



Urology Sector Snapshot

The market for urology care in the US is composed of multiple segments and ancillaries revolving around the male and female urinary tract.

Urology is becoming an attractive investment for private equity, hospital systems, and other investors because demand for services from an aging population is high and the supply of urologists is low.

Adults >65 utilize urologic services at a 3-fold higher rate than the general population, and this segment is expected to increase from 15% of the population in 2016 to 22% of the population by 2035.

The urologist physician shortage is expected to reach 32% by 2030, primarily driven by attrition of the aging provider population.

\$15.7 B	Estimated market size in 2018
\$373k	Average salary of urologist
12,660	Number of practicing urologists on 2018
85%	Physicians in practice groups
57%	Percentage of private practices in 2018
\$18.8k	Average annual costs for urologic diseases (per person)

Urology and Private Equity

Urology is one of the last frontiers of physician practice specialties for private equity to deploy capital. Currently, there are only three urologic private equity platform investments, and each one has been completed within the past four years. Given the immaturity of the urology PE platform thesis, AMB believes it is the perfect time for urology practices to capitalize/monetize their value – immaturity allows for innovative and beneficial deal structures which mitigate the common risks associated with private equity partners.

Key Investment Attributes of Urology

Market Fragmentation

- Only three private equity-backed acquiring urology platforms
- 75% of urology practices have less than 5 locations per practice

Increasing Demand, Decreasing Supply

- Aging population coupled with decreasing physician base leads to strong demand growth

Key Integrated Service Opportunities

- ASCs, Imaging, Radiation & Oncology Services, Anatomic Pathology, Lab Services, and Pharmacy
- 60%+ of urology practices provide general urologic services without subspecialty offerings

Sub-Specialty PE Breakdown

Specialty	Initial PE Investment	PE Platforms
Obstetrics	2017	1
Urology	2016	3
Gastroenterology	2016	4
Pain Mgmt.	2006	6
Orthopedics	2017	7
Ophthalmology	2014	11
Dermatology	2011	21
Dentistry	1996	35

Source: 2018 The State of the Urology Workforce Census Book, AMB Research

Urology Deal Breakdown

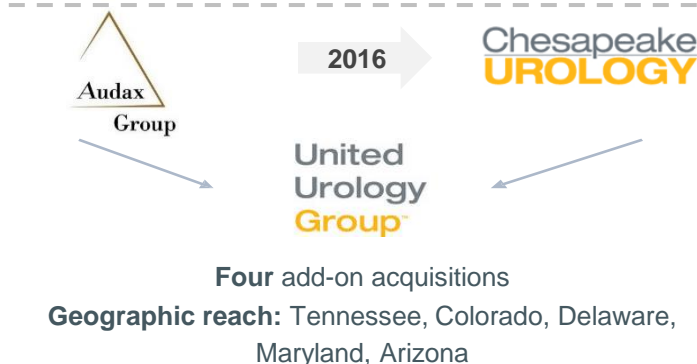
Live Platform Breakdown



- **Zero** add-on acquisitions
- **Geographic reach:** Ohio



- Three** add-on acquisitions
Geographic reach: New Jersey, Pennsylvania



- Four** add-on acquisitions
Geographic reach: Tennessee, Colorado, Delaware, Maryland, Arizona

Platform Add-On Snapshot

Date	Target Name	Buyer/Investor
12/2/19	Arizona Urology Group	United Urology Group
12/1/19	Urology Care Alliance	Urology Management Associates
9/13/19	Premier Urology Group	Urology Management Associates
7/5/18	Peninsula Urology Associates	United Urology Group
11/30/2018	Colorado Urology Associates	United Urology Group
4/10/18	Delaware Valley Urology	Urology Management Associates
4/2/18	Tennessee Urology Associates	United Urology Group

AMB Investment Banking Snapshot

AMB focuses on lower middle-market healthcare niches where consumerism and fragmentation meet to disrupt traditional healthcare channels. We typically advise companies and practices with EBITDA up to \$10M and \$150M in enterprise value. AMB's research-oriented approach to business development has resulted in a vast network of strategic and financial sponsor relationships that yield industry leading intelligence and optimal outcomes for our clients.

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Healthcare Investment Banking

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