

# Q3-2017 Dermatology Update

## Market Overview

Consolidation activity within dermatology continued its torrid pace into the third quarter of 2017. Eight platforms completed transactions with the aim of building regional density in local markets and/or expanding into new ones nationally. With over 20 groups with private equity backing, Provident fully expects transaction volume and add-on acquisition activity to remain exceedingly robust.



Providers added:	17	13	6	23	10	3	2	16
Locations added:	8	4	2	5	2	1	2	5

## SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
September 2017	United Derm Partners	Vitalogy Skincare	United Derm Partners (UDP), a portfolio company of Frazier Healthcare Partners, has acquired Austin-based Vitalogy Skincare. The acquisition adds 8 locations and 17 providers to UDP's growing national footprint.
September 2017	Waud Capital	Adult & Pediatric Dermatology*	Waud Capital completed the recapitalization of Adult & Pediatric Dermatology (APD), a 23-provider, 8-location dermatology practice in Massachusetts. APD will serve as Waud's platform investment in the sector.
September 2017	Ontario Teachers' Pension Plan	Northeast Dermatology Associates	Ontario Teacher's Pension Plan (OTPP) has recapitalized Northeast Dermatology Associates (NEDA), a dermatology practice spanning MA, NH and ME. NEDA employs 33 providers across 13 locations and is OTPP's initial investment in the space.
September 2017	QualDerm Partners	Carolina Mountain Dermatology & Wilson Dermatology Clinic	Brentwood-based QualDerm Partners has announced the acquisition of two North Carolina practices. QualDerm Partners now has a total of 15 practice locations in NC, VA, OH and TN and plans to expand into other regions.
September 2017	Schweiger Dermatology Group	Island Dermatology	Schweiger Dermatology has completed the acquisition of Island Dermatology. The acquisition adds two locations in Long Island to Schweiger's growing New York presence.
August 2017	US Dermatology Partners	DermAssociates*	US Dermatology Partners (UDP), backed by ABRY Partners, acquired Rockville-based DermAssociates (DA). DA adds 10 physicians and 2 locations to UDP and will serve as a their regional hub in the Mid-Atlantic.
August 2017	QualDerm Partners	Cumberland Skin Surgery and Dermatology	QualDerm Partners has announced the addition of Cumberland Skin Surgery & Dermatology (CSSD). The Tennessee-based practice adds two locations and seven providers to QualDerm's portfolio.
August 2017	US Dermatology Partners	Southwest Skin Specialists & Skin Spectrum	US Dermatology Partners (USDP), has announced two new partnerships in Arizona adding 23 providers to the organization. USDP's move into AZ brings their dermatologist and location count to 117 and 66 respectively.
August 2017	Anne Arundel Dermatology	Knoxville Dermatology Group	New MainStream Capital-backed Anne Arundel Dermatology (AAD) acquired Knoxville Dermatology Group. The acquisition increases AADs provider count by 10 and serves as AAD's initial expansion in TN.
August 2017	Platinum Dermatology	Pediatric Dermatology of North Texas	Platinum Dermatology, a portfolio company of Sterling Partners, acquired Pediatric Dermatology of North Texas (PDNT) adding two clinicians to their group, further building regional density within the state of TX.
August 2017	Riverchase Dermatology	Martin Dermatology	Riverchase Dermatology has acquired Martin Dermatology, based out of Fort Myers. Riverchase now offers 31 locations with 66 providers throughout the state of FL.
July 2017	Dermatologists of Central States	Dermatology and Skin Surgery Center	Dermatologists of Central States (DOCS), backed by Sheridan Capital Partners, has announced the acquisition of Michigan-based Dermatology and Skin Surgery Center. The transaction adds 16 providers and 5 locations to DOCS and is their first add-on acquisition since their recapitalization.

\*Provident Healthcare Partners represented Adult & Pediatric Dermatology and DermAssociates in their respective transactions