

The Wisdom Tooth:
A Dental Industry
Newsletter

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

Company	Share Price 12/31/2019	% of S2 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples			PE Multiples		LTM Operating Margins			Net Debt/EBITDA	
					TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	LTM P/E	CY18 P/E	Gross	EBIT	EBITDA		
Align Technology	ALGN	\$279.04	83.4%	\$21,992	\$21,267	9.3x	36.0x	41.1x	53.6x	54.7x	72.2%	22.6%	25.8%	(1.2x)
Dentsply Sirona	XRAY	\$56.59	94.1%	\$12,586	\$13,896	3.5x	21.8x	44.1x	80.8x	NA	52.3%	7.9%	16.0%	2.1x
Henry Schein	HSC	\$66.72	91.6%	\$9,791	\$11,967	1.1x	13.5x	17.1x	20.0x	29.2x	27.4%	6.1%	7.9%	1.2x
Envista Holdings	NVST	\$29.64	96.2%	\$4,702	\$6,182	2.2x	15.5x	23.0x	19.6x	NA	55.4%	9.7%	14.3%	3.7x
SmileDirectClub	SDC	\$8.74	41.4%	\$3,341	\$3,210	4.7x	NA	NA	NA	NA	76.2%	(66.1%)	(63.2%)	0.8x
Patterson Companies	PDCO	\$20.48	81.1%	\$1,960	\$2,582	0.5x	12.5x	20.9x	34.7x	13.3x	21.6%	2.2%	3.7%	3.0x
Milestone Scientific	MLSS	\$1.39	82.7%	\$68	\$66	6.7x	NA	NA	NA	NA	61.8%	(48.3%)	(46.1%)	0.4x
Led Medical Diagnostics	TSX:XRAY	\$0.28	86.2%	\$11	\$13	0.9x	9.5x	28.1x	NA	NA	64.1%	3.2%	9.5%	(0.3x)
Mean				\$6,806	\$7,398	3.6x	18.1x	29.0x	41.7x	32.4x	53.9%	(7.8%)	(4.0%)	1.2x
Median				\$4,022	\$4,696	2.9x	14.5x	25.5x	34.7x	29.2x	58.6%	4.7%	8.7%	1.0x
High				\$21,992	\$21,267	9.3x	36.0x	44.1x	80.8x	54.7x	76.2%	22.6%	25.8%	3.7x
Low				\$11	\$13	0.5x	9.5x	17.1x	19.6x	13.3x	21.6%	(66.1%)	(63.2%)	(1.2x)

Source: PitchBook

Total Enterprise Value (TEV) = Market Capitalization + Preferred Equity + Debt + Minority Interest - Cash

LTM = Last Twelve Months

Largest Dental Movers and Losers (largest % changes in the month of December)

	December 2019	LTM		December 2019	LTM
Led Medical Diagnostics	16.0%	4.3%	SmileDirectClub	(12.3%)	NA
Envista Holdings	5.4%	NA	Henry Schein	(3.2%)	8.4%
Milestone Scientific	5.3%	319.2%			
Patterson Companies	5.2%	4.2%			

Recent Transactions

Transaction Date	Company Name	Location	Business Description	Transaction Overview
12/10/2019	Endo 1 Partners	Novato, CA	Provider of comprehensive business and operational support services intended for endodontics practices. The Company provides knowledge, resources and shared back-office support to endodontist specialists in order to provide the diagnosis, prevention, and treatment of injuries to the pulp, including root canals treatment and other procedures related to the interior of the tooth.	The Company received an undisclosed amount of development capital from Veronis Suhler Stevenson on December 10, 2019.
12/23/2019	RevenueWell	Bannockburn, IL	Provider of marketing automation technology intended to help dentists build better, more connected relationships with their patients and communities. The Company's software suite automates patient management tasks to help reduce costs, build patient relationships and grow practice revenues and can reach more patients, in more ways and at a lower cost than generic systems and its marketing suite lets offices automate many common patient communication processes, enabling doctors to attract, retain and maximize the lifetime value of every patient in their practice and get more successful.	The Company was acquired by Marlin Equity Partners through an LBO on December 23, 2019 for an undisclosed sum.
12/26/2019	Sorendo	Laguna Hills, CA	Developer of equipment for root canal treatment designed to transform dentistry through sound science. The Company engages in the development of dental equipment using multisonic ultra-cleaning technology which can be used for root canal cleanings helping dentists to provide advance treatment for their patients.	The Company received \$84.70 million of development capital from EW Healthcare Partners, JMR Financial Group, Security Pacific Finance, SEB Private Equity, CVF Capital Partners, General Atlantic, Orbimed, NeoMed Management, Meritech Capital Partners, Perceptive Advisors, Redmile Group, ArrowMark Partners and Broadfin Capital on December 26, 2019.
12/31/2019	ClaroNav	Toronto, Canada	Developer of surgical navigation technologies intended to place dental implants precisely, less invasively and more efficiently. The Company's technology accurately tracks the drilling and placement of dental implants in real-time on the patient's CBCT scan during surgery, enabling dentists to increase their confidence level for dental surgeries.	The Company raised \$298,645 of venture funding from undisclosed investors on December 31, 2019.

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Recent Industry News



Three Aspen Dental Practice Owners Named to American Academy of Clear Aligners' Board of Directors

December 2, 2019 - Three Aspen Dental practice owners have been named to the board of directors for the American Academy of Clear Aligners. Dr. Keen earned her DDS from New Orleans-based Louisiana State University School of Dentistry, where she was awarded the Allan P. Rappold Award for Excellence in Operative Dentistry and the American Academy of Implant Dentistry Certificate of Recognition. After school, Dr. Keen joined Aspen Dental at its Ruskin, Florida location and later became a partner. She received credentials as a fellow in the International Congress of Oral Implantologists and, in 2017, was "Mentor of the Year" for Aspen Dental. Dr. Losier graduated from Indianapolis-based Indiana University School of Dentistry in 2008. He focuses on implant and clear aligner dentistry at his nine Aspen Dental offices in Indiana. He is a member of the American Dental Association and a board member in the Isaac Knapp District Dental Society. Dr. Oakes attended Boston-based Tufts University School of Dental Medicine. He and his wife, Laura Oakes, DMD, now own and run three Aspen Dental offices in southern Maine. The Oakeses were awarded with Aspen Dental's "Walk the Talk" award for leadership and fostering a positive culture of pride and commitment to education.



American Dental Association Files Lawsuit Against Delta Dental

December 2, 2019 - The American Dental Association, along with two individual dentists, are claiming Delta Dental violated antitrust laws and engaged in anticompetitive conduct. The complaint alleges Delta Dental designated certain areas for operation and divided the U.S. market to restrict competition and reduce reimbursement rates for dentists. Delta Dental Plans Association, its affiliated national entities and 39 independent Delta Dental companies are named in the lawsuit. Other dentists have also filed class-action lawsuits against Delta, alleging antitrust violations.



Smile Brands Opens New Office with Promotion

December 3, 2019 - Smile Brands has opened a new Bright Now Dental office in Tulare, California. The new practice is being led by Nathan Tully, DDS. He has advanced training in comprehensive dental care, including extractions, bone graft placement and full-mouth rehabilitation services. With the launch of the new practice, Smile Brands is offering new patients different promotions, including a \$29 check-up package and \$100 off dental services over \$300.



SmileDirectClub Competitor Raises \$10M

December 6, 2019 - Uniform Teeth has raised another \$10 million, bringing its total funding to \$14 million. With the funding, Uniform Teeth plans to open two locations in Seattle and Chicago in early 2020. Throughout 2020, Uniform Teeth hopes to expand throughout the U.S. Uniform Teeth requires patients to have in-person visits. Prior to the visit with an orthodontist, patients use the Company's app to upload photos of their teeth and bite. During the in-patient visits, orthodontists scan patients' teeth and use 3D imaging to determine treatment plans.



New Clear Aligner Company Hits the Market

December 9, 2019 - The dental industry welcomed another clear aligner competitor in November 2019. Two industry leaders partnered to launch Clear Blue Smiles. Co-located in St. Louis and Northern Virginia, Clear Blue Smiles was founded by Kevin Dillard, former general counsel of the American Association of Orthodontists, and William Crutchfield, DDS, a leading orthodontist. Similar to SmileDirectClub, Clear Blue Smiles will treat patients through remote dentistry technology.



Heartland Dental Becomes First DSO to Support One Thousand Practices

December 10, 2019 - Effingham, Illinois-based Heartland Dental now supports 1,000 practices, making it the first dental service organization to reach this milestone. The newest supported dental practice, Miami Lakes Cosmetics Dentistry, is owned by Johnny Peralta Lee, DMD. This is Heartland Dental's 208th supported practice in Florida. In total, Heartland Dental supports more than 1,600 dentists across 37 states. In 2019, the DSO added around 125 practices to its portfolio of supported offices.



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MB2 Dental Acquires Arizona DSO

December 11, 2019 - Carrollton, Texas-based MB2 Dental has purchased CORE Dental Partners. Located in the Phoenix area, CORE Dental Partners comprises 17 dental practices, including six pediatric offices, that are operated by 11 dentists. This marks MB2 Dental's largest transaction since being founded in 2007. It also allowed the dental service organization to expand into Arizona. MB2 Dental expects to be affiliated with 79 new dental practices throughout the U.S.



Candid Uses AI to Speed Up Teeth Straightening Process

December 16, 2019 - Candid, an aligner company that sells at-home starter kits, is using artificial intelligence to speed up treatment. Candid ships patients diagnosis kits and has an app to walk patients through treatment. The standard plan takes about 32 weeks, with aligner switches every 14 days. An assigned orthodontist tracks progress, either through the app or in person at a Candid studio. Candid's new Dental Monitoring treatment plan provides AI-based remote monitoring capabilities to help bridge the gap between orthodontists and remote patients. The program checks in every seven to 10 days to ensure patients are wearing aligners correctly. Patients put a cheek stretcher in their mouth and take pictures of their teeth with and without the aligners. AI analyzes the images based on the last aligner change and sends that information to an orthodontist for further analysis. Treatment for patients with Dental Monitoring takes 20-30 percent less time than those using the standard Candid program.



Houston DSO Receives Funding from Private Investment Firm

December 16, 2019 - Houston-based Endo1 Partners, a specialty dental services organization has received funding from Veronis Suhler Stevenson, a private investment firm. Endo1 Partners was founded earlier in 2019 by four dentists. The DSO supports locations in Texas and California. Patients who visit an Endo1 Partners-supported office can receive prevention services, root canals and other procedures related to the interior of the tooth. With the funding, Endo1 Partners plans to accelerate its expansion with the acquisition of different endodontic practices.



SmileDirectClub Expands Internationally

December 18, 2019 - Nashville, Tennessee-based SmileDirectClub announced that it would be expanding into Germany in 2020. The Company plans to open various SmileShops in Germany to increase its presence throughout the European Union. SmileDirectClub went international in 2019, bringing its network of 250 affiliated dentists and orthodontists to Canada, Australia, New Zealand, Ireland and the U.K. Licensed German dentists will create and prescribe the clear aligners to patients. To date, SmileDirectClub has treated more than 750,000 consumers since its launch in 2014.



42 North Dental Makes First New York Affiliation

December 18, 2019 - Waltham, Massachusetts-based 42 North Dental added Browne, Goetz & Miraglia in Westchester County, New York, to its portfolio of supported practices. This is the dental service organization's first New York affiliation. The practice is owned and operated by John Browne, DDS, Gene Goetz, DDS, and Ben Miraglia, DDS, who will continue to treat patients at the practice. 42 North Dental was founded in 2014. Since then, the DSO has grown from 29 supported practices to 74 supported practices. The dental service organization continues to expand with denovo practices and its acquisition strategy.



Aspen Dental Opens 800th Office

December 19, 2019 - East Syracuse, New York-based Aspen Dental has opened its 800th office in Southern Pines, North Carolina. The milestone was achieved by Aspen Dental opening nine offices throughout Georgia, Kansas, Michigan, Missouri, Nebraska, North Carolina and Virginia. A new Aspen Dental office opens every four days, which is a direct reflection of the shared commitment between Aspen Dental Management and the doctors whose practices we support to help patients get the care they need. Aspen Dental was founded in 1998. Today, the DSO estimates that around 25,000 patients receive care at an affiliated location each day. The DSO relies entirely on its de novo strategy.

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Overview of the Chicago Corporation

- Highly regarded investment bank with a long, distinguished history.
- Focused on middle market private companies owned by families and entrepreneurs with revenue up to \$250 million.
- Over 35 experienced professionals with broad industry experience.
- Providing traditional investment banking services as well as broader financial advisory services to assist clients facing issues of growth, capital structure, ownership transition, shareholder value and liquidity.
- All we do is advise clients on corporate finance matters. We don't trade or underwrite securities, provide wealth management services, or engage in principal investing.

Why the Chicago Corporation?

Deep Dental & Healthcare Experience

Two Managing Directors on Every Engagement

Trusted Advisors to Business Owners

Seasoned Bankers with 200+ Years of Combined Experience

Best-in-Class Unbiased Advice

Exceptional Transaction Execution



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Sources include beckersdental.com, PitchBook and various publicly available news publications.

Additional information is available upon request.