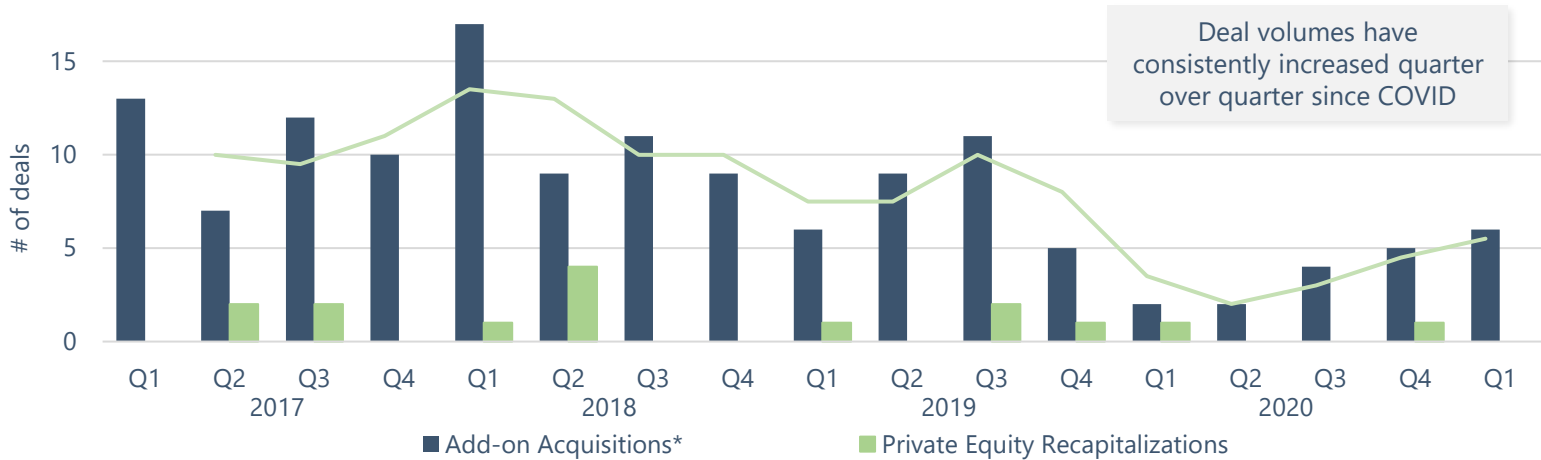


# Q1-2021 Dermatology Update

## Market Update



The dermatology space continues to show signs of recovery as transaction volume increased for the fourth consecutive quarter since the start of COVID-19. While deal making remains slightly tepid relative to years past, deal structures and valuations continue to be very seller-friendly. Provident expects a steady stream of closed transactions over the course of 2021 with the potential to see an uptick in activity towards the back half of the year as sellers try to front run potential tax policy changes that are likely to be implemented in 2022. Additionally, with approximately a third of platforms over four years into their investment cycle, Provident expects secondary transactions to comprise a growing percentage of total deal volume in 2021 and beyond.

### Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	State(s)
February	Advanced Dermatology, PC	Advanced Dermatology Associates	5	10	NY
February	Anne Arundel Dermatology Management	Carolina Skin Care	4	2	NC
January	Epiphany Dermatology	Sunflower Dermatology	2	3	MO
January	United Derm Partners	Advanced Dermatology & Skin Surgery	2	7	NC
January	Schweiger Dermatology Group	Montgomery Dermatology	3	5	PA
January	Epiphany Dermatology	Infinity Skin Care	1	1	IA

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## Recent Publications

Members of the Provident Healthcare Partners team recently published a 2020 Year In Review white paper, which provides a comprehensive overview of transaction activity from an unprecedented year for M&A across healthcare services