Partners (ALP), a privately held autism therapy and education services provider, is evaluating acquisitions in existing and new markets, according to CEO Jeffrey Winter.

With new owner FFL Partners, which acquired a majority of the Glendale, California-based business in January, ALP is eyeing targets in major metropolitan areas with more than 250,000 people, Winter said. New states of interest include Illinois, Indiana and Florida, he added.

The company’s sweet spot are targets with between USD 1m and USD 20m in revenue, though ALP is willing to look at larger deals, the CEO noted. Ideally, targets will have at least three board-certified behavioral analysts (BCBA), he said.

ALP is projecting close to USD 110m in revenue this year, up from approximately USD 72m in 2017, according to Winter. Roughly 10% of its revenue comes from schools, 35% from insurance and 35% from Medicaid.

Valuations in the space typically range from high single to double-digit EBITDA multiples, depending on growth, margin profiles and revenue breakdown, Winter said.

ALP provides Applied Behavior Analysis services, mainly in-home, to roughly 3,600 families throughout California (its largest region), Colorado, Connecticut, Massachusetts, New Mexico, New York, North Carolina, Ohio, and Texas. It has 24 support offices, which all provide social skills programming and training to parents of autistic children. A couple offices also offer speech and occupational therapy, programs ALP plans to expand as part of its initiative to develop more center-based services, Winter noted.

The company has just shy of 3,000 employees, of which 160 are BCBAs, the CEO said. It is on pace to deliver approximately 1.8 million to 2 million hours of care in 2018.

There continues to be a significant amount of M&A activity in behavioral health space, with autism services highly desired for their high margins and the scarcity of assets. Earlier this month, the Center for Autism and Related Disorders, one of the largest players in the space, announced its sale to Blackstone Group. In March, this news service reported that venture-backed autism services provider Capital Education Group had retained Ziegler to explore strategic options.

ALP uses law firm Willkie Farr & Gallagher. Jon Krieger of investment bank Berkery Noyes advised ALP on its sale to FFL from previous owners Jefferson River Capital, Great Point Partners and Scopia Capital Management.