

The Wisdom Tooth:  
A Dental Industry  
Newsletter

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

Company	Share Price 06/30/2020	% 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	\$274.44	91.0%	\$21,616	\$20,899	8.7x	35.0x	40.2x	11.5x	54.7x	72.1%	21.6%	25.0%	(1.2x)
Dentsply Sirona	XRAY	\$44.06	72.4%	\$9,653	\$10,982	2.8x	21.7x	58.4x	119.1x	NA	53.9%	4.7%	12.8%	2.6x
Henry Schein	HSIC	\$58.39	78.9%	\$8,336	\$10,205	1.0x	11.2x	14.2x	12.0x	30.4x	30.7%	7.1%	9.1%	1.1x
Envista Holdings	NVST	\$21.09	63.3%	\$3,358	\$4,763	1.8x	12.6x	23.5x	19.5x	NA	54.1%	7.7%	13.9%	3.8x
SmileDirectClub	SDC	\$7.90	37.4%	\$3,042	\$3,123	4.1x	NA	NA	NA	NA	75.4%	(78.6%)	(74.2%)	(0.1x)
Patterson Companies	PDCO	\$22.00	85.6%	\$2,111	\$2,704	0.5x	NA	NA	NA	13.3x	21.8%	(10.0%)	(8.5%)	(1.3x)
Milestone Scientific	MLSS	\$1.95	64.0%	\$121	\$121	14.7x	NA	NA	NA	NA	69.0%	(102.5%)	(99.3%)	0.0x
Apteryx Imaging	TSX:XRAY	\$0.46	98.6%	\$20	\$21	1.3x	7.7x	11.9x	46.1x	NA	68.4%	11.1%	17.2%	(0.4x)
Mean				\$6,032	\$6,602	4.3x	17.6x	29.7x	41.7x	32.8x	55.7%	(17.4%)	(13.0%)	0.6x
Median				\$3,200	\$3,943	2.3x	12.6x	23.5x	19.5x	30.4x	61.3%	5.9%	10.9%	0.0x
High				\$21,616	\$20,899	14.7x	35.0x	58.4x	119.1x	54.7x	75.4%	21.6%	25.0%	3.8x
Low				\$20	\$21	0.5x	7.7x	11.9x	11.5x	13.3x	21.8%	(102.5%)	(99.3%)	(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 June)

	June 2020	LTM		June 2020	LTM
Align Technology	11.7%	1.0%	Dentsply Sirona	(5.3%)	(24.5%)
Patterson Companies	11.7%	(1.1%)	Henry Schein	(3.8%)	(16.0%)
Milestone Scientific	6.0%	NA	Envista Holdings	(0.2%)	NA
SmileDirectClub	1.2%	NA			

Recent Industry News



New York Dentists Can Reopen June 1

June 1, 2020 - New York Gov. Andrew Cuomo gave dentists explicit permission to return to work during a May 31 news conference after they'd been given unclear guidelines for months. New York dentists will be allowed to reopen their practices for nonemergency care June 1 as long as they follow the state's interim guidance for dentistry during the pandemic. The guidelines include instructions on proper physical distancing, infection control, personal protective equipment use and screening and tracing processes.



Colorado Dental Association Reverses Medicaid Program Defunding

June 4, 2020 - The Colorado Dental Association persuaded legislators to reverse their decision to cut the state's adult Medicaid benefits the same day the program's defunding was announced. The benefits in question were established in 2013 by a state Senate bill that allowed for limited dental benefits under Medicaid for patients age 21 and older. When they were cut on the morning of May 20, the benefits covered up to \$1,500 of dental care per year. After learning of the benefits' termination, the CDA immediately reached out to legislators. While in talks, the CDA made sure to recognize that policymakers were under immense pressure to make budget cuts, but argued that the entire benefits program could not be axed because it provided many Coloradans with care they could not afford otherwise and would be difficult to bring back. The state Senate joint budget committee's final recommendation cut some funding from the benefits program, but it was saved.

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



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### ADA Distributes KN95 Masks from National Stockpile to Dentists

June 8, 2020 - The American Dental Association is distributing 350,000 KN95 masks it received from the national stockpile to dentists in states most in need of personal protective equipment. The ADA obtained the masks from the HHS, Federal Emergency Management Agency and White House COVID-19 response task force. HHS promised to provide more masks in regular installments, and FEMA vowed to release up to 1.5 million more masks in the future. The ADA included 17 states and one territory in the first wave invited to receive masks, determined by results from a survey the organization conducted on which states lack PPE the most. The masks are free; recipients will only need to pay for shipping.



### BCBS of Rhode Island to Give Dental Credits, Extend Teledentistry Coverage

June 8, 2020 - Blue Cross Blue Shield of Rhode Island is providing a 25 percent dental premium credit through July 31 to support the reopening of dental practices amid the pandemic. The insurer will provide the credits via direct check or single installment on July invoices, depending on how each employer or patient purchased their coverage. BCBS of Rhode Island is also extending teledentistry coverage through the end of July, recognizing that in-person visits are not a viable option for many patients who are at high risk of contracting COVID-19.



### DSO Offers Free Coverage to Front-line Workers through 2020

June 9, 2020 - Texas DSO Ideal Dental launched an initiative to provide Texas healthcare workers and their immediate families with free dental care through 2020. The initiative, called Salute to Healthcare Workers, will provide front-line healthcare workers and their families with free dental exams, X-rays, teeth whitening and 40 percent off orthodontic care. All Texas healthcare staff are eligible to receive the coverage at any of Ideal Dental's 82 offices in the state.



### American Dental Hygienists Association Names New President

June 10, 2020 - The American Dental Hygienists Association will name Lisa Moravec its new president during its virtual annual conference being held June 26-28. Ms. Moravec, who serves as a site coordinator and instructor at the Gering-based University of Nebraska Medical Center's college of dental hygiene, has been the ADHA's president-elect since her colleagues voted her into the position during the organization's 2019 annual conference. She will continue to facilitate and teach in UNMC's dental hygienist program while representing ADHA around the country.



### United Health Foundation Gives \$430K for American Indian College Fund Scholarships

June 11, 2020 - The United Health Foundation is giving the American Indian College Fund a \$430,000 grant to improve access to dental and other health services in Native American communities. The United Health Foundation increased its support for the program by \$70,000 this year. The grant will provide 13 scholarships for American Indians and Alaska Natives studying in the health and dental fields. American Indian and Alaska Native people have a life expectancy 5.5 years shorter than the rest of the U.S. population, according to HHS' Office of Minority Health. A key factor driving health disparities in Native communities is the insufficient number of providers. The American Indian College Fund's United Health Foundation Tribal Scholars Program aims to develop the next generation of Native healthcare providers to serve their communities with personalized, culturally competent care.



### New Dental Devices Stop Saliva Spray

June 16, 2020 - Milwaukee-based Dental Associates has invested in new infection control devices, including two devices that stop saliva spray and help lower virus exposure risk. Dental Associates and its 14 Southeast Wisconsin dental offices now own Zirc Dental Products' Mr. Thirsty and Kulver's Ivory ReLeaf. Both devices suck in saliva particles before they go into the air. Amanda Belcher, a dental hygienist at Franklin, Wisconsin-based Dental Associates, said she feels safe and the devices protect both staff and patients.



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### **Pennsylvania Dental Clinic Launches Pre-appointment COVID-19 Testing Program**

June 22, 2020 - New Castle, Pennsylvania-based Refresh Dental is requiring all patients scheduled for an appointment to undergo a COVID-19 diagnostic and antibody test before receiving care. Dental staff will register patients for testing 48 to 72 hours before they are scheduled for treatment. They will be required to produce a nasal swab for the diagnostic test and a blood sample for the antibody test. The tests should take about 15 minutes and results will be issued 24 to 48 hours after they are conducted. The testing effort is being led by North American Dental Group, the practice's DSO.



### **NYU Dental School Snags \$2M Federal Grant to Improve Care for Patients with Disabilities**

June 23, 2020 - The Health Resources and Services Administration has granted the NYU College of Dentistry nearly \$2 million to train dentists on providing care for patients with disabilities. The grant will be used for the department of pediatric dentistry's "Bridging the Gap" program, which will provide pediatric dental postgraduate students, dentists and dental hygienists training on how to address the oral health needs of patients with disabilities. The program also plans to work with NYU's nursing school to launch a teledentistry initiative in which nurse practitioner students refer community members with disabilities for virtual dental treatment. HRSA's grant lasts for five years, and the first round of training programs will begin in September 2021. Dr. Chinn and his team will measure success by issuing pre- and post-program surveys to measure dental practitioners' confidence in caring for patients with disabilities.



### **UConn Dental Faculty Use \$1.3M Grant to Boost Diversity in Dental Workforce**

June 24, 2020 – Mansfield, Connecticut-based University of Connecticut's dental school, along with 11 other schools, are using a \$1.3 million grant to develop a national mentoring network and support a diverse dental, oral and craniofacial workforce. The grant was awarded by the American Association for Dental Research from the National Institutes of Health's National Institute of Dental and Craniofacial Research. Over the next five years, the network will directly help 10 new mentees from underrepresented groups each year. The program will focus on developing professional career skills and transitioning career stages.



### **UnitedHealthcare Dental Launches New Teledentistry Platform**

June 25, 2020 - UnitedHealthcare Dental is rolling out a new teledentistry platform to help dentists provide virtual care amid the pandemic and reduce preventable emergency room visits. The dental insurer's teledentistry platform will offer patients virtual consultations at no additional cost to help them make next-step decisions about their oral health. UnitedHealthcare also announced in a June 24 news release it would offer in-network employers a 50 percent premium reduction in July and enhance provider payments through the end of 2020.



### **North Carolina Dental School Gets \$3.1 Million Grant to Better Care for Patients with Disabilities**

June 25, 2020 - Greenville, North Carolina-based East Carolina University received a \$3.1 million grant to further care for patients with disabilities. The Health Resources and Services Administration granted the school the money, one of the largest grants in the dental school's history. The grant is a part of a broad five-year project addressing the needs of vulnerable populations. Dental students will learn how to improve care for patients with mental, emotional and behavioral challenges.



### **University at Buffalo Dental Students Provide 3D-printed Face Shields for Local Dentists**

June 29, 2020 - A team from the University at Buffalo's School of Dental Medicine is using 3D printers to supply local dentists with face shields during the pandemic. The team has been creating reusable face shields and comfort bands designed to reduce strain on the ears, both of which have earned the National Institutes of Health's approval. Each shield takes about 90 minutes to produce. More than 800 comfort bands and 150 face shields have already been delivered to dentists. The project is led by Praveen Arany, DDS, a UB oral health professor who reallocated nearly \$7,000 of his lab's resources to the effort.

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

Additional information is available upon request.