

Specialty  
Urology

Focus  
Q1 2021 Acquisition Activity and Outlook

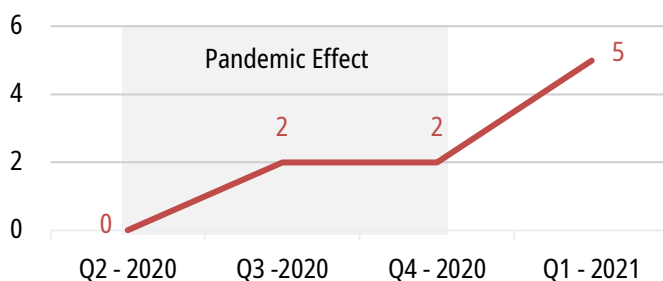
## Private Equity Deals for Urology Practices Surges to All-time Record in the First Quarter of 2021. More Expansion Coming?

In our Q4-20 report we noted an increasing interest in urology and posed the question, “Is Urology the Next Darling of Private Equity?” That looks more likely now as the first quarter of 2021 delivered more urology practice acquisitions than any full year since 2017. With six firms now actively seeking to grow their urology platform presence, we believe this specialty may just be entering the Geographic Expansion stage. We expect deal activity to remain strong throughout this year. 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.

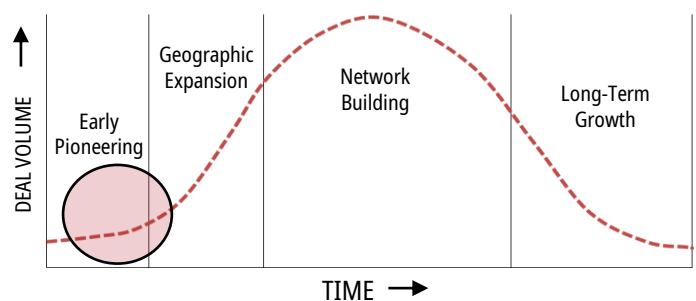
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### 12-Month Quarterly Acquisition Trend



### PE Consolidation Lifecycle Positioning



### Notable Deals in the Q1 2021

Buyer	Practice	State	MDs	Date
Solaris Health	Associated Urology Specialists	IL	17	3/2/21
Solaris Health	MidLantic Urology Partners	PA	65	1/12/21
United Urology Group	Arizona Institute of Urology	AZ	7	1/11/21
United Urology Group	Urology Associates of Southern Arizona	AZ	9	1/11/21
Integrated Oncology Network	Southwest Urology	OH	7	1/6/21

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