

Specialty

Dermatology

Focus

Q4 2021 Acquisition Activity and Outlook

Dermatology Acquisitions Reach Peak Levels; Schweiger Dermatology Closes on Major Acquisition

The fourth quarter of 2021 delivered seventeen reported dermatology practice acquisitions, representing a significant surge to end the year. There were two large practice acquisitions as well as a major platform recapitalization announcement. Notably, Schweiger Dermatology acquired The Derm Group, a leading Northeast practice with forty providers serving the greater New Jersey region. This acquisition adds thirteen locations and over 200,000 patient visits to the Schweiger portfolio. Also in October, Epiphany Dermatology announced its expansion into Georgia with the acquisition of Avail Dermatology, a practice with six board-certified physicians serving the Atlanta area.

With this acquisition, Epiphany Dermatology now includes roughly 100 dermatologists serving sixty-seven locations throughout the country. In late October, Baypine LP announced that it will acquire Pinnacle Dermatology from Chicago Pacific Founders, the company's current financial sponsor. Pinnacle Dermatology currently includes eighty-seven clinical locations across eleven states. The deal is expected to close imminently. While Q4 predictably brought a spike in acquisitions, we expect heavy M&A activity to carry into 2022 as platforms grow their networks to set the stage for future recapitalizations.

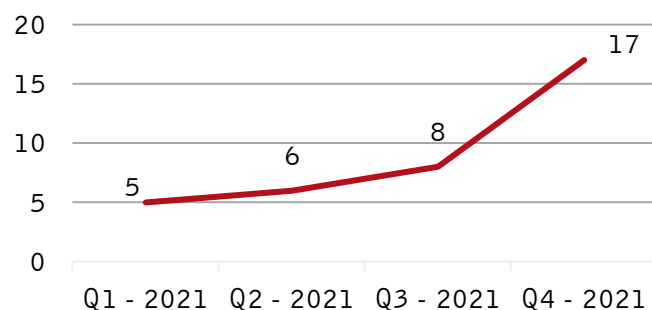
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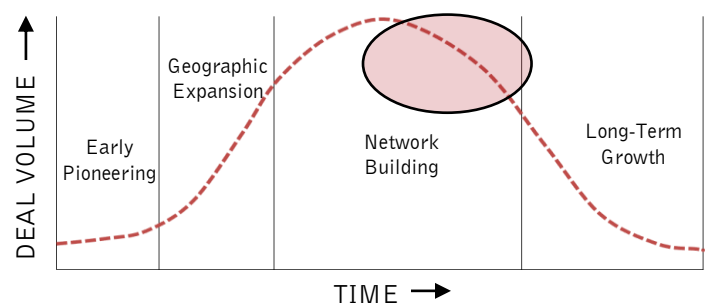
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12-Month Quarterly Acquisition Trend



PE Consolidation Lifecycle Positioning



Notable Deals in Q4 2021

Buyer	Practice	State	MDs	Date
Epiphany Dermatology	Avail Dermatology	TX	6	10/1/21
Schweiger Dermatology	The Derm Group	NJ	21	10/7/21
Advanced Dermatology	Greenville Dermatology	SC	2	12/7/21

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