

Dermatology

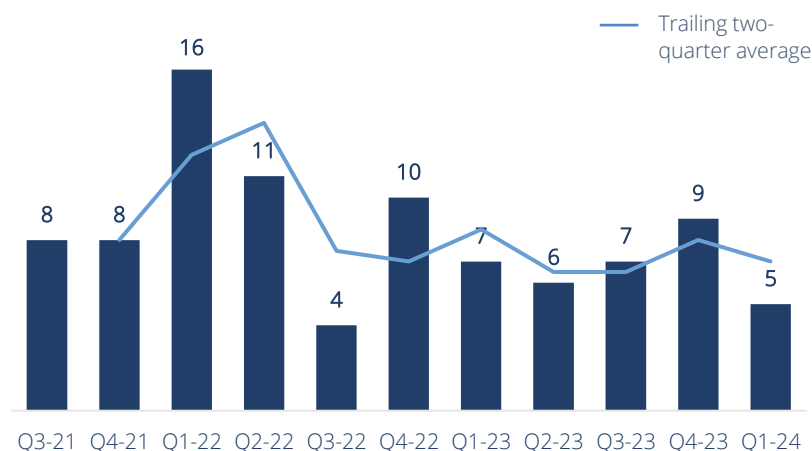
Q1 2024

Market Update









The dermatology space has shown recent signs of slowing in previous quarters due to constrained supply of sell-side opportunities for some of the larger more acquisitive platforms. Many private practices that have yet to align with private equity, have opted to stay the course and remain independent for the time being, which has dampened M&A activity over the last 12-18 months.

However, 2023 was a year characterized by mega mergers and secondary transactions as multiple private equity backed MSOs came together to generate more scale and density in select regions. Schweiger Dermatology's acquisition of Midwest-based United Skin Specialists (formerly backed by Tonka Bay) serves as the latest example of that trend and provides Schweiger with a foothold in a new market and region. Provident expects more equity-backed organizations to explore sales or mergers in 2024, accelerating the pace of consolidation in the space.

Quarterly Transaction Volume



Select Transactions

Month	Investor	Target	Physician(s)	Location(s)	State(s)
March	 GOLDEN STATE DERMATOLOGY	 DERMATOLOGY CENTER OF NORTHERN CALIFORNIA	2	1	CA
February	 GOLDEN STATE DERMATOLOGY	Practice of Shirlene Jay, M.D.	1	1	CA
February	 EPIPHANY DERMATOLOGY	 NORTHPOINT DERMATOLOGY & MOHS SURGERY	1	1	NY
January	 GOLDEN STATE DERMATOLOGY	Practice of Amber Kyle, M.D.	1	1	CA
January	 SCHWEIGER DERMATOLOGY	 UNITED SKIN SPECIALISTS	35	10	IL, MN, MS

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