

Acadia Healthcare Company, Inc.
Form 424B7
August 10, 2015
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**As Filed Pursuant to Rule 424(b)(7)
Registration Statement No. 333-196611**

The information in this prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell, and we and the selling stockholders are not soliciting an offer to buy, these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated August 10, 2015

PROSPECTUS SUPPLEMENT

(To prospectus dated June 9, 2014)

5,033,230 Shares

Acadia Healthcare Company, Inc.

Common Stock

The selling stockholders named in this prospectus supplement are selling 5,033,230 shares of our common stock. We will not receive any of the proceeds from the sale of shares of our common stock by the selling stockholders. Certain of the selling stockholders are members of our senior management. See Selling Stockholders. We will bear all of the offering expenses other than the underwriting discounts and commissions. The selling stockholders will pay underwriting discounts and commissions with respect to the sale of these shares.

Our shares trade on The NASDAQ Global Select Market under the symbol ACHC. On August 7, 2015, the last reported sale price of our common stock on The NASDAQ Global Select Market was \$81.78 per share.

Investing in shares of our common stock involves substantial risks that are described in the Risk Factors sections beginning on page S-3 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2014, which we have filed with the Securities and Exchange Commission and which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

The underwriter has agreed to purchase shares of our common stock from the selling stockholders at a price of \$ per share, which will result in \$ million of aggregate proceeds to the selling stockholders before expenses. The underwriter may offer the shares of common stock from time to time for sale in one or more transactions on The NASDAQ Global Select Market, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. See Underwriting on page S-14 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2015.

UBS Investment Bank

The date of this prospectus supplement is , 2015.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is a supplement to the accompanying prospectus. This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this shelf registration process, we and selling stockholders may sell from time to time the securities described in the accompanying prospectus in one or more offerings such as this offering. This prospectus supplement provides you with specific information about our common stock that the selling stockholders are selling in this offering. Both this prospectus supplement and the accompanying prospectus include important information about us, the selling stockholders and other information you should know before investing. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. To the extent the information in this prospectus supplement is different from that in the accompanying prospectus, you should rely on the information in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described in the sections entitled **Where You Can Find More Information** and **Incorporation of Certain Documents by Reference** of this prospectus supplement, before investing in our common stock.

We have not, and the selling stockholders and the underwriter have not, authorized any person to provide you with any information other than that contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or that is contained in any free writing prospectus issued by or on behalf of us or to which we have referred you. Neither we nor the selling stockholders nor the underwriter take any responsibility for, and can provide no assurances as to the reliability of, any other information that others may give to you. This prospectus supplement, the accompanying prospectus and any applicable free writing prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus supplement and the accompanying prospectus is complete and accurate as of the date on the front cover of this prospectus supplement, but the information and our business, cash flows, condition (financial and otherwise), liquidity, prospects and results of operations may have changed since that date.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisers for legal, tax, business, financial and related advice regarding the purchase of shares of our common stock.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain and incorporate by reference forward-looking statements. 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,** or the negative thereof. Generally, the words **anticipate, believe, continue, expect, intend, estimate, project,** or similar expressions identify forward-looking statements. In particular, statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance contain 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:

our significant indebtedness, our ability to meet our debt obligations, and our ability to incur substantially more debt;

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difficulties in successfully integrating the operations of acquired facilities, including those acquired in the CRC Health Group, Inc., or CRC, and Partnerships in Care acquisitions, or realizing the potential benefits and synergies of these acquisitions;

our ability to implement our business strategies in the United Kingdom and adapt to the regulatory and business environment in the United Kingdom;

the impact of payments received from the government and third-party payors on our revenues and results of operations, including the significant dependence of the Partnerships in Care facilities on payments received from the National Health Service in the United Kingdom, or NHS;

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;

our future cash flow and earnings;

our restrictive covenants, which may restrict our business and financing activities;

our ability to make payments on our financing arrangements;

the impact of the economic and employment conditions in the United States and the United Kingdom on our business and future results of operations;

compliance with laws and government regulations;

the impact of claims brought against our facilities;

the impact of governmental investigations, regulatory actions and whistleblower lawsuits;

the impact of healthcare reform in the United States and abroad;

the impact of our highly competitive industry on patient volumes;

our ability to recruit and retain quality psychiatrists and other physicians;

the impact of competition for staffing on our labor costs and profitability;

our dependence on key management personnel, key executives and local facility management personnel;

our acquisition strategy, which exposes us to a variety of operational and financial risks, as well as legal and regulatory risks (e.g., exposure to the new regulatory regimes such as the United Kingdom for Partnerships in Care and various investigations relating to CRC);

the impact of state efforts to regulate the construction or expansion of healthcare facilities (including those from CRC and Partnerships in Care) on our ability to operate and expand our operations;

our potential inability to extend leases at expiration;

the impact of controls designed to reduce inpatient services on our revenues;

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 states where we have concentrated operations;

the impact of an increase in uninsured and underinsured patients or the deterioration in the collectability of the accounts of such patients on our results of operations;

the risk of a cyber-security incident and any resulting violation of laws and regulations regarding information privacy or other negative impact;

the impact of laws and regulations relating to privacy and security of patient health information and standards for electronic transactions;

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the impact of a change in the mix of our earnings, and changes in tax rates and laws generally;

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;

the impact of our equity sponsor's rights over certain company matters;

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 fluctuations in foreign exchange rates; and

the other risks described under the heading "Risk Factors" in this prospectus supplement and the accompanying prospectus and in similarly titled sections in our reports that we file with the SEC that are incorporated by reference into this prospectus supplement and the accompanying prospectus.

This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. 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 prospectus supplement. Except as otherwise required by applicable law, we do not undertake and expressly disclaim 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. All subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

MARKET AND INDUSTRY DATA

We obtained the market and competitive position data used in the documents incorporated by reference herein from our own research, surveys or studies conducted by third parties and industry or general publications. Such surveys, studies and publications generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified the information, and we have not ascertained the underlying economic assumptions relied upon therein, and we do not make any representation as to the accuracy of such information. Similarly, we believe our internal research is reliable, but it has not been verified by any independent sources. Our estimates involve risks and uncertainties, and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this prospectus supplement and in similarly titled sections in our reports that we file with the SEC.

CAUTIONARY NOTE REGARDING FINANCIAL INFORMATION

The audited consolidated financial statements as of and for the financial years ended December 31, 2013, 2012 and 2011 and the unaudited consolidated financial statements as of and for the six months ended June 30, 2014 relating to Partnerships in Care that are incorporated by reference into this prospectus supplement have been prepared in accordance with United Kingdom Accounting Standards, or U.K. GAAP. U.K. GAAP differs in certain respects from generally accepted accounting principles in the United States, or U.S. GAAP. Partnerships in Care has not prepared and does not currently intend to prepare its financial statements in U.S. GAAP. A reconciliation to U.S. GAAP is included in the Partnerships in Care financial statements. Acadia completed the acquisition of Partnerships in Care on July 1, 2014 and all results of operations of Partnerships in Care subsequent to such date are reflected in Acadia's financial statements. Unless otherwise noted, all references to GAAP in this prospectus supplement and the accompanying prospectus refer to U.S. GAAP.

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This prospectus supplement incorporates by reference certain unaudited information, including revenue and operating statistics based on revenue, that is presented on a pro forma basis assuming that the CRC and Partnerships in Care acquisitions, as well as certain other immaterial acquisitions, occurred as of January 1, 2014. The unaudited pro forma financial information has been prepared using the acquisition method of accounting for business combinations under GAAP. The unaudited pro forma financial information is for illustrative purposes only and does not purport to represent what our financial condition or results of operations actually would have been had the events in fact occurred on the assumed date or to project our financial condition or results of operations for any future date or future period. The unaudited pro forma financial information should be read in conjunction with the consolidated financial statements and notes thereto elsewhere in this prospectus supplement and the financial statements of Acadia in other reports that we have filed with the SEC and incorporated by reference herein.

TRADEMARKS AND TRADE NAMES

This prospectus supplement includes our trademarks, which are protected under applicable intellectual property laws and are the property of Acadia Healthcare Company, Inc. or its subsidiaries. This prospectus supplement also contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus supplement may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

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PROSPECTUS SUPPLEMENT SUMMARY

*This summary highlights selected information appearing elsewhere in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information that you should consider when making your investment decision. You should carefully read the entire prospectus supplement, the accompanying prospectus and the information incorporated herein by reference, including the section entitled *Risk Factors* beginning on page S-3 of this prospectus supplement and the *Risk Factors* section in the accompanying prospectus, in our Annual Report on Form 10-K for the year ended December 31, 2014 and in our other reports that we file with the SEC.*

In this prospectus supplement, unless the context requires otherwise, references to Acadia, the Company, we, us and our refer to Acadia Healthcare Company, Inc., together with its consolidated subsidiaries. When we refer to our operations or results on a pro forma basis, we mean the statement is made as if the CRC and Partnerships in Care acquisitions had been completed as of the date stated or as of the beginning of the period referenced.

Our Company

We are the leading publicly traded pure-play provider of behavioral healthcare services, with operations in the United States and the United Kingdom. As of June 30, 2015, we operated 223 behavioral healthcare facilities with over 9,000 beds in 37 states, the United Kingdom and Puerto Rico. We believe that our primary focus on the provision of behavioral healthcare services allows us to operate more efficiently and provide higher quality care than our competitors. For the six months ended June 30, 2015 and the years ended December 31, 2014 and 2013, we generated revenue of approximately \$819.4 million, \$1.0 billion and \$713.4 million, respectively.

Our inpatient facilities offer a wide range of inpatient behavioral healthcare services for children, adolescents and adults. We offer these services through a combination of acute inpatient psychiatric and specialty facilities and residential treatment centers, or RTCs. Our acute inpatient psychiatric and specialty facilities provide the most intensive level of care, including 24-hour skilled nursing observation and care, daily interventions and oversight by a psychiatrist and intensive, highly-coordinated treatment by a physician-led team of mental health professionals. Our RTCs offer longer-term treatment programs primarily for children and adolescents with long-standing chronic behavioral health problems. Our RTCs provide physician-led, multi-disciplinary treatments that address the overall medical, psychiatric, social and academic needs of the patient. During the year ended December 31, 2014, we acquired 27 facilities and added 378 new beds to our existing facilities. For the year ending December 31, 2015, we expect to add approximately 500 total beds to facilities we owned as of December 31, 2014.

Our outpatient community-based services provide therapeutic treatment to children and adolescents who have a clinically defined emotional, psychiatric or chemical dependency disorder while enabling patients to remain at home and within their community. Many patients who participate in community-based programs have transitioned out of a residential facility or have a disorder that does not require placement in a facility that provides 24-hour care.

Recent Developments

On July 1, 2015, we completed the acquisition of (i) the assets of Belmont Behavioral Health, an inpatient psychiatric facility with 147 beds located in Philadelphia, Pennsylvania for cash consideration of approximately \$40.0 million, which consists of \$35.0 million base purchase price and an estimated working capital settlement of \$5.0 million, and (ii) The Manor Clinic, a substance abuse facility with 15 beds located in England, for cash consideration of approximately \$5.9 million.

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Company Information

Acadia Healthcare Company, Inc. is a Delaware corporation. On May 13, 2011, we converted from a Delaware limited liability company (Acadia Healthcare Company, LLC) to a Delaware corporation (Acadia Healthcare Company, Inc.) in accordance with Delaware law. Our principal executive offices are located at 6100 Tower Circle, Suite 1000, Franklin, Tennessee 37067. Our telephone number is (615) 861-6000. Our website is www.acadiahealthcare.com. The information contained on our website is not part of this prospectus supplement or the accompanying prospectus and is not incorporated in this prospectus supplement, the accompanying prospectus or any other document that we file with the SEC by reference.

The Offering

Common stock offered by the selling stockholders 5,033,230 shares

Common stock to be outstanding after this offering 71,637,097 shares. The number of shares of common stock outstanding will not change as a result of this offering.

Use of Proceeds We will not receive any of the proceeds from the sale of shares of our common stock by the selling stockholders. See Use of Proceeds.

Risk Factors You should carefully consider the risk factors set forth in the section entitled Risk Factors beginning on page S-3 of this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and in our other reports that we file with the SEC, which are incorporated by reference in this prospectus supplement, before making any decision to invest in our common stock.

NASDAQ Global Select Market symbol ACHC

The number of shares of our common stock to be outstanding after this offering is based on 71,637,097 shares of our common stock outstanding as of August 5, 2015 and excludes:

761,013 shares issuable upon exercise of stock options outstanding as of August 5, 2015 at a weighted average exercise price of \$40.28;

218,084 shares issuable upon the vesting of restricted stock units outstanding as of August 5, 2015;

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an aggregate of 1,881,945 shares reserved for future grants under our Incentive Compensation Plan as of August 5, 2015.

For additional information regarding our common stock, see Description of Common Stock in the accompanying prospectus.

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RISK FACTORS

Investing in our common stock involves risks. Before making an investment in our common stock, you should carefully consider, among other factors, the risks identified under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. Please also refer to the section above entitled Special Note Regarding Forward-Looking Statements. Please also see Special Note Regarding Forward-Looking Statements in the accompanying prospectus and the risks described in the documents incorporated by reference in this prospectus supplement and in our other filings. The risks described in the documents incorporated by reference in this prospectus supplement are not the only ones we face. Additional risks not presently known or that we currently deem immaterial could also materially and adversely affect our financial condition, results of operations, business and prospects. You should consult your own financial and legal advisors as to the risks entailed by an investment in these shares and the suitability of investing in such shares in light of your particular circumstances. Our business, financial condition and results of operations could be materially adversely affected by the materialization of any of these risks. The trading price of our common stock could decline due to the materialization of any of these risks, and you may lose all or part of your investment.

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We will not receive any proceeds from the sale of our common stock by the selling stockholders in this offering. All proceeds from this offering will be received by the selling stockholders.

PRICE RANGE OF OUR COMMON STOCK

Our common stock trades on The NASDAQ Global Select Market under the symbol ACHC. The table below sets forth, for the quarters indicated, the high and low sales prices of our common stock as reported by The NASDAQ Global Select Market. As of August 5, 2015, there were 71,637,097 shares outstanding, held by 376 stockholders of record. On August 7, 2015, the last reported sale price of our common stock on The NASDAQ Global Select Market was \$81.78 per share.

	Sale Price Per Share of Common Stock	
	High	Low
2015		
Third Quarter (through August 7, 2015)	\$ 85.62	\$ 76.96
Second Quarter	78.51	64.91
First Quarter	73.81	55.57
2014		
Fourth Quarter	\$ 66.88	\$ 46.87
Third Quarter	52.37	43.45
Second Quarter	49.29	38.76
First Quarter	53.87	44.00
2013		
Fourth Quarter	\$ 49.14	\$ 37.88
Third Quarter	41.30	30.70
Second Quarter	35.78	27.85
First Quarter	29.50	22.64

DIVIDEND POLICY

We have never declared or paid dividends on our common stock. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business and to repay indebtedness, and therefore we do not anticipate paying any cash dividends in the foreseeable future. Additionally, because we are a holding company, our ability to pay dividends on our common stock is limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions under the terms of the agreements governing our indebtedness. Any future determination to pay dividends out of funds available thereof will be at the discretion of our board of directors, subject to compliance with covenants in current and future agreements governing our indebtedness (including our Amended and Restated Senior Credit Facility and the indentures governing our Senior Notes), and will depend upon our results of operations, financial condition, capital requirements and other factors that our board of directors deems relevant.

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The table below sets forth our cash and cash equivalents and our consolidated capitalization as of June 30, 2015 on an actual basis.

You should read this table in conjunction with the financial information incorporated by reference in this prospectus supplement.

	As of June 30, 2015 (Unaudited) (Dollars in thousands, except per share data)
Cash and cash equivalents	\$ 34,572
Debt:	
Amended and Restated Senior Credit Facility:	
Senior Secured Term A Loans	512,497
Senior Secured Term B Loans	495,123
Senior Secured Revolving Line of Credit	
12.875% Senior Notes due 2018	96,533
6.125% Senior Notes due 2021	150,000
5.125% Senior Notes due 2022	300,000
5.625% Senior Notes due 2023	375,000
9.0% and 9.5% Revenue Bonds	24,054
Total debt (including current portion)	\$ 1,953,207
Stockholders Equity:	
Preferred stock, \$0.01 par value per share; 10,000,000 shares authorized; no shares issued and outstanding	
Common stock, \$0.01 par value per share; 90,000,000 shares authorized and 70,596,523 shares issued and outstanding	\$ 706
Additional paid-in capital	1,567,304
Accumulated other comprehensive loss	(51,586)
Retained Earnings	149,880
Total Equity	1,666,304
Total capitalization	\$ 3,619,511

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The table below sets forth information with respect to the selling stockholders and the shares of our common stock beneficially owned by the selling stockholders as of August 5, 2015. The percentages of shares owned prior to and after the offering are based on the 71,637,097 shares of our common stock outstanding as of August 5, 2015. The information regarding shares beneficially owned after the offering assumes the sale of all shares offered by the selling stockholders, in the aggregate, and that the selling stockholders do not acquire any additional shares. Information in the table below with respect to beneficial ownership has been furnished by the selling stockholders, without independent verification by us.

The amounts and percentage of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed a beneficial owner of securities as to which he or she has no economic interest. The number of shares of common stock outstanding used in calculating the percentage for each listed person includes the shares of common stock underlying options held by such person that are exercisable within 60 days after August 5, 2015, but excludes shares of common stock underlying options held by any other person.

Except as indicated by footnote, the selling stockholders named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

Name ⁽¹⁾	Shares Beneficially Owned Before the Offering		Number of Shares Offered	Shares Beneficially Owned After the Offering	
	Number	Percentage		Number	Percentage
Waud Capital Partners, L.L.C.	11,791,260 ⁽²⁾	16.5%	2,400,001	9,391,259	13.1%
	5,819,414 ⁽³⁾	8.1%	2,382,980	3,436,434	4.8%
	2,075,322 ⁽³⁾	2.9%	193,545	1,881,777	2.6%
	14,859 ⁽³⁾	*	6,085	8,774	*
	19,700,855	27.5%	4,982,611	14,708,244	20.5%
Bain Capital Investors, LLC and related funds ⁽⁴⁾	5,846,117 ⁽⁴⁾	8.2%	2,393,915	3,452,202	4.8%
RGIP, LP ⁽⁵⁾	14,859	*	6,085	8,774	*
Joey A. Jacobs ⁽⁶⁾	942,669	1.3%	92,066	850,603	1.2%
Ronald M. Fincher ⁽⁷⁾	230,205	*	37,294	192,911	*
Christopher L. Howard ⁽⁸⁾	223,649	*	36,141	187,508	*
Jack E. Polson ⁽⁹⁾	195,943	*	20,230	175,713	*
Fred T. Dodd, Jr. ⁽¹⁰⁾	81,335	*	7,091	74,244	*
Randall P. Goldberg ⁽¹¹⁾	11,662	*	723	10,939	*
Bruce A. Shear ⁽¹²⁾	12,556	*	8,555	4,001	*
David M. Duckworth ⁽¹³⁾	48,857	*	31,129	17,728	*

- * Represents beneficial ownership of less than 1% of our outstanding common stock.
- (1) Each of the selling stockholders, other than Bruce A. Shear, David M. Duckworth and Bain Capital (CR) L.P., is a party to the amended and restated stockholders agreement with Acadia, or the New Stockholders Agreement.
 - (2) Includes 11,788,476 shares owned of record as follows: (i) 2,038,125 shares by Waud Capital Partners II, L.P. (WCP II); (ii) 3,726,016 shares by Waud Capital Partners QP II, L.P. (Waud QP II); (iii) 648,507 shares by the Reeve B. Waud 2011 Family Trust; (iv) 72,057 shares by Waud Family Partners, L.P. (WFP

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LP); (v) 568,655 shares by WCP FIF II (Acadia), L.P. (WCP FIF II); (vi) 582,401 shares by Waud Capital Affiliates II, L.L.C. (Waud Affiliates II); (vii) 298,889 shares by Waud Capital Affiliates III, L.L.C. (Waud Affiliates III); (viii) 811,863 shares by WCP FIF III (Acadia), L.P. (WCP FIF III); (ix) 1,849,888 shares by Waud Capital Partners QP III, L.P. (Waud QP III); (x) 327,133 shares by Waud Capital Partners III, L.P. (WCP III); (xi) 4,001 shares of restricted stock by Mr. Waud; (xii) 795,667 shares by Crystal Cove LP; (xiii) 33,333 shares by Melissa W. Waud, Mr. Waud's wife; (xiv) 30,724 shares by Waud Capital Partners, L.L.C.; and (xv) 4,001 shares by Kyle D. Lattner.

The following entities named in the immediately prior paragraph are selling the specified number of shares reflected in the table above in this offering: (i) 82,859 shares by WCP III; (ii) 468,553 shares by Waud QP III; (iii) 205,635 shares by WCP FIF III; (iv) 7,497 shares by Waud Affiliates III; (v) 516,232 shares by WCP II; (vi) 943,753 shares by Waud QP II; (vii) 144,033 shares by WCP FIF II; and (viii) 31,439 shares by Waud Affiliates II. Shares owned following the offering and the related percentages do not give effect to the expected pro rata distribution for no consideration of 116,076 shares by Waud Affiliates II and 68,208 shares by Waud Affiliates III to certain of their respective members in accordance with the terms of their respective limited liability company agreements.

Waud Capital Partners Management II, L.P. (WCPM II), as the general partner of WCP II, Waud QP II and WCP FIF II and the manager of Waud Affiliates II, and Waud Capital Partners II, L.L.C. (Waud II LLC), as the general partner of WCPM II, may be deemed to share beneficial ownership of the shares held of record by the entities listed in the immediately prior paragraph. Waud Capital Partners Management III, L.P. (WCPM III), as the general partner of WCP III, Waud QP III and WCP FIF III and the manager of Waud Affiliates III, and Waud Capital Partners III, L.L.C. (Waud III LLC), as the general partner of WCPM III, may be deemed to share beneficial ownership of the shares held of record by such entities. Mr. Waud may be deemed to beneficially own the shares of common stock held by each of the above entities by virtue of his (A) making decisions for the limited partner committee of each of WCPM II and WCPM III, (B) being the manager of Waud II LLC and Waud III LLC, (C) being the general partner of WFP LP and Crystal Cove LP, (D) being the investment advisor of the Reeve B. Waud 2011 Family Trust, (E) being married to Ms. Waud, and (F) being the sole manager of Waud Capital Partners.

- (3) As described in the section entitled "Certain Relationships and Related Person Transactions" in our Definitive Proxy Statement filed with the SEC on April 10, 2015 and incorporated by reference herein, the parties to the New Stockholders Agreement agreed to vote their shares in favor of a Waud Capital Partners designee as directed by the holders of a majority of the stock held by Waud Capital Partners. As a result, WCP II, WCPM II, Waud II LLC and Mr. Waud may be deemed to share beneficial ownership of the 2,075,322 shares held by certain members of our current and former management, or the Management Investors, 5,819,414 shares held by certain investment funds affiliated with Bain Capital Investors, LLC that are parties to the New Stockholders Agreement and 14,859 shares held by RGIP, LP. As a result, the following shares beneficially owned by the Management Investors are included in the shares reported by Waud Capital Partners: (i) 325,020 shares by Mr. Jacobs, (ii) 308,825 shares by the Jeremy Brent Jacobs GST Non-Exempt Trust u/a/d 04/26/2011 (the "Jeremy Jacobs Trust"), (iii) 308,824 shares by the Scott Douglas Jacobs GST Non-Exempt Trust u/a/d 04/26/2011 (the "Scott Jacobs Trust"), (iv) 45,593 shares by Mr. Turner, (v) 103,126 shares by the Elizabeth Grace Turner 2011 Vested Trust (the "Elizabeth Turner Trust"), (vi) 103,126 shares by the William Jesse Turner 2011 Vested Trust (the "William Turner Trust"), (vii) 128,664 shares by Mr. Fincher, (viii) 33,847 shares by the Ras W. Fincher II Trust u/a/d 9/13/11 (the "Ras Fincher Trust"), (ix) 33,847 shares by the Morgan M. Fincher Trust u/a/d 9/13/11 (the "Morgan Fincher Trust") and (x) 33,847 shares by the Cody C. Fincher Trust u/a/d 9/13/11 (the "Cody Fincher Trust"), (xi) 144,859 shares by Jack E. Polson, (xii) 51,084 shares by the Jack E. Polson Family 2013 Grantor Retained Annuity Trust, (xiii) 223,649 shares by Mr. Howard, (xiv) 81,335 shares by Danny Carpenter, (xv) 74,630 shares by Robert W. Swinson, (xvi) 85,659 shares by Fred T. Dodd, Jr., and (xvii) 11,662 shares by

Randall Goldberg. Information with respect to the shares held by certain investment funds affiliated with Bain Capital Investors, LLC and RGIP, LP is further described below.

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- (4) The shares included in the table consist of: (i) 4,981,551 shares of common stock held by Bain Capital Fund VIII, LLC (Fund VIII), whose sole member is Bain Capital Fund VIII, L.P., whose general partner is Bain Capital Partners VIII, L.P., whose general partner is Bain Capital Investors, LLC (BCI); (ii) 655,626 shares of common stock held by Bain Capital VIII Coinvestment Fund, LLC (Coinvestment Fund VIII), whose sole member is Bain Capital VIII Coinvestment Fund, L.P., whose general partner is Bain Capital Partners VIII, L.P., whose general partner is BCI; (iii) 1,840 shares of common stock held by BCIP Associates-G (Associates-G), whose managing partner is BCI; (iv) 111,451 shares of common stock held by BCIP Associates III, LLC (BCIP III), whose manager is BCIP Associates III, whose managing partner is BCI; (v) 50,580 shares of common stock held by BCIP T Associates III, LLC (BCIP T III), whose manager is BCIP Trust Associates III, whose managing partner is BCI; (vi) 15,258 shares of common stock held by BCIP Associates III-B, LLC (BCIP III-B), whose manager is BCIP Associates III-B, whose managing partner is BCI; (vii) 3,108 shares of common stock held by BCIP T Associates III-B, LLC (BCIP T III-B), whose manager is BCIP Trust Associates III-B, whose managing partner is BCI; and (viii) 26,703 shares of common stock held by Bain Capital (CR) L.P. (Bain CR), whose general partner is BCI. In this offering, (i) Fund VIII will sell 2,039,885 shares; (ii) Coinvestment Fund VIII will sell 268,471 shares; (iii) Associates-G will sell 753 shares; (iv) BCIP III will sell 45,638 shares; (v) BCIP T III will sell 20,712 shares; (vi) BCIP III-B will sell 6,248 shares; (vii) BCIP T III-B will sell 1,273 shares; and (viii) Bain CR will sell 10,935 shares. As a result of the relationships described above, BCI may be deemed to share beneficial ownership of the shares held by each of Fund VIII, Coinvestment Fund VIII, Associates-G, BCIP III, BCIP T III, BCIP III-B, BCIP T III-B and Bain CR (collectively, the Bain Capital Entities). Certain partners and other employees of the Bain Capital Entities may make a contribution of shares of common stock to one or more charities prior to this offering. In that event, a recipient charity, if it chooses to participate in this offering, will be the selling stockholder with respect to the donated shares. The governance, investment strategy and decision-making process with respect to investments held by the Bain Capital Entities is directed by BCI's Global Private Equity Board (GPEB), which is comprised of the following individuals: Steven Barnes, Joshua Bekenstein, John Connaughton, Stephen Pagliuca, Michel Plantevin, Dwight Poler and Jonathan Zhu. By virtue of the relationships described in this footnote, GPEB may be deemed to exercise voting and dispositive power with respect to the shares held by the Bain Capital Entities. Each of the members of GPEB disclaims beneficial ownership of such shares to the extent attributed to such member solely by virtue of serving on GPEB.
- (5) The general partner of RGIP, LP is RGIP GP, LLC. Brad Malt, Ann Milner and Alfred Rose have shared voting and investment power for RGIP GP, LLC.
- (6) Includes 50,976 shares of restricted stock, 308,825 shares held by the Jeremy Jacobs Trust and 308,824 shares held by the Scott Jacobs Trust. Of the shares specified as offered in the table above, 42,066 shares are offered by Mr. Jacobs, 25,000 shares are offered by the Jeremy Jacobs Trust and 25,000 shares are offered by the Scott Jacobs Trust. Mr. Jacobs is our Chairman and Chief Executive Officer.
- (7) Includes 14,495 shares of restricted stock, options to purchase 14,263 shares of common stock, 33,847 shares held by the Ras Fincher Trust, 33,847 shares held by the Morgan Fincher Trust and 33,847 shares held by the Cody Fincher Trust. Of the shares specified as offered in the table above, 21,888 shares are offered by Mr. Fincher, 5,135 shares are offered by the Ras Fincher Trust, 5,136 shares are offered by the Morgan Fincher Trust and 5,135 shares are offered by the Cody Fincher Trust. Mr. Fincher is our Chief Operating Officer.
- (8) Includes 11,795 shares of restricted stock and options to purchase 13,259 shares of common stock. Mr. Howard is our Executive Vice President, General Counsel and Secretary.
- (9) Includes 51,084 shares owned of record by the Jack E. Polson Family 2013 Grantor Retained Annuity Trust, which is not selling any shares in this offering. Mr. Polson is our former Chief Financial Officer and Executive Vice President.
- (10) Includes 4,713 shares of restricted stock. Mr. Dodd is our Chief Compliance Officer.

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(11) Includes 4,113 shares of restricted stock. Mr. Goldberg is our Vice President – Business Development.

(12) Includes 4,001 shares of restricted stock. Mr. Shear is our Executive Vice Chairman.

(13) Includes 11,452 shares of restricted stock and options to purchase 28,473 shares of common stock.

Mr. Duckworth is our Chief Financial Officer.

Certain Relationships and Related Transactions with the Selling Stockholders

The following section references Acadia Healthcare Holdings, LLC, or Acadia Holdings, which was a privately owned holding company that owned Acadia prior to the consummation of its acquisition of PHC, or the PHC Acquisition, and was controlled by Waud Capital Partners, L.L.C. and certain of its affiliates, or Waud Capital Partners.

Registration Rights Agreement

Acadia Holdings entered into an amended and restated registration rights agreement dated as of April 1, 2011, or the Former Registration Rights Agreement, with the holders of substantially all of its equity securities pursuant to which such holders have the right to demand the registration of all or a portion of their securities and have certain piggyback registration rights, subject to certain limitations. In connection with the consummation of the PHC Acquisition, Waud Capital Partners and the other members of Acadia Holdings caused the dissolution of Acadia Holdings and the distribution of the common stock held by Acadia Holdings to its members. In connection with such dissolution and distribution, we assumed Acadia Holdings' rights and obligations under the amended and restated registration rights agreement.

Concurrently with the execution of the merger agreement related to our acquisition of CRC, or the CRC Merger Agreement, we entered into a Second Amended and Restated Registration Rights Agreement, or the New Registration Rights Agreement, with the parties named in the agreement. The New Registration Rights Agreement amended and replaced the Former Amended and Restated Registration Rights Agreement. The New Registration Rights Agreement grants certain stockholders demand registration rights for registered offerings and piggyback registration rights with respect to the Company's securities. All expenses incident to registrations are required to be borne by us.

Stockholders Agreement

In connection with consummation of the PHC Acquisition, we entered into a Stockholders Agreement dated as of November 1, 2011, or the Former Stockholders Agreement, with Waud Capital Partners and the Management Investors.