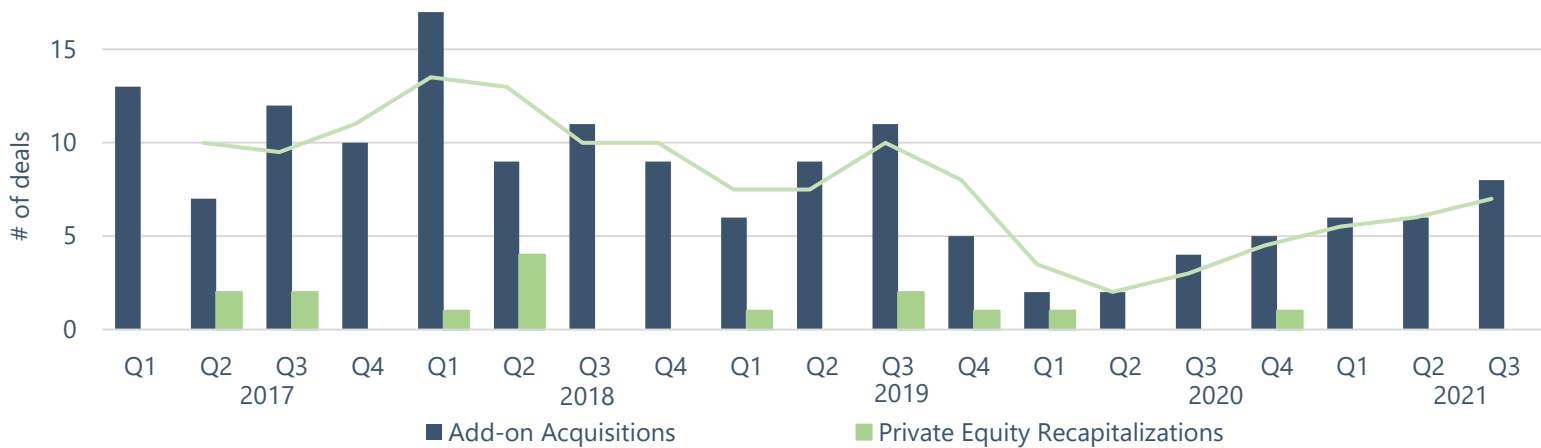


Q3-2021 Dermatology Update

Market Update



The dermatology space continues to see consistent transaction volume, characterized by strategic bolt-ons for platforms looking to build density and expand their reach. While new platform formations have been relatively scarce over the last two years, Provident expects larger sponsors to enter the space through investment in a number of private equity-backed MSOs that are currently out to market. There is another cohort or tier of private equity firms with a thesis in the dermatology sector that are looking to put investment capital to work. Provident expects those sponsors to compete with some of the larger, existing PE-backed platforms for secondary deals that are currently out to market. With at least a handful of private equity firms exploring a sale of their respective dermatology platforms, Provident expects the next two quarters to be particularly active as some of those platforms look to grow via acquisition prior to a sale.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	State(s)
September	Pinnacle Dermatology	Chappell Rosso Dermatology and Laser & Aesthetic	1	2	TX
September	Laser MD Spa	Luxe Beauty Lounge	1	n/a	MA
August	Epiphany Dermatology	Summit Dermatology	1	1	TX
August	Epiphany Dermatology	Teton Dermatology	4	4	WY
July	Pinnacle Dermatology	Elmhurst Dermatology	1	2	IL
July	Advanced Dermatology	Palmetto Dermatology	1	5	SC
July	Advanced Dermatology	Integrative Dermatology	1	1	NY
July	Advanced Dermatology	Skincare Physicians of Fairfield County	2	2	CT

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Upcoming Publication

Members of the Provident Healthcare Partners team are working on an updated dermatology white paper, which will provide a comprehensive overview of partnership considerations and transaction activity across the segment.