

The Wisdom Tooth:  
A Dental Industry  
Newsletter

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

Company	Share Price 08/31/2020	% 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	\$296.98	91.0%	\$23,398	\$23,065	10.7x	77.0x	90.4x	13.8x	54.7x	70.7%	11.8%	13.9%	(1.1x)
Dentsply Sirona	XRAY	\$44.87	73.7%	\$9,804	\$10,981	3.2x	32.4x	459.5x	NA	NA	51.4%	0.7%	9.9%	3.5x
Henry Schein	HSIC	\$66.44	89.8%	\$9,485	\$11,453	1.2x	15.5x	20.9x	16.6x	30.4x	29.8%	5.9%	8.0%	1.4x
Envista Holdings	NVST	\$23.99	72.0%	\$3,824	\$5,182	2.3x	25.0x	215.0x	171.4x	NA	51.8%	1.1%	8.4%	7.1x
SmileDirectClub	SDC	\$8.12	38.5%	\$3,131	\$3,177	4.7x	NA	NA	NA	NA	70.1%	(97.2%)	(93.5%)	(0.1x)
Patterson Companies	PDCC	\$29.01	98.0%	\$2,793	\$3,386	0.6x	NA	NA	NA	13.3x	21.8%	(10.0%)	(8.5%)	(1.3x)
Milestone Scientific	MLSS	\$1.50	49.3%	\$99	\$83	13.4x	NA	NA	NA	NA	69.2%	(170.7%)	(166.4%)	1.5x
Mean				\$7,505	\$8,190	5.2x	37.5x	196.4x	67.3x	32.8x	52.1%	(36.9%)	(32.6%)	1.6x
Median				\$3,824	\$5,182	3.2x	28.7x	152.7x	16.6x	30.4x	51.8%	0.7%	8.0%	1.4x
High				\$23,398	\$23,065	13.4x	77.0x	459.5x	171.4x	54.7x	70.7%	11.8%	13.9%	7.1x
Low				\$99	\$83	0.6x	15.5x	20.9x	13.8x	13.3x	21.8%	(170.7%)	(166.4%)	(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 August)

	August 2020	LTM		August 2020	LTM
Envista Holdings	9.7%	NA	Milestone Scientific	(22.3%)	59.1%
Patterson Companies	9.2%	73.5%	SmileDirectClub	(3.9%)	NA
Align Technology	1.1%	62.2%	Henry Schein	(3.3%)	7.8%
Dentsply Sirona	0.6%	(14.0%)			

Recent Industry News

 WellSpan Health Uses \$2.2M HHS Grant to Launch Mobile Dental Clinics

August 3, 2020 - York, Pennsylvania-based health system WellSpan Health is launching a mobile clinic program to improve dental care access among vulnerable communities. Funded by a five-year \$2,249,373 grant from HHS, the mobile dental clinic aims to provide services for individuals at long-term care facilities starting at the end of this year. The funding will also go toward the expansion of WellSpan Health's dental residency program and the development of a dental healthcare coordinator position, in which someone will visit communities to provide oral health education and preventive services.

 Cuomo Bans NY Dentists from Charging COVID-19 Fees

August 6, 2020 - New York Governor Andrew Cuomo issued new guidance on August 5 that prohibits healthcare providers from charging patients in their insurance network for additional fees to cover the skyrocketing cost of personal protective equipment needed to ensure safety amid the COVID-19 pandemic. The governor's office determined these charges were inappropriate based on the belief that insured patients should not be liable for fees that exceed what has been outlined in their insurance policies.

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### Smile Brands to Offer SmileDirectClub Aligners in New Partnership

August 11, 2020 - Nashville, Tennessee-based SmileDirectClub has partnered with Irvine, California-based Smile Brands as part of its direct-to-office treatment model. The partnership with Smile Brands and its 450 affiliated dental practices is the latest move for the SmileDirectClub Partner Network, a direct-to-office offering launched in January 2020. SmileBrands dentists can now offer SmileDirectClub clear aligner treatment, with a 3D scan or physical impression performed in the office and treatment completed using the SmileDirectClub telehealth platform.

### Pacific Dental Services Launches National Campaign Urging States to Keep Dental Offices Open

August 12, 2020 - Dental professionals and leaders nationwide have joined a Pacific Dental Services campaign urging state officials to keep dental practices open. The campaign, Keep Dentistry Open for Patients, argues that dental professionals play a critical role in keeping dental emergencies out of hospitals, and therefore conserving supplies and reducing virus transmission.

### Benevis Files for Chapter 11 Relief, Cites Pandemic

August 13, 2020 - Marietta, Georgia-based LT Smile Corp., along with its subsidiaries Benevis Holding Corp., Benevis Corp., Benevis Affiliates and Benevis Informatics voluntarily filed for relief in the Southern District of Texas under Chapter 11 of the U.S Bankruptcy Code. The prospective reorganization and sale process aims to provide access to incremental investment and growth capital. Benevis employees will continue normal operations throughout the process. None of the Company's supported dental practices are part of the filing. Benevis told the court that after practices temporarily shut down in 16 states where its clients operate, its revenue dropped 68 percent during March, April and May of this year compared to the same months in 2019.

### National Institute of Dental and Craniofacial Research Names New Director

August 14, 2020 - Rena D'Souza, DDS, PhD, will be the next director of the National Institute of Dental and Craniofacial Research, the National Institutes of Health announced on August 13. Dr. D'Souza is currently the assistant vice president for academic affairs and education for health sciences at Salt Lake City-based University of Utah. There, she also serves as a professor of dentistry, the Ole and Marty Jensen Chair of the School of Dentistry, and professor of neurobiology, anatomy, pathology and surgery in the School of Medicine and the Department of Biomedical Engineering. Dr. D'Souza has been a principal investigator on numerous NIH and other federal grants since 1987 and has published 140 peer-reviewed journal papers and book chapters. Dr. D'Souza was formerly president of both the American Association for Dental Research and International Association for Dental Research.

### Planet DDS Acquires Apteryx Imaging

August 19, 2020 - Newport Beach, California-based Planet DDS has acquired Apteryx Imaging, a Canada-based dental software and hardware services provider. Planet DDS acquired 100 percent of Apteryx in an all-cash transaction. Founded in 2003, Planet DDS provides cloud-native practice management systems to the dental industry with their Denticon software. Apteryx develops a line of award-winning imaging software technologies, including XrayVision and XVWeb, along with the VELscope oral screening device and TUXEDO intraoral sensors.

### SmileDirectClub Appoints Dr. Riddhi Gangolli to Newly Created Leadership Role

August 19, 2020 - Nashville, Tennessee-based SmileDirectClub has appointed Riddhi Gangolli, BDS, PhD, to the newly created role of senior director of professional education and key opinion leader strategy. Dr. Gangolli will help inform industry professionals about SmileDirectClub's telehealth platform as the company expands its direct-to-office offering and SmileDirectClub Partner Network. Dr. Gangolli was most recently director of clinical marketing for Switzerland-based Straumann Group. She has also served as an innovation research and development scientist for Irvine, California-based Glidewell Dental.



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### Northern Arizona University's Dental Hygiene Granted \$3.25M to Promote Diversity

August 19, 2020 - The dental hygiene program at Flagstaff-based Northern Arizona University received a \$3.25 million grant from the U.S. Department of Health to help break down the barriers underrepresented students face when achieving their education. The grant was awarded to encourage diversity in healthcare, as it will provide scholarships to students from underrepresented groups. Ninety percent of NAU's dental hygiene students enrolled from 2015-19 came from an educationally, environmentally and/or economically disadvantaged background. The funding will cover at least half of the tuition for about 40 dental hygiene students this year. In the next five years, about 200 students are expected to receive scholarships from the grant.



### BCBS Pays \$1M to Give Michigan Dentists Free PPE Kits

August 25, 2020 - Blue Cross Blue Shield of Michigan is donating emergency personal protective equipment kits to dentists across the state. The insurance company donated \$1 million to purchase PPE for dentists and partnered with the Michigan Dental Association to assemble and distribute the safety kits. Each kit will contain National Institute for Occupational Safety and Health-approved KN95 masks, disposable isolation gowns with cuffs and bouffant hair caps. Any Michigan dentist, regardless of MDA membership, is eligible to receive a free kit.



### Boston Dental School Lays Off, Furloughs 20% of Staff

August 26, 2020 - Boston-based Tufts University School of Dental Medicine on August 25 disclosed its plans to lay off or furlough nearly 20 percent of its employees. The dental school said it will lay off 77 employees and place 26 employees on furlough for four months. This is the school's first round of staffing cuts since the pandemic began, a decision made to offset the \$22 million in losses it has undergone since the beginning of the pandemic. These financial woes resulted from having to close all but one of its clinics during the state's period of mandated dental office closures. The sole clinic remained open to serve just 12 emergency patients a day during this time, but the school's clinics used to provide dental care to 625 patients a day. The losses also stem from purchases the school had to make to ensure safe operations amid the pandemic, such as plexiglass shields, personal protective equipment and air flow systems.



### FDA Grants \$1.5M to ADA to Develop Acute Pain Management Guidelines

August 28, 2020 - The FDA awarded a three-year, \$1.5 million grant to the American Dental Association's Science & Research Institute to improve the way dentists approach acute pain management. The ADA's Science & Research Institute will work in partnership with the University of Pittsburgh to create, deploy and evaluate guidelines for acute pain management in dentistry, focusing on the role of opioids.



### Delta Dental Offering Aid for Iowa Practices Affected by Wind Storm

August 31, 2020 - Delta Dental of Iowa's Disaster Assistance Grant Program is providing network dentists reporting losses from August 10 derecho storms in the state with immediate financial assistance. Delta is awarding up to \$2,000 grants for individual dental practices and \$4,000 for multi-dentist practices reporting total or significant loss due to the recent storms. To date, Delta Dental and its foundation have granted more than \$20,000 to derecho relief efforts in eastern and central Iowa. Efforts include monetary donations and supplies such as toothbrushes, face masks, hand sanitizer and water bottles.

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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.