

# HEALTHCARE M&A: IS THE FUTURE CLEAR OR BLEMISHED?

*Apex Leaders*



Audience survey poll:

Has your firm explored or invested in healthcare related companies in the past 12 months?

A. YES

B. NO

*Invest with conviction.*



# ABOUT APEX LEADERS

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Apex Leaders is a human capital firm focused on building on-demand advisory teams for private equity clients.



SECTOR THESIS SPRINTS



DUE DILIGENCE



BOARD OF DIRECTOR SEARCHES



PORTFOLIO ADVANCEMENT



**APEX LEADERS**

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# THE PRESENTERS



# THE PANEL



DAVE MYERS  
FOUNDER, APEX LEADERS



JAY OYAKAWA  
MANAGING DIRECTOR,  
DermPRO



DR. ANTHONY PARAVATI  
KETTERING CANCER CARE

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# TRENDS IN HEALTHCARE

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## *Apex Leaders' business*

For the last five years, 20% of our business has been comprised of healthcare focused projects.

Within that 20% healthcare, we've noticed spikes of investment interest in these sub-sectors specifically:

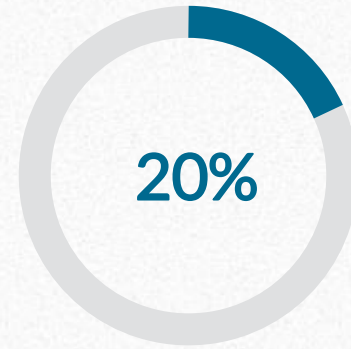
Dermatology

Physical Therapy

Primary Care

In-home Care

Allergy Medicine

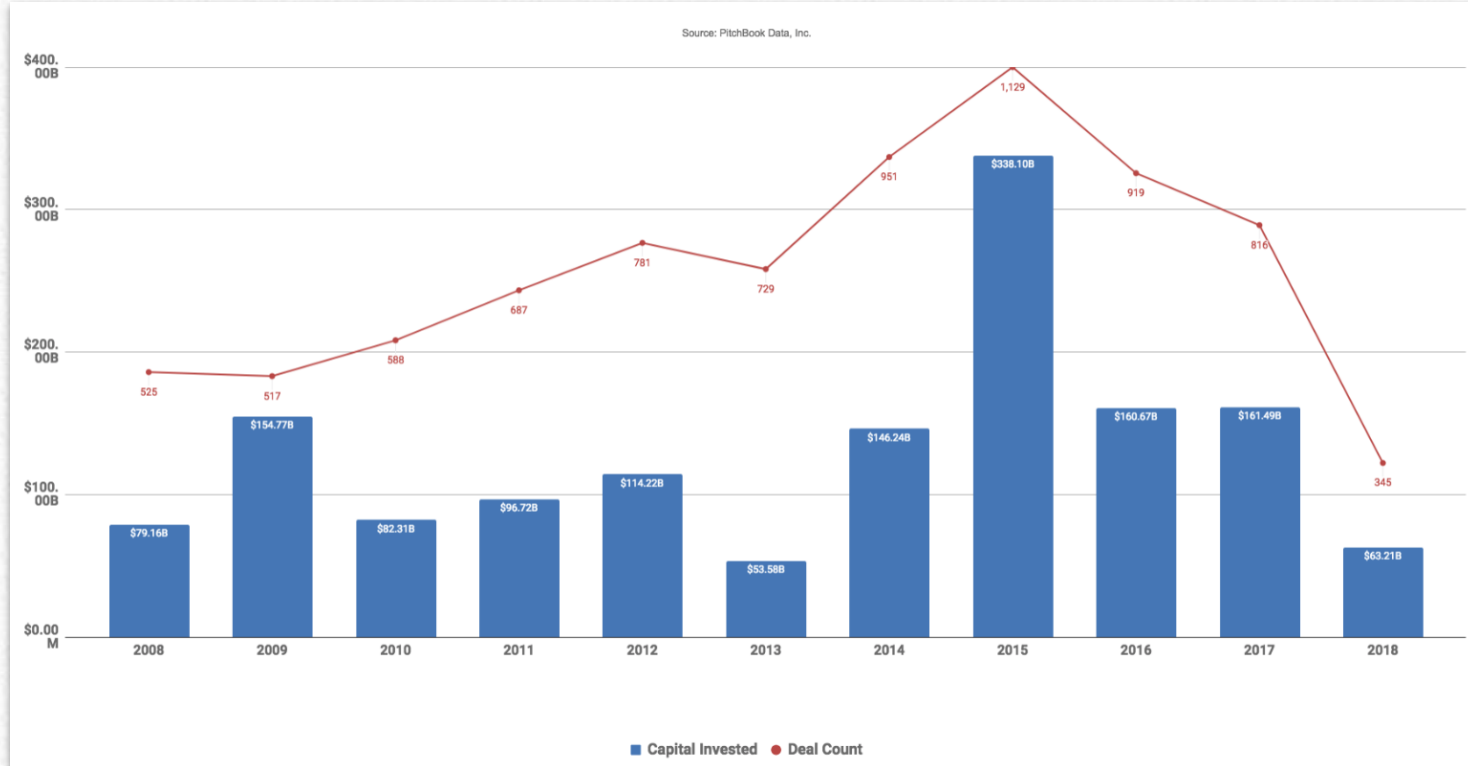


5-year Healthcare Business





# TRENDS IN HEALTHCARE



## Audience survey poll:

Which of the following do you think is the most important for investors to be mindful of when investing in a new sector?

- A. Past sector performance
- B. Target's competitive positioning
- C. Confidence in management's growth plan
- D. Advice of active industry experts
- E. Other (insert answer)



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# TREND EXPECTATIONS

What are you are seeing in dermatology today that's driving those trends?



*Advisor: Dr. Anthony Paravati*

# Is dermatology at a sweet spot?

*What's the degree of fragmentation?*

*Opportunity for consolidation?*

*Advisor: Jay Oyakawa*

Based on changes in the landscape over the last 10 years, what concerns should investors consider? What's coming up?

*How to find investments?*

*Beyond geography?*



*Invest with conviction.*



# Rapid Fire **QUESTIONS**

How has dermatology changed as an industry, and what are the implications for investors? Are there still pockets of opportunity and is the time right?



Given how investment in dermatology has changed, what does it take to be a successful owner today vs. 10 years ago? What do you need to do differently today?



Based on those changes, what are the implications for new investors?



You both spoke to non-invasive treatments playing a larger role in patient care. What should investors be aware of when considering investments in this space?





What's the number one thing investors are likely to miss when looking for opportunities in dermatology? What are the blind spots that you see as an expert in this space?





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# 4 TAKEAWAYS & TIPS

# SECTOR OPPORTUNITY

The **low hanging fruit is gone** in most major metros, but **opportunities to buy mature platforms with demonstrated success and momentum** remain strong.

**Buy and build strategy remains viable in tertiary markets** where small independent practices are incentivized by record high fixed costs.

Success **requires long-term investment** mindset.

# GET OUT OF THE WEEDS

The provision of **medical care is operationally complex**. The **regulatory environment** is even more so.

**Niche industry knowledge** in dermatology only comes with years of experience.

**Leverage advisors to navigate blind spots** or to play a prominent role in the target business.



# NAVIGATE A NEW INDUSTRY

To own a platform in this space today **investors need to adopt a long-term mindset, with intentions of creating value.**

**Quick flips** with emphasis on multiples, earning growth, etc. **does not always work when creating partnership** between dermatologist and a platform company.

**Design an investment plan that allows providers to focus on patients** while the “platform” focuses on the business-side.



# TIMING

Be prepared for greater regulatory risk and higher cost of compliance than 10 years ago.

Provide a value proposition for their dermatologist which may include intangibles that were not required 10 years ago.

Leverage deep industry insights helps investors determine the timing on their investments.



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**Q&A**



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# CONTACT US

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