

The Wisdom Tooth:
A Dental Industry
Newsletter

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

Company	Share Price 02/29/2020	% of 52 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	\$218.35	65.2%	\$17,209	\$16,399	6.8x	26.1x	29.8x	39.5x	54.7x	72.5%	22.9%	26.1%	(1.3x)
Dentsply Sirona	XRAY	\$49.24	80.9%	\$10,952	\$12,261	3.1x	19.2x	38.9x	70.3x	NA	52.3%	7.9%	16.0%	2.1x
Henry Schein	HSC	\$60.94	82.4%	\$8,738	\$10,550	1.1x	11.7x	14.7x	13.0x	30.4x	31.0%	7.2%	9.0%	1.0x
Envista Holdings	NVST	\$25.38	76.2%	\$4,032	\$5,361	1.9x	12.0x	19.2x	15.9x	NA	55.0%	10.1%	16.2%	3.0x
SmileDirectClub	SDC	\$7.48	35.5%	\$2,859	\$2,875	3.8x	NA	NA	NA	NA	76.2%	(66.1%)	(63.2%)	0.8x
Patterson Companies	PDCO	\$23.79	92.6%	\$2,277	\$2,941	0.5x	14.3x	23.9x	47.6x	13.3x	21.6%	2.2%	3.7%	3.0x
Milestone Scientific	MLSS	\$2.20	83.0%	\$108	\$106	10.8x	NA	NA	NA	NA	61.8%	(48.3%)	(46.1%)	0.4x
Led Medical Diagnostics	TSX: XRAY	\$0.34	91.1%	\$13	\$16	1.1x	11.3x	33.3x	NA	NA	64.1%	3.2%	9.5%	(0.3x)
Mean				\$5,773	\$6,314	3.6x	15.8x	26.7x	37.3x	32.8x	54.3%	(7.6%)	(3.6%)	1.1x
Median				\$3,446	\$4,151	2.5x	13.2x	26.9x	39.5x	30.4x	58.4%	5.2%	9.3%	0.9x
High				\$17,209	\$16,399	10.8x	26.1x	38.9x	70.3x	54.7x	76.2%	22.9%	26.1%	3.0x
Low				\$13	\$16	0.5x	11.3x	14.7x	13.0x	13.3x	21.6%	(66.1%)	(63.2%)	(1.3x)

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 February)

	February 2020	LTM		February 2020	LTM
Milestone Scientific	26.4%	NA	SmileDirectClub	(44.1%)	NA
Led Medical Diagnostics	19.5%	16.0%	Align Technology	(15.1%)	(17.1%)
Patterson Companies	8.1%	2.8%	Envista Holdings	(14.2%)	NA
			Dentsply Sirona	(12.1%)	0.2%
			Henry Schein	(11.6%)	1.4%

Recent Industry News



Mayo Clinic Pilots Dental Program for Children

February 3, 2020 - An affiliated Mayo Clinic hospital in Mankato, Minnesota, will offer patients dental services at its Eastridge Clinic. Mayo Clinic received funding from the Mankato Area Foundation and Delta Dental to roll out the dental services. The health system is offering the services in conjunction with the National Children's Dental Health Month. Patients up to age 18 are eligible for the dental services. Clinicians will offer oral exams, dental cleanings, X-rays and fluoride varnishes and sealants. Mayo Clinic hopes to address the disparities in oral healthcare access by offering these preventative dental services.



Tennessee DSO Secures Funding from Investment Firm

February 5, 2020 - Nashville, Tennessee-based Marquee Dental Partners has refinanced its existing credit facility. Additionally, Marquee Dental Partners was able to secure funding from Crestline Investors, an investment firm in Fort Worth, Texas. With the funding, Marquee Dental Partners will continue to expand throughout the Southwest. In 2019, Marquee Dental Partners completed seven acquisitions. The dental service organization plans to expand through acquisitions as well as de novo practices.

Dental Industry Contacts

Tom Denison

(312) 283-0819

thomas.denison@thechicagocorp.com

Phil Clarke

(312) 283-0803

philip.clarke@thechicagocorp.com

Dave West

(312) 283-0841

david.west@thechicagocorp.com



The Wisdom Tooth: A Dental Industry Newsletter

Recent Industry News



ADA Dental Program Will Provide Free Care to 340K Children in 2020

February 10, 2020 - The Give Kids A Smile program will provide free dental services to nearly 340,000 children nationwide this year, beginning at Indianapolis-based Indiana University School of Dentistry. The Indiana University School of Dentistry will host the national kickoff, where more than 150 volunteers will provide dental exams, cleanings, fillings, crowns, extractions, fluoride, sealants and X-rays to about 250 local children. Since the ADA launched the national program in 2003, volunteer dentists have treated over 6 million children. In 2020, about 6,500 volunteer dentists and 26,000 other dental team volunteers are expected to participate at 1,400 events. The national kickoff is sponsored by Henry Schein and Colgate-Palmolive.



Dr. Bettie McKaig, 1st Female President of International College of Dentists, Dies

February 10, 2020 - Bettie McKaig, DDS, who served as the first female president of the International College of Dentists in 2019, died February 3 at age 70. Dr. McKaig was also the American Dental Association's first female vice president from 1998-99, as well as the first female president of the North Carolina Dental Society in 1995-96. Dr. McKaig earned bachelor's, master's and dental degrees from Chapel Hill-based University of North Carolina, where she later continued to serve as a faculty member.



Ohio State University College of Dentistry Says \$95M Expansion Will Up Admissions by 10%

February 11, 2020 - Officials at Columbus-based Ohio State University College of Dentistry expect its \$95 million expansion project to be completed this summer. Four years ago, the university got approval from the Board of Trustees to add 130,000 square feet of space for dental students. The college of dentistry expects admissions to increase by 10 percent with the new space. Currently, Ohio State University College of Dentistry is the only state dental school, educating 63 percent of the state's dentists. Dental students will have access to eight small-group practice clinics and four surgery units. University officials wanted the new space to be designed for increased collaboration between dental and dental hygiene students. With the new surgery rooms, Ohio State University College of Dentistry will be the first dental school in the U.S. to offer patients general anesthesia. The new space will have an expanded radiology clinic for oral imaging, a dental faculty practice, a central equipment sterilization facility and a two-story atrium.



MB2 Dental Opens 200th Practice

February 12, 2020 - Carrollton, Texas-based MB2 Dental announced three new partners and a move into Connecticut, bringing MB2's office count to 200 practices across 13 states. Denton (Texas) Smiles Dentistry was the 200th addition, known for its dentist Glenn Vo, DDS, and his dental discounts website, Nifty Thrifty Dentists. MB2 has added over 120 practices since Sentinel Capital Partners purchased it in September 2017.



Delta Dental Gives \$766K to 34 Nonprofits in Arizona

February 12, 2020 - Delta Dental designated \$766,506 to 34 nonprofit organizations for dental supplies and efforts aiming to improve oral healthcare for nearly 93,000 Arizona residents. The annual community grants program gave \$566,506 to 30 organizations. The additional \$200,000 was distributed through a new IMPACT grant program and given to four organizations that provide oral health services and education to children, pregnant women or seniors.



West Virginia Dental School Seeks \$15M for Renovations

February 18, 2020 - The West Virginia University School of Dentistry has begun a \$15 million fundraising campaign to modernize its facilities. The dental school has already begun preliminary renovations to administrative offices and storage lockers used by dental students. The final plans include renovations to the urgent care clinic and patient reception areas. WVU School of Dentistry plans to install two cone beam computed tomography imaging devices in the updated facility. The urgent care clinic has treated 8,807 patients over the past five years without the updated technology. As more funds come through, the university will continue renovating. In 2020, university officials hope to raise \$1.5 million. Through 2023, they hope to raise another \$9 million-plus.



The Wisdom Tooth: A Dental Industry Newsletter

Recent Industry News



Massachusetts DSO Affiliates with 90-Year-Old Private Practice

February 19, 2020 – Waltham, Massachusetts-based 42 North Dental has affiliated with Allen Dental Associates in Braintree, Massachusetts. Allen Dental Associates is a third-generation private practice that has been operating for more than 90 years. Today, Craig Allen, DDS, and Laura Handwerk, DDS, lead the practice. With the acquisition, 42 North Dental supports 75 dental practices throughout the East Coast, including 25 individual dental brands. Founded in 2014, the dental service organization saw its most growth in 2019 when it added 16 practices to its portfolio.



Affinity Dental Management Adds 10 New York Offices in New Affiliation

February 19, 2020 - Holyoke, Massachusetts-based Affinity Dental Management has added 10 Concerned Dental Care offices to its growing platform. The dental service organization provides practice management and administrative support for practices across Massachusetts, Connecticut, Vermont and New York. Concerned Dental Care offices are based out of New York, with locations in Westchester and the New York City boroughs of Manhattan, the Bronx and Queens. Private equity firm MidOcean Partners acquired Affinity Dental Management in 2017.

Aspen Dental Plans to Relocate C-suite to New Chicago Headquarters and Hire 500 Employees



February 21, 2020 - East Syracuse, New York-based Aspen Dental Management plans to hire between 300 and 500 new workers while also shifting its C-suite to its new Chicago location. In January, Aspen Dental announced that it would build a new Chicago location, which will now serve as its national headquarters. Currently, the Chicago office has about 100 employees. Employees will move into 200,000-square-foot space in the fall of 2021. Aspen Dental will focus on hiring finance, marketing, human resources, information technology and operations professionals over the next three years. The dental service organization is looking to hire Chicago area residents.

Walmart Health Offers \$25 Teeth Cleaning



February 25, 2020 - At its new clinic in Calhoun, Georgia, Walmart Health is offering consumers \$30 medical checkups and \$25 teeth cleanings. The 12-room, 6,500-square-foot center is designed to compete with CVS and Amazon. Along with an in-house pharmacy, the clinic offers patients diagnostic labs tests, X-rays, eye care and other dental services. However, it's unclear how consumers will respond to the clinic. A survey by CivicScience in September 2019 showed 11 percent of Americans polled would "likely" visit a Walmart Clinic. Walmart Health has also not released information on the number of clinics it plans to open.

Aspen Dental Expands Implant Program



February 26, 2020 - East Syracuse, New York-based Aspen Dental Management has expanded its implant offerings with Carestream. In a new development program, Aspen Dental will support providers to implement 3D imaging and surface scanning technologies. Aspen Dental owners and supporting staff will be able to enroll in the implant course by the end of 2020. Specifically, dentists will undergo web-based, didactic and surgical level courses. In the three-tiered program, dentists will: have access to education on consultations and case presentations; get hands on experience with cone-beam computed tomography; and complete coursework on 3D image interpretation, diagnosis, case selection and single implant and over-denture restorations. To support the program, Aspen Dental appointed Sundeep Rawal, DDS, to serve as senior vice president of implant support services. Aspen Dental supports more than 800 affiliated offices in 41 states.



The Wisdom Tooth: A Dental Industry Newsletter

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



The Wisdom Tooth is a monthly newsletter published by The Chicago Corporation. To subscribe, please visit, www.thechicagocorp.com.

Information contained in this publication is based on data obtained from sources we deem to be reliable, however, it is not guaranteed as to accuracy and does not purport to be complete. Nothing contained in this publication is intended to be a recommendation of a specific security or company nor is any of the information contained herein intended to constitute an analysis of any company or security reasonably sufficient to form the basis for any investment decision. Nothing contained in this publication constitutes an offer to buy or sell or the solicitation of an offer to buy or sell any security. Officers or employees of affiliates of The Chicago Corporation, or members of their families, may have a beneficial interest in the securities of a specific company mentioned in this publication and may purchase or sell such securities in the open market or otherwise.

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

Additional information is available upon request.