

Specialty

Ophthalmology

Focus

Q1 2021 Acquisition Activity and Outlook

After a Strong First Quarter, 2021 Is Now Looking Like a True Window of Opportunity for Ophthalmology Deals

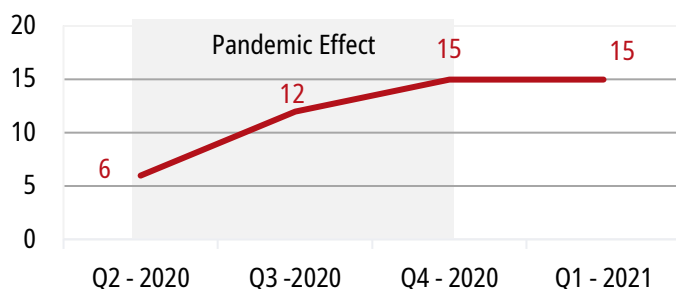
The first quarter of 2021 delivered fifteen reported ophthalmology practice acquisitions, continuing the surge of M&A activity within the specialty. Notably, EyeCare Partners, now owned by Partners Group, acquired Blue Sky Vision from Sterling Partners, marking a recapitalization of the Michigan-based platform. Acquisitions were spread across ten different buyers highlighting the competitive landscape and various choices practices have for potential partners.

By the end of Q2, we expect most practices to have a full year of financials post COVID-19 shutdowns. This will be important to achieve maximum transaction value because trailing-twelve-month (TTM) financial performance is the most scrutinized data in practice and surgery center valuations. With COVID-19 closures phasing out of TTM financial data, practice EBITDA will likely be at its highest level in 18 months. We expect more practices will be interested in pursuing deals that will close this calendar year given potential tax implications looming in 2022.

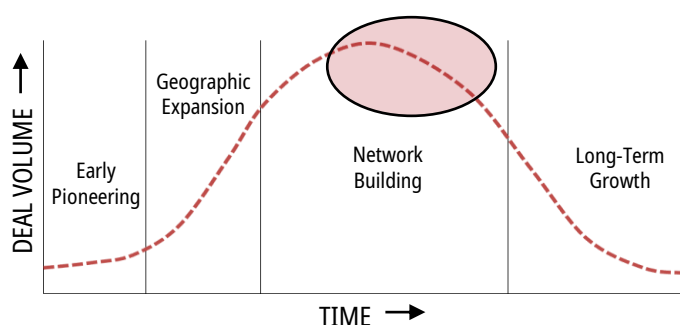
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12-Month Quarterly Acquisition Trend



PE Consolidation Lifecycle Positioning



Notable Deals in the Q1 2021

Buyer	Practice	State	MDs	Date
American Vision Partners	Southwest Eye Institute	TX	7	3/29/21
EyeCare Partners	Blue Sky Vision	MI	100	2/24/21
CEI Vision Partners	Tidewater Eye Centers	MD	7	1/28/21
EyeSouth Partners	Midwest Eye Center	OH	20	1/11/21
Midwest Vision Partners	Parschauer Eye Center	OH	8	1/4/21

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