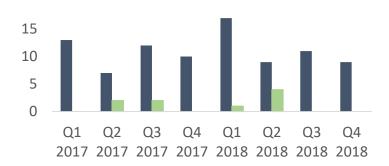
# Q4-2018 Dermatology Update



## **Market Update**

Transaction volume within dermatology remained steady through the fourth quarter, primarily driven by add-on acquisition activity as established private equity-backed platforms continued to establish density in their respective markets through acquisitions. The fourth quarter marked the second consecutive quarter without a private equity recapitalization, a trend that Provident expects to continue heading in to 2019. With over two dozen PE-backed organizations and few independent platform-worthy groups left to partner with, Provident expects most new investors entering the sector to target organizations that already have private-equity backing as the sector enters the next phase of the investment cycle. However, the few remaining sizable platforms in unconsolidated geographies should expect significant interest from private equity partners.

### **Investment Activity Breakdown**



- Add-on Acquisitions\*
- Private Equity Recapitalizations

#### **Select Transactions:**

\*Add-on acquisitions represent transactions that have been publicly disclosed

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	State(s)
December	Anne Arundel Dermatology	Rock Creek Dermatology and Skin Cancer Center	2	2	MD
December	Integrated Dermatology	DermASAP	2	6	MA
November	Anne Arundel Dermatology	Maryland Dermatology Laser Skin & Vein	1	5	MD
November	United Derm	Sierra Skin	7	29	NV
October	Integrated Dermatology	Brookside Dermatology Associates	1	3	СТ
October	Pinnacle Dermatology	Soderstrom Skin Institute	7	17	IL
October	Riverchase Dermatology	Elba Rubianes, MD	1	1	FL
October	Riverchase Dermatology	Wittenborn Plastic Surgery	1	1	FL

# **Provident Industry Coverage Team**

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# **Upcoming Conference**



Members of the Provident Healthcare Partners dermatology coverage team will be hosting a booth at the American Academy of Dermatology conference in March.