



Personal Care Services Market Overview

MedSpa and Aesthetics

SUMMER 2024



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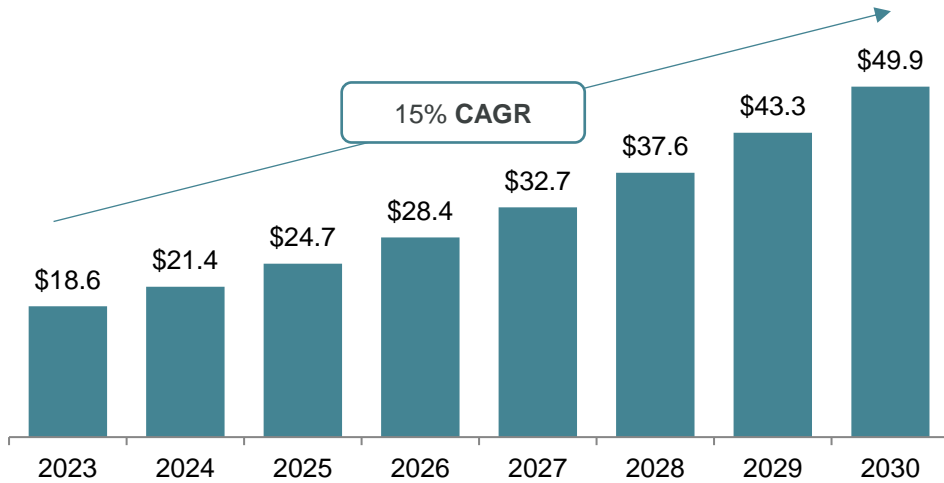
MEDSPA AND AESTHETIC SERVICES MARKET OVERVIEW





MedSpa and Aesthetic Services Market Overview

Global MedSpa Market Size (\$B)



MedSpa and Aesthetic Services Industry Statistics

- \$140B+** 2030 Total Aesthetic Medicine and Services Market Size
- 81%** Of MedSpas are Single Locations
- 8,800+** Registered MedSpas in the U.S.
- 15%** MedSpa Industry CAGR 2023-2030
- 65%** Of Patients Return to the Same Spa for Further Treatment
- 81%** Of consumers more accepting of noninvasive procedures

Key MedSpa and Aesthetic Services Industry Trends



The sector is dominated by single-owned, small-sized, and single-location facilities with the latest technology providing an opportunity for market consolidation



The industry will continue to consolidate as operators continue to benefit from increased operational efficiencies such as experienced management teams and resources to invest in clinic development



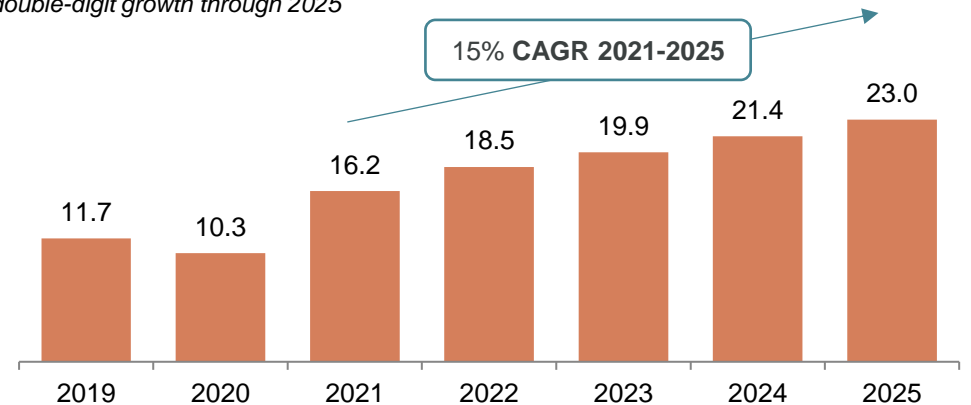
Consumer shift toward body-positivity and self-care corresponds with **64%** of consumers stating they feel more confident when looking fit and healthy



Increased awareness and adoption of MedSpa and Aesthetic Services has resulted in **71%** of consumers willing to see an aesthetic dermatology professional

Number of Procedures in US and Canada (millions)

The medical-aesthetics market remains on track to maintain near double-digit growth through 2025

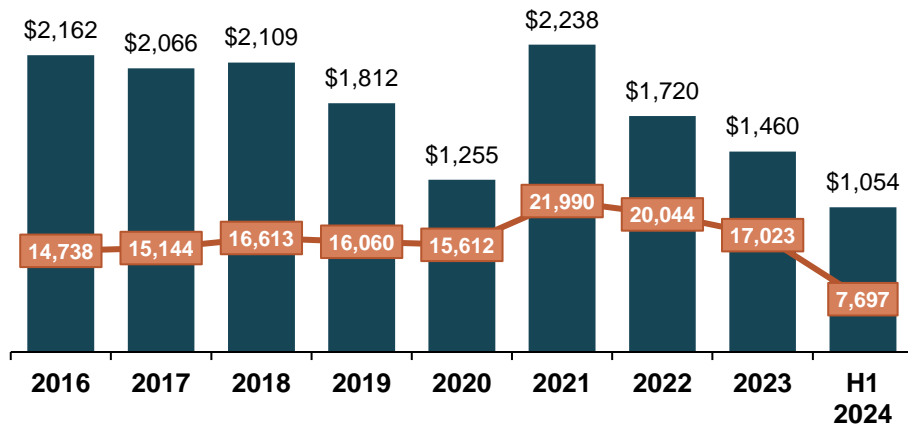




Stable M&A Market with Strengthening Tailwinds

North American M&A Activity

Deal Value (\$B) Deal Count



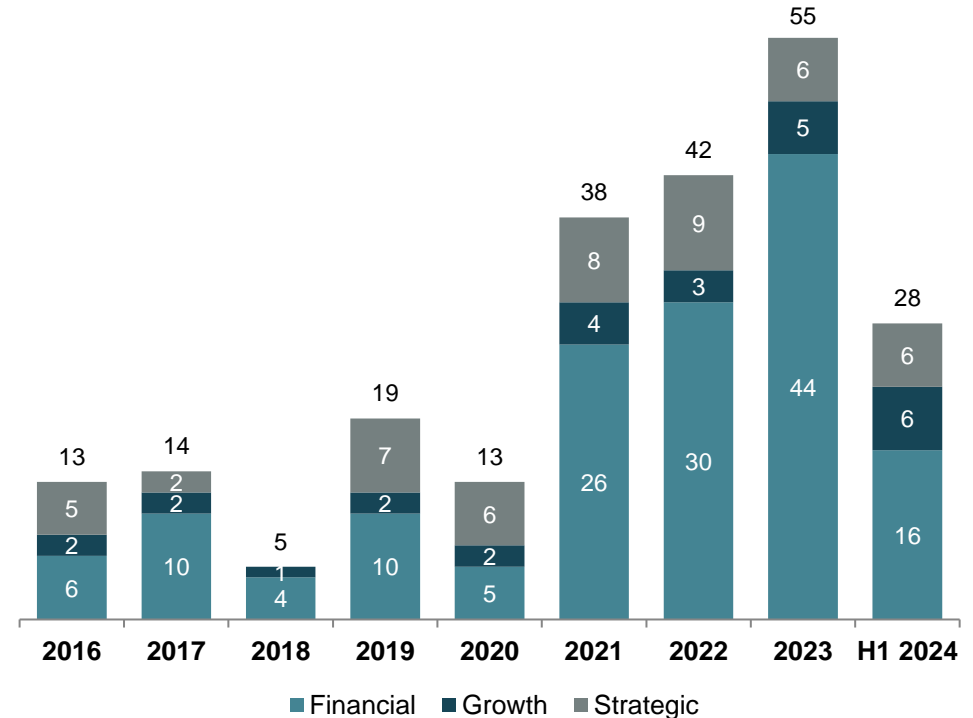
Median EV / EBITDA Multiples

11.5x	11.3x	10.7x	11.9x	9.5x	12.1x	10.3x	11.2x	10.5x
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Median EV / Revenue Multiples

1.8x	1.8x	1.7x	2.3x	1.8x	2.6x	2.1x	1.9x	2.3x
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MedSpa and Aesthetic Services M&A Activity



Trends and Dynamics



With an excess of dry powder available for deployment, private equity and strategic investors alike are continuously looking to acquire quality MedSpa and Aesthetic Services companies resulting in healthy transaction appetite in 2024



M&A activity in the MedSpa and Aesthetic Services market is expected to hold current levels or increase, as private equity and strategic investors are looking to scale their existing platforms and consolidate the fragmented MedSpa and Aesthetic Services market



MedSpa and Aesthetic Services companies remain a priority for financial investors, as "Tier A" assets consistently command premium multiples, reflecting trends from recent years. Evolving consumer behavior has fueled heightened deal activity and increased valuations within this sector

Personal Care Services Trends Driving Adoption



Increasing Awareness and Adoption of Aesthetics Services

Consumers are becoming increasingly aware of the value of wellness, health, and beauty. Social media has stimulated consumer demand for aesthetic services. 44% of Gen Z say they learned about cosmetic procedures from social media

Consumers Increasingly Willing to Spend on Aesthetics

Recent studies show that despite inflationary pressures and economic stress, 66% of consumers have maintained their spending on aesthetics. 88% of consumers plan to have the same number, or more, treatments in 2023 relative to 2022

Expanding Customer Base and Addressable Market












The aesthetics market continues to grow for females and older adults. However, social media and growing social acceptance has driven rapid increases in the market for young adults and males who are expected to double their demand for injectables by 2028

Technological Advancements

New technologies continue to expand the prospective menu of safe and more affordable, non-invasive aesthetic treatments, drawing in new consumers and enticing current customers to get more frequent treatment



Core Services Overview

Service Type	Provider Type	Brands Used	Recurrence	Description
Neuromodulators	 	Botox Dysport Xeomin	~3-6 months	<ul style="list-style-type: none"> • Neuromodulators treat forehead lines, crow's feet, and frown lines • Treatment lasts 3 months or longer before repeat injection occurs • Injections of neuromodulators result in medical applications such as reduced sweating and prevention of migraines
Body Contouring	 	CoolSculpting	As Needed	<ul style="list-style-type: none"> • Body contouring is a non-surgical treatment focused on fat cell reduction in specific parts of the body • This service involves 2-3 visits to fully remove the fat cells from the treatment area with patients paying upfront for services
Ultrasound Therapy		Ultherapy	~1-2 Years	<ul style="list-style-type: none"> • Non-invasive procedure providing an alternative to a facelift, using heat to target tissue under the skin's surface, triggering the production of collagen • Results are realized immediately or up to 2-3 months post procedure
Fillers	 	Juvederm Radiesse Restylane Sculptra	~2-3x Per Year	<ul style="list-style-type: none"> • Fillers are gel-like substances that are used to fix fine lines and wrinkles on the face requiring no surgical procedure • Consumers typically use fillers 2-3 times per year on average, given the limited duration of the fillers
Microneedling	 	Morpheus8 Profound RF	~4-6 weeks	<ul style="list-style-type: none"> • Microneedling is a minimally invasive procedure using fine needles to trigger the body's production of new collagen and elastin • The American MedSpa Association says some doctors recommend the procedure every 4-6 weeks
Laser Treatment / Removal		Candela GentleMax LightSheer	~1-2x Per Year	<ul style="list-style-type: none"> • Laser treatment and removal are non-invasive procedures that use lasers to treat wrinkles, acne scars, blemishes, and hair removal • These procedures usually encompass a one-time upfront payment with multiple treatment rounds
Facials		N/A	~4-6 Weeks	<ul style="list-style-type: none"> • A facial is a non-invasive skin treatment that includes cleansing, moisturizing, and exfoliating the skin • According to the Cleveland Clinic, some doctors recommend receiving a facial every 4-6 weeks



Physician-provided services



Nurse-provided services

Qualitative Valuation Framework

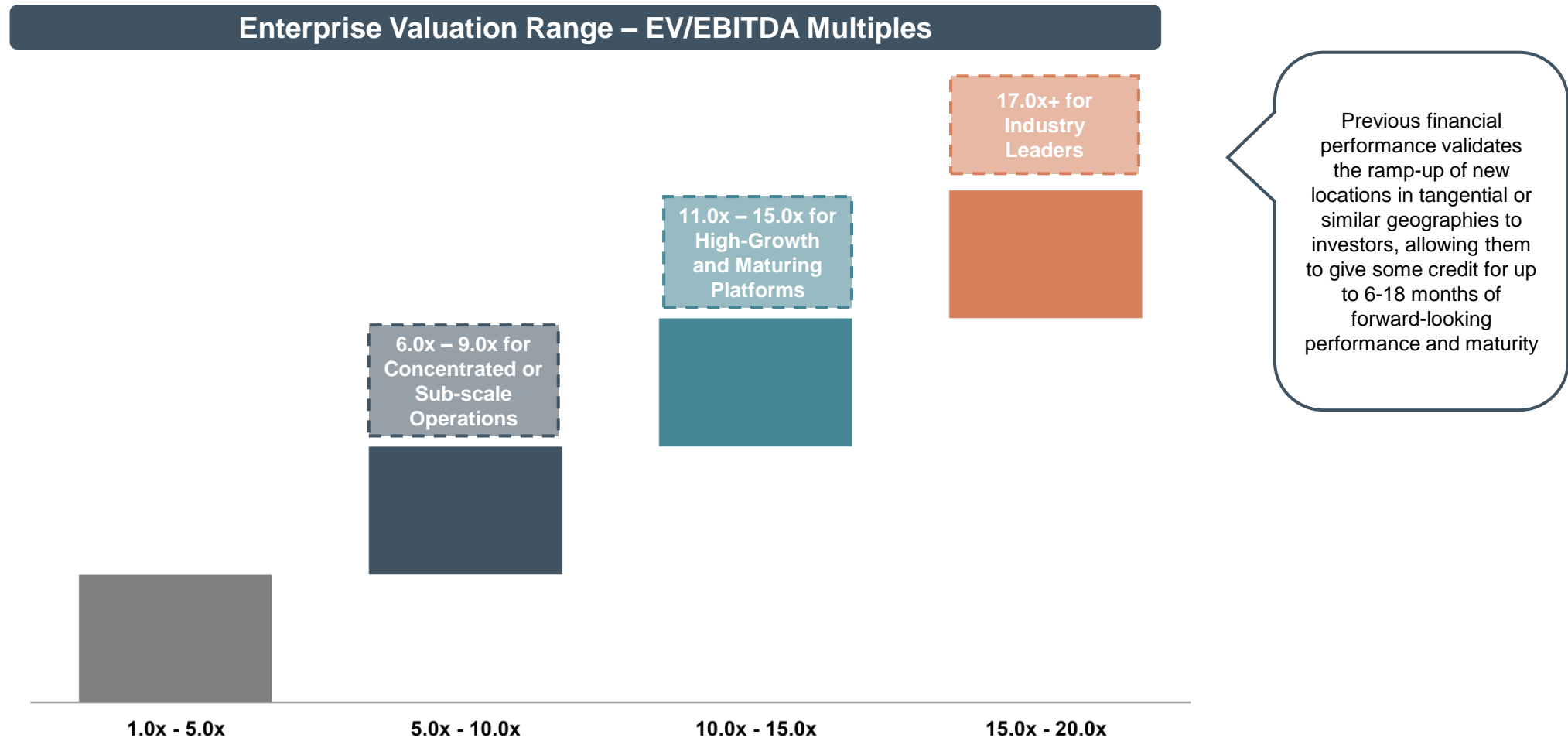
<i>Key attributes that influence valuation</i>	Market Value ←		Premium Value →
Company-Specific Qualitative Factors			
Market Leadership	Low	Medium	High
Sustainability of Competitive Advantages	Moderate	Strong	Highly Defensible
Proven Scalability	New Growth	Ramping	Proven Growth
Client Base – Customer Recurrence	Low	Medium	High
Client / Revenue Stickiness	Low	Medium	High
Revenue Diversification	Limited Offerings	Diverse	Highly Diversified
Provider Turn Over	High	Medium	Low
Company-Specific Quantitative Factors			
Revenue Momentum	Moderate	Positive	Accelerating
Historical Growth	Low	Uneven	High
EBITDA Margins	< 10%	10% to 20%	> 20%
Growth			
M&A Growth Opportunities	Limited	Available	Strong
Proven De Novo Growth	Limited	Available	Demonstrated
Market Factors			
Barriers to Entry	Low	Moderate	High
Industry Growth Perception	Low	Moderate	High
Cyclicality	High	Medium	Low
Universe of High-Quality Strategic Buyers	Minimal	Some	Numerous
PE Appetite	Low	Moderate	High



MedSpa and Aesthetic Services Valuation Trends and Insights

INVESTOR APPETITE AND RECENT VALUATION TRENDS IN THE MARKET

- MedSpa and Aesthetic Services companies are experiencing premium multiples for a variety of factors including revenue diversification among services (injectables vs. body contouring vs. hair removal etc.) 30%+ EBITDA margins, scaled operations with multiple open locations, urban vs. suburban geographic mix, and having an experienced team and infrastructure in place to support ongoing operations
- Multiple valuation methodologies enable investors to flexibly and fairly approach opportunities with different growth capacities and at different growth stages








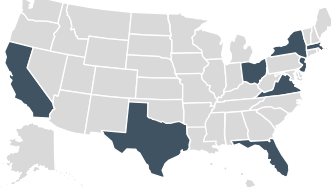






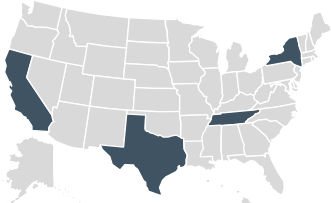







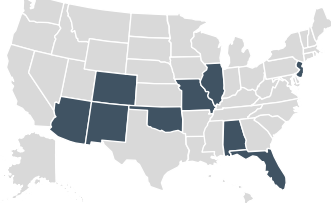








Select MedSpa and Aesthetic Services PE Platforms

Company	PE-Backing	# of Locations	Geography	Recent Acquisitions
		76		
		58		
		50		<p>TRUTH + BEAUTY</p>
		42		
		36		



Select MedSpa and Aesthetic Services PE Platforms

Company	PE-Backing	# of Locations	Geography	Recent Acquisitions
 AESTHETIC PARTNERS	NORWEST	23		
 AESTHETICS PARTNERS	 THURSTON GROUP	22		 
 MED SPA	 IMPERIAL CAPITAL	16		
 EMPOWER AESTHETICS <small>MANUALLY YOUR FACIALS FOR ITS PROBLEMS</small>	 SHORE Capital Partners	14		    
 MEDSPA PARTNERS	 PRINCETON EQUITY GROUP	12		     

Select MedSpa and Aesthetic Services Transactions



June 2024

Buyer Description:

DermCare Management is a leading provider of dermatology services to improve patient outcomes. The Company offers dermatology care, surgery, and clinical services

Target Description:

Operator of a rejuvenation and laser center. The Company offers a wide range of aesthetic services, including dermal fillers, neurotoxin injections, laser treatments, body contouring, facials, and more

Transaction Rationale:

The partnership between DermCare and Absolute Aesthetics will leverage the combined resources of both companies to achieve long-term growth objectives



May 2024

Buyer Description:

Alpha Aesthetics Partners is a leading platform in the MedSpa and aesthetic services industry that offers a comprehensive range of treatments

Target Description:

Operator of a medspa and cosmetic center intended to provide beauty treatments. The Company offers treatments such as cosmetic surgery, laser hair removal, body contouring, among others

Transaction Rationale:

The partnership with Dontage will support Alpha Aesthetics in its mission to unify top-tier aesthetic practices into a strong, nationwide network



May 2024

Buyer Description:

Empower Aesthetics is a medical spa services provider that offers patients comprehensive medical spa and aesthetic services

Target Description:

Leading provider of aesthetic medicine, skincare, and beauty services including photo facials, face slimming, plasma tightening, and other dermatology services

Transaction Rationale:

The partnership will empower Empower Aesthetics to continue delivering premier aesthetic services while expanding its national platform

Select MedSpa and Aesthetic Services M&A Activity

(\$ in millions)			
Date	Target	Acquirer	Target Description
Aug-24	Circadian Rejuvenation	Live Forever Health	Provider of healthcare and beauty care services
Jul-24	Eberbach Plastic Surgery	IBI Healthcare Institute	Operator of a cosmetic and reconstructive surgery center
Jul-24	Dermatologic SurgiCenter	Pennsylvania Dermatology Partners	Operator of a dermatology clinic
Jun-24	Absolute Aesthetics Rejuvenation and Laser Center	DermCare Management (Hildred Capital Partners)	Operator of a rejuvenation and laser center
Jun-24	Frank P. Fechner	Waud Capital Partners	Operator of a plastic surgery clinic
May-24	Dontage	Alpha Aesthetics Partners (Thurston Group)	Operator of a medspa and cosmetic center
May-24	Artisan Plastic Surgery	Olympus Cosmetic Group (VSS Capital Partners)	Provider of cosmetic surgery and non-surgical aesthetic services
May-24	Dr. Kim Dermatology	DermCare Management (Hildred Capital Partners)	Provider of dermatology services
May-24	Longhorn Dermatology	DermCare Management (Hildred Capital Partners)	Operator of a dermatology clinic
May-24	Silk Clinic	Empower Aesthetics (Shore Capital Partners)	Operator of a skincare and beauty center
Apr-24	Skin, A Medical Spa	MD Esthetics	Provider of aesthetician services
Mar-24	Champion Wellness Centers	Monument MicroCap Partners	Operator of wellness centers
Mar-24	The Lash Lounge	The Riverside Company	Provider of salon services
Mar-24	Love Plastic Surgery	K&B Management	Operator of a cosmetic surgery and skincare service center
Feb-24	Curate MedAesthetics	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of aesthetician services
Feb-24	Dermatology Services	Waud Capital Partners	Provider of dermatology services
Jan-24	H-MD Medical Spa	Advanced MedAesthetic Partners (Leon Capital Group)	Operator of aesthetic and wellness treatment center
Jan-24	New Radiance Cosmetic Center	Advanced MedAesthetic Partners (Leon Capital Group)	Operator of a medspa center
Jan-24	Opulent Aesthetics & Wellness	MD Esthetics	Provider of medspa and wellness services
Dec-23	AWSkinCo+	Empower Aesthetics (Shore Capital Partners)	Operator of medspa and wellness center
Dec-23	DermaTouch RN	Empower Aesthetics (Shore Capital Partners)	Operator of a wellness center focused on minimally invasive and non-invasive treatments
Dec-23	Chadds Ford Dermatology	Dermatology Partners	Operator of dermatology clinic
Dec-23	Scherl Dermatology	Schweiger Dermatology Group	Operator of medical and cosmetic skin care clinics
Dec-23	Millburn Laser Center	Schweiger Dermatology Group	Operator of medical and cosmetic dermatology clinic
Dec-23	The Skyn Bar	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of skincare and beauty services
Dec-23	Skin and Cancer Associates	Platinum Dermatology Partners (Sterling Partners)	Provider of medical, surgical, and cosmetic dermatology care services
Nov-23	SkinTrust Dermatology	Advanced Dermatology and Cosmetic Surgery	Operator of dermatology clinic
Nov-23	Ideal Image	Empower Aesthetics (Shore Capital Partners)	Operator of a medspa clinic
Nov-23	BCRN Aesthetics	Empower Aesthetics (Shore Capital Partners)	Operator of medical aesthetic practice providing a variety of treatments
Oct-23	Harley Institute of Wellness	American Medical Administrators	Provider of beauty and skincare treatments decreasing the incidence of age-related disease
Oct-23	Truth + Beauty Spa	SkinSpirit	Provider of beauty and skincare services
Sep-23	Delaware Valley Dermatology Group	The Dermatology Specialists	Provider of dermatologic care services intended to serve patients of all ages
Sep-23	Sunrise Dermatology	AQUA Dermatology	Full-service dermatology practice specializing in medical, surgical and cosmetic dermatology
Sep-23	Artistry of Face	Empower Aesthetics (Shore Capital Partners)	Operator of a medical aesthetic practice providing a variety of treatments
Aug-23	Advanced Life Clinic	MedSpa Partners (Persistence Capital Partners)	Provider of medical aesthetic, weight loss, and wellness services

Select MedSpa and Aesthetic Services M&A Activity *(continued)*

(\$ in millions)			
Date	Target	Acquirer	Target Description
Aug-23	True Dermatology	AQUA Dermatology	Operator of a dermatology clinic based in Alabaster, Alabama
Jul-23	Refined Aesthetics	Alpha Aesthetics Partners (Thurston Group)	Provider of light therapy and skin laser treatments
Jul-23	Blush Med Spa	Advanced MedAesthetic Partners (Leon Capital Group)	Operator of medical aesthetics practices across Connecticut
Jul-23	Crutchfield Dermatology	Tareen Dermatology	Operator of outpatient clinic intended to offer cosmetic surgery / skin care services
Jul-23	Amara Med Spa	Birch (Imperial Capital Group)	Operator of medspa providing injectables, skin resurfacing, and body contouring services
Jun-23	Columbus Aesthetic and Plastic Surgery	Aesthetic Partners	Operator of a dermatology clinic intended for cosmetic and surgical treatments
Jun-23	Genesis MedSpa	Princeton MedSpa Partners (Princeton Equity Group)	Provider of age-reversing, rejuvenating treatments
Jun-23	Plastic Surgery Associates & Allegro MedSpa	Cosmetic Physician Partners	Provider of comprehensive surgical and non-surgical cosmetic services
Jun-23	H/K/B Mount Pleasant	K&B Management	Operator of cosmetic surgery center enabling patients to get a wide range of plastic surgery services
May-23	Cosmetic Skin and Laser Center	Incline Equity Partners	Provider of medspa and health and wellness services, such as body sculpting, facials, and botox
May-23	The Ageless Center	Advanced MedAesthetic Partners (Leon Capital Group)	Operator of a cosmetic treatment center
May-23	Kovak Cosmetic Center	Princeton MedSpa Partners (Princeton Equity Group)	Provider of skin care treatment and services
May-23	Biootika Healthcare	Cronos Med	Provider of therapeutic and clinical services intended for cosmetic healthcare sector
May-23	Glo MedSpa	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of cosmetic and sculpting services intended to provide aesthetic treatments
May-23	Contempo Aesthetics	SkinSpirit	Operator of medical aesthetics practice
Apr-23	Faces of South Tampa	MedSpa Partners (Persistence Capital Partners)	Provider of aesthetics and skincare services
Apr-23	Inspire Aesthetics	Capital Southwest BDC	Operator of surgery centers focused on creating a unique aesthetic for clients
Apr-23	Shapiro Aesthetic Plastic Surgery	Gladstone Capital BDC	Provider of cosmetic surgery services
Apr-23	Esthetics Center	Thurston Group	Operator of a medspa and cosmetic center intended to provide beauty treatments
Mar-23	Destination Aesthetics	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of medical spa services
Mar-23	Advanced Plastic Surgery Center	Advanced MedAesthetic Partners (Leon Capital Group)	Operator of plastic surgery center
Feb-23	Reflections Center	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of cosmetic treatments
Feb-23	Advanced Skin and Body Solutions	MedSpa Partners (Persistence Capital Partners)	Provider of aesthetic medical and spa services
Feb-23	Main Line Center for Laser Surgery	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of state-of-the-art laser and energy-based treatments for medical and cosmetic dermatology
Feb-23	The Aesthetic Clinic	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of cosmetic and skincare services
Feb-23	Skinjectables	Princeton MedSpa Partners (Princeton Equity Group)	Operator of skincare and aesthetic medical salon
Jan-23	Natura Medspa	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of aesthetic body treatments and spa services
Jan-23	Forever Young MedSpa	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of medical aesthetic treatments
Jan-23	Healing Waters	Advanced MedAesthetic Partners (Leon Capital Group)	Provider of spa and wellness services
Jan-23	PRMA Plastic Surgery	Advanced Reconstructive Surgery Alliance	Provider of reconstructive and plastic surgery services
Jan-23	Miami Valley Plastic Surgeons	Dermatologists of Central States	Operator of a cosmetic surgery practice
Jan-23	Skintastic Med Spa	Princeton MedSpa Partners (Princeton Equity Group)	Provider of medical spa treatment services
Dec-22	EsthetixMD	Advanced MedAesthetic Partners (Leon Capital Group)	Operator of a medspa providing medical and aesthetic treatments
Nov-22	Skin Care Institute	Princeton MedSpa Partners (Princeton Equity Group)	Provider of skincare and wellness services
Nov-22	Central Sound Oral, Facial & Implant Surgery	Oak Hill Capital	Provider of cosmetic and dental care services

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MERIDIAN CONSUMER PRACTICE OVERVIEW





Meridian's Consumer Team



BRIAN MURPHY

PRESIDENT &
MANAGING
DIRECTOR



BENTON STURT

DIRECTOR
& CO-HEAD
CONSUMER



GREG RYAN

ASSOCIATE



WINNIE LEE

ASSOCIATE



GAVIN PRENTICE

ANALYST



YEARS EXPERIENCE

18+ years – M&A and
Corporate Finance



BACKGROUND

Redlands (BS, BS)



PRIOR EXPERIENCE

Accenture



YEARS EXPERIENCE

8 years – Investment Banking
2 years – Investment
Management



BACKGROUND

University of Utah (BS)



PRIOR EXPERIENCE

Goldman Sachs



YEARS EXPERIENCE

5 years – Investment Banking
and Financial Consulting



BACKGROUND

University of Washington
(MBA, BA)



PRIOR EXPERIENCE

Hunnex & Shoemaker



YEARS EXPERIENCE

4 years – Investment Banking



BACKGROUND

Puget Sound (BS)



PRIOR EXPERIENCE

Blackrock



YEARS EXPERIENCE

1 year – Investment Banking



BACKGROUND

Harvard University (BA)



PRIOR EXPERIENCE

Fortistar

Select Consumer Transactions

BioFilm

- Acquired by -

Good Clean Love

- Growth equity -

Disruptive Restaurant Group

- Debt recapitalization & advisory -

Pioneer Square Brands

- Acquired -

Warne

- Acquired by -

Wilmar

- Acquired by -

Tedder Industries

- Acquired by -

Classic Accessories

- Acquired by -

La Panzarella

- Acquired by -

Artco-Bell

- Acquired by -

Old World Christmas

- Acquired by -

Cocalo

- Acquired by -

Hanna Andersson

- Acquired by -

Exposed Skincare

- Recapitalized by -

Beecher's Handmade Cheese

- Strategic advisory -

Ellenos Greek Yogurt

- Strategic advisory and growth financing by -

Emanuel Geraldo

- Acquired by -

Chef'n Corporation

- Acquired by -

HandiQuilter

- Acquired by -

Pacific Market International

- Acquired by -

Slam Brands

- Acquired by -

Stanley

- Acquired by -

See Kai Run

- Acquired by -

Kokopax LLC

- Acquired by -

Thank you

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