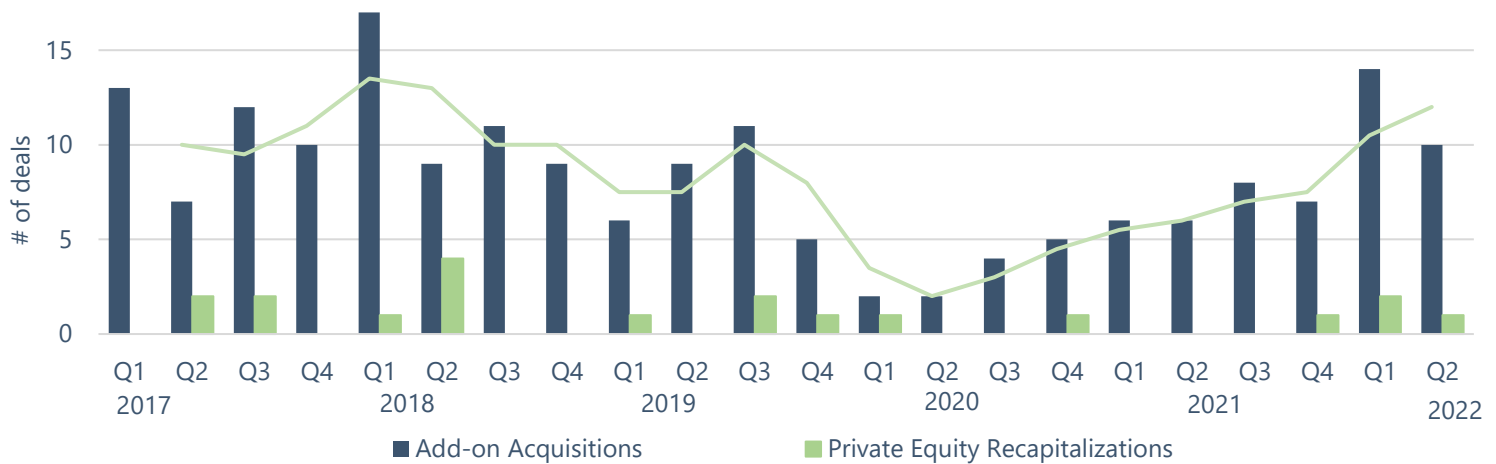


Q2-2022 Dermatology Update

Market Update



Dermatology deal activity continued its rebound towards 2018 and 2019 levels after a relatively slow 2020 and 2021, primarily driven by strategic add on transactions and secondary buyouts. The quarter saw a number of notable transactions that will have a meaningful impact on the dermatology space, particularly, as it relates to M&A. One such deal was Sheridan Capital's exit of Dermatologists of Central States (DOCS) to private equity firm SkyKnight Capital, the third secondary transaction in as many quarters. Another landmark deal occurring this quarter was the merger between West Dermatology and Platinum Dermatology Partners, two sizable, regional platforms spanning multiple states and over 100 providers. Provident expects transaction volume and valuations to remain elevated, but is tracking macroeconomic factors that may ultimately impact dealmaking in the quarters to come.

Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	State(s)
June	Advanced Dermatology and Cosmetic Surgery	Esterson Dermatology	1	3	MD
June	West Dermatology	Platinum Dermatology Partners	64	100+	AZ, CA, NV
June	SkyKnight Capital	Dermatologists of Central States	77	180	IL, IN, MI, NC, OH, PA, WV
May	Dermatology Specialists of Georgia	Atlanta Dermatology and Laser Surgery	1	4	GA
May	DermCare Management	Berman Skin Institute, Lasky Skin Center, and Westchester Dermatology	13	42	CA
April	Pinnacle Dermatology	Dermatology Physicians Group	1	5	IL
April	Olansky Dermatology Associates	Georgia Dermatology Center	1	5	GA
April	Advanced Dermatology and Cosmetic Surgery	Maragh Dermatology, Surgery, and Vein Institute	3	9	MD, VA

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Upcoming Conference

Members of the Provident Healthcare Partners dermatology coverage team will be attending the AAD conference in March 2023