

Q1-2019 Dermatology Update



Market Update

The dermatology sector continues to see robust transaction volume, attributable to the multitude of strategic platforms consolidating their respective markets. However, while transaction volume has remained elevated, private equity recapitalizations have been far and few between in recent quarters. The first quarter of 2019 marked the third consecutive quarter without a platform transaction. In a sector with an abundance of private equity backed-platforms, and a scarcity of sizable, independent practices, Provident expects this trend to continue until new funds start to seek out established, private equity-backed platforms to invest in. With the market maturing and many groups having had institutional backing for 3+ years, Provident expects secondary transactions to start to occur throughout the balance of the year.

Investment Activity Breakdown



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

Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	State(s)
March	Affiliated Dermatology	Arcadia Dermatology	1	1	AZ
March	Integrated Dermatology	Latham Dermatology	1	1	NY
March	Schweiger Dermatology	Dermatology & Skin Surgery	3	7	PA
February	Pinnacle Dermatology	Calumet Dermatology	2	2	IL, IN
February	Integrated Dermatology	Dermatology Consultants of Gloucester	1	2	VA
January	Pinnacle Dermatology	Silverton Skin Institute	1	5	MI

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Upcoming Conference



Members of the Provident Healthcare Partners dermatology coverage team will be attending the American Society for Dermatologic Surgery in Chicago in October