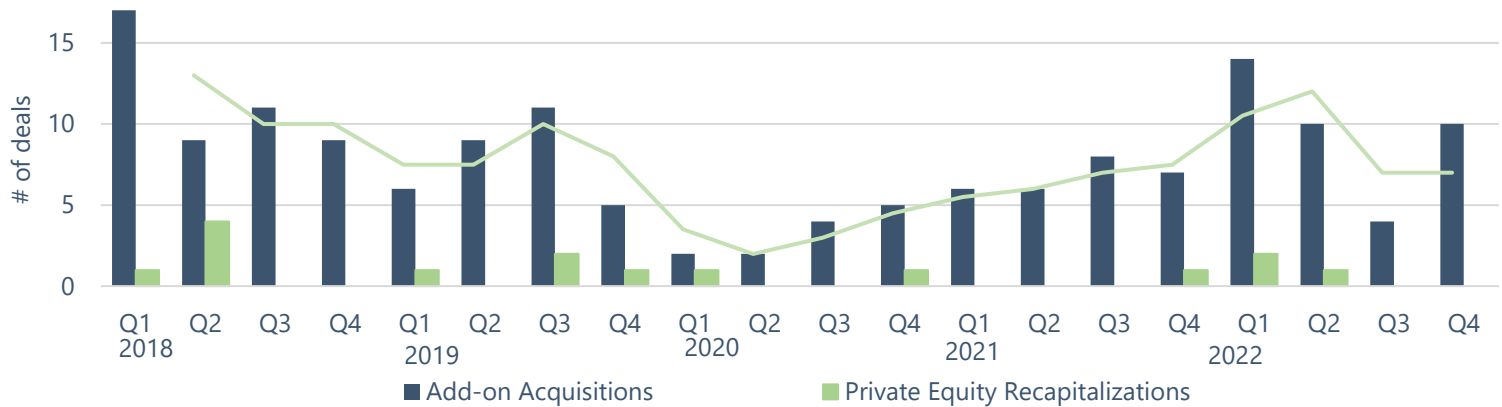


# Q4-2022 Dermatology Update

## Market Update



The dermatology space continued to see consistent transaction volume in the fourth quarter, closing out a year characterized by large, secondary transactions, in which a handful of private equity-backed platforms took on new sponsors. Provident expects this "consolidation of consolidators" trend to continue to play out throughout 2023 as well, pending a severe market correction. While we don't expect a sharp decline in the M&A markets, the increased cost of debt and tight lending environment may very well have a softening impact of valuations. Even so, given the current levels where deals are trading, Provident still expects a strategic partnership to be an attractive proposition for practices looking to explore their options in 2023.

## Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Providers	State(s)
December		 NORTH ATLANTA DERMATOLOGY	8	25	GA
December		 MODERN SURGERY • CLASSIC BEAUTY	4	12	TX
December		Center for Dermatology and Laser Surgery	1	1	CA
December		 YOUR RESULTS. OUR REASON.	1	3	OR
December			1	2	TX
November			2	9	SC
November		DERMATOLOGY CENTER OF DALLAS	1	2	TX
November			5	25	CA
October			4	5	LA, MS
October			1	5	CA

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## Upcoming Conference

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