

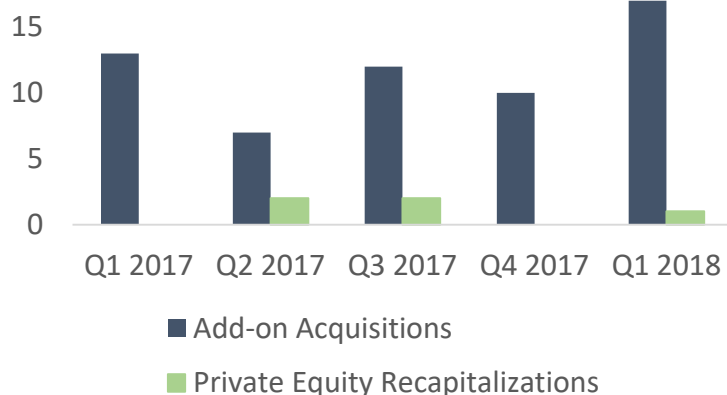
# Q1-2018 Dermatology Update



## Market Update

Investment activity in the first quarter of 2018 was characterized by a plethora of add-on acquisitions as seven groups, backed by private equity dollars, continued to execute on their respective acquisitive growth strategies. One key development, more pronounced than in other quarters, was the fact that established consolidators deployed capital to enter new geographies. Of the seven groups that publicly disclosed acquisitions in Q1, five of them established regional hubs in new states, both contiguous and nonadjacent. As the market matures and platforms continue to build regional density in their primary geographies, Provident expects groups to look to tertiary markets to build around, accelerating the trend that has started to unfold over the last few months.

## Investment Activity Breakdown



## Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Physicians	State(s)
March	US Dermatology Partners	Stillwater Dermatology Clinic/Metcalf Dermatology	2	2	OK*
March	Schweiger Dermatology	DermOne	9	N/A	NJ
March	US Dermatology Partners	Rabin-Greenberg Dermatology	3	5	TX
February	Anne Arundel Dermatology Management	Dermatology Associates of Knoxville/East Tennessee Dermatology Group	5	7	TN
February	United Derm Partners	Bend Dermatology Clinic	5	5	OR*
February	Pinnacle Dermatology	Southwest Dermatology	3	5	IL
February	Platinum Dermatology	Center for Dermatology & Plastic Surgery	8	12	AZ*
January	Pantheon Ventures	Anne Arundel Dermatology Management	23	48	MD, TN
January	US Dermatology Partners	Bay Area Dermatology Associates/Hill County Dermatology	6	5	TX
January	Platinum Dermatology	Dermatology Consultants of Frisco/Precision Dermatology	3	3	TX
January	United Derm Partners	Renewal Dermatology & Laser	1	2	CA*
January	US Dermatology Partners	Dermatology Associates of Northern Virginia	3	5	VA*

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## Conference Attended



Members of the Provident Healthcare Partners dermatology coverage team attended the ADAM Annual Meeting

\* Denotes acquirers entering a new state