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Inspire Aesthetics Group scaling plastic surgery and medical spa platform via M&A, CEO says

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Inspire Aesthetics Group, a Delray Beach, Florida-based managed services organization (MSO) for plastic surgery and aesthetics centers, is building its footprint via M&A, said Scott Brown, president and CEO.

The private equity-backed company is actively in conversations with potential targets as Inspire looks to expand its plastic surgery and medical spa network, Brown said. It is interested in acquiring board certified and high-quality practices looking to be part of a managed services organization, he explained.

Inspire Aesthetics Group supports 11 plastic surgery and medical spa practices in Florida, Georgia, Alabama, Arizona and Virginia, Brown said. The company's network includes 200 employees, of whom 46 are providers-18 of which are surgeons, he said.

It is interested in practices located in the Sunbelt states of the Southeast US and Arizona, Brown said. It is considering multi-location practices with multiple plastic surgeons and single-location practices with one or multiple surgeons, he said. Inspire

also prefers practices that have a medical spa service, he said. Medical spas offer nonsurgical aesthetic treatments such as chemical peels, dermal fillers, Botox, fat reduction, laser hair removal and microneedling. In addition to acquisitions, the company also looks to grow by adding new locations, recruiting new providers, and expanding service line offerings, he said.

Ideally, Inspire Aesthetics Group aims to execute four deals by year-end, Brown said. He declined to comment on whether it has signed letters-of-intent with potential targets.

In 12 months, Inspire Aesthetics Group could potentially double in size, Brown said. Its growth is somewhat limited by how quickly it is able to integrate acquired practices into its platform in a controlled manner, as it does not want to acquire in an assembly-line fashion, he said.

The company has a robust pipeline of deal flow, Brown said. Its internal physician network refers many of its potential deals to Aesthetics Group, he said. Additionally, the company talks with bankers who make introductions with potential targets, he said.

Inspire Aesthetics Group was formed after [receiving an investment from Hidden Harbor Capital Partners in 2022](#). The transaction with Hidden Harbor combined Inspire Aesthetics, a plastic surgery and medical spa practice founded in 2017, and Garramone Plastic Surgery, a Fort Myers, Florida-based plastic surgery practice founded in 2000, to form the new MSO, according to a company press release.

Inspire Aesthetics Group has made six plastic surgery and aesthetics acquisitions following its investment from Hidden Harbor, said Brown. In 2022, [Inspire Aesthetics Group acquired McCollough Plastic Surgery Clinic, Skin Center and Total Health Spa](#)

(MPSC), in Gulf Shores, Alabama. Also in 2022, the company acquired [Newport News, Virginia-based Plastic Surgery Center of Hampton Roads \(PSCHR\)](#) and [Marietta, Georgia-based Marietta Plastic Surgery](#).

There is a fair amount of private equity interest within the market, which is in the early innings of consolidation, said Brown. Inspire Aesthetics Group has the early mover advantage of being one of the first platforms to combine both plastic surgery and medical spa, he said.

A new platform, [Ascend Plastic Surgery](#), which is also focused on both plastic surgery and medical spa, recently launched alongside Sheridan Capital Partners, Brown said. There are other pure plays in the space that focus on only medical spa, plastic surgery or dermatology, he said.

Inspire Aesthetics Group could pursue recapitalization options with a new private equity firm in two or three years, Brown said. Hidden Harbor's typical hold time frame is five years, and it is already two years into the investment, he added. Before a recap, Inspire Aesthetics Group would need to achieve its outlined milestones, which includes fully integrating acquisitions and growing its existing practices with follow-on M&A and physician recruitment, he said.

If Inspire Aesthetics Group can demonstrate these goals at scale, it would conclude Hidden Harbor's thesis of building and scaling a plastic surgery and medical spa platform, Brown explained. Its next PE owner would then be in a position to double or triple Inspire Aesthetics Group's platform, he added.

While Brown declined to disclose financials, Brown said that the company is "well on its way" to achieving EBITDA numbers that would interest the next investor, he said.

Generally speaking, investors typically become interested once platforms generate at least USD 25m EBITDA, he said.

While Inspire Aesthetics Group is not in a process or seeking an exit in the near-term, it is starting to “socialize” with potential investors so that when it achieves its desired scale, it will have a handful of potential private equity sponsors that are interested in the platform, Brown explained.

McDermott Will & Emery serves as its legal counsel.

Hidden Harbor declined to add additional comments for this report.

by Rebecca Wenzel



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