

Specialty

Dermatology

Focus

Q3 2021 Acquisition Activity and Outlook

## Dermatology Acquisitions Continue to Increase in Q3 as Established Players Pursue Expansion

The third quarter of 2021 delivered eight reported dermatology practice acquisitions, showing an increasing trend of deal volume over the past nine months. Notably, Pinnacle Dermatology acquired Dermatology Associates and Skin Surgery Center which includes eight locations throughout West Virginia and Maryland. With this deal, Pinnacle, a portfolio company of Chicago Pacific Founders, strengthens its sizable presence in the Greater DC area. In August, Epiphany dermatology announced its expansion into Wyoming with the acquisition of Teton Dermatology, a practice with four board-certified physicians based in Jackson, WY. With this acquisition, Epiphany Dermatology now includes over sixty locations across eleven states throughout the Southwest and Midwest regions. We expect to see a surge of deals announced in the fourth quarter of 2021. Current legislation suggests a capital gains tax hike to 25% (plus a 3.8% Medicare surtax) in the near future, which remains favorable to sellers compared to historical rates.

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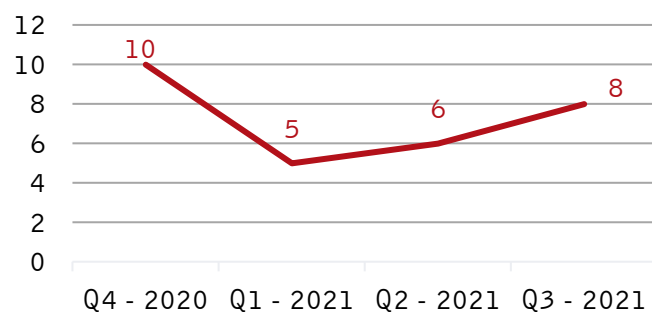
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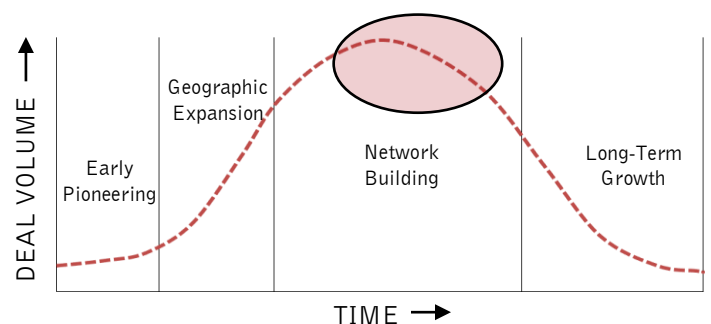
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### 12-Month Quarterly Acquisition Trend



### PE Consolidation Lifecycle Positioning



### Notable Deals in Q3 2021

Buyer	Practice	State	MDs	Date
Pinnacle Dermatology	Dermatology Associates and Skin Surgery Center	WV	3	8/17/21
Epiphany Dermatology	Teton Dermatology	WY	4	8/4/21
Advanced Dermatology	Palmetto Dermatology	SC	2	7/12/21

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