

The Wisdom Tooth:  
A Dental Industry  
Newsletter

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

| Company              | Share Price<br>03/31/2021 | % of 52 Wk<br>High | Market<br>Capitalization | Enterprise<br>Value | Valuation Multiples  |            |          | PE Multiples |             | LTM Operating Margins |       |          | Net<br>Debt/EBITDA |        |
|----------------------|---------------------------|--------------------|--------------------------|---------------------|----------------------|------------|----------|--------------|-------------|-----------------------|-------|----------|--------------------|--------|
|                      |                           |                    |                          |                     | TEV/Total<br>Revenue | TEV/EBITDA | TEV/EBIT | LTM<br>P/E   | CY19<br>P/E | Gross                 | EBIT  | EBITDA   |                    |        |
| Align Technology     | ALGN                      | \$541.53           | 85.4%                    | \$42,853            | \$41,978             | 17.0x      | 89.4x    | 111.7x       | 24.2x       | 53.6x                 | 71.3% | 15.2%    | 19.0%              | (1.9x) |
| Dentsply Sirona      | XRAY                      | \$63.81            | 99.1%                    | \$13,977            | \$15,997             | 4.8x       | 49.8x    | NA           | NA          | 80.8x                 | 49.6% | (0.4%)   | 9.6%               | 6.3x   |
| Henry Schein         | HSIC                      | \$69.24            | 92.5%                    | \$9,851             | \$11,396             | 1.1x       | 16.2x    | 21.4x        | 24.6x       | 20.0x                 | 27.8% | 5.3%     | 6.9%               | 0.8x   |
| Envista Holdings     | NVST                      | \$40.80            | 97.5%                    | \$6,554             | \$7,647              | 3.4x       | 39.1x    | 236.0x       | 204.0x      | 19.6x                 | 50.7% | 1.4%     | 8.6%               | 5.6x   |
| SmileDirectClub      | SDC                       | \$10.31            | 64.1%                    | \$3,989             | \$4,035              | 6.1x       | NA       | NA           | NA          | NA                    | 68.5% | (35.1%)  | (26.5%)            | (0.7x) |
| Patterson Companies  | PDCO                      | \$31.95            | 86.6%                    | \$3,087             | \$3,714              | 0.7x       | NA       | NA           | NA          | 37.3x                 | 21.2% | (7.9%)   | (6.5%)             | (1.7x) |
| Milestone Scientific | MLSS                      | \$3.57             | 73.6%                    | \$238               | \$224                | 41.2x      | NA       | NA           | NA          | NA                    | 66.6% | (137.5%) | (135.8%)           | 1.8x   |
| <b>Mean</b>          |                           |                    |                          | \$11,507            | \$12,142             | 10.6x      | 48.7x    | 123.0x       | 84.3x       | 42.3x                 | 50.8% | (22.7%)  | (17.8%)            | 1.5x   |
| <b>Median</b>        |                           |                    |                          | \$6,554             | \$7,647              | 4.8x       | 44.5x    | 111.7x       | 24.6x       | 37.3x                 | 50.7% | (0.4%)   | 6.9%               | 0.8x   |
| <b>High</b>          |                           |                    |                          | \$42,853            | \$41,978             | 41.2x      | 89.4x    | 236.0x       | 204.0x      | 80.8x                 | 71.3% | 15.2%    | 19.0%              | 6.3x   |
| <b>Low</b>           |                           |                    |                          | \$238               | \$224                | 0.7x       | 16.2x    | 21.4x        | 24.2x       | 19.6x                 | 21.2% | (137.5%) | (135.8%)           | (1.9x) |

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 March)

|                     | March 2021 | LTM    |                      | March 2021 | LTM    |
|---------------------|------------|--------|----------------------|------------|--------|
| Dentsply Sirona     | 20.2%      | 71.0%  | SmileDirectClub      | (11.1%)    | 147.8% |
| Henry Schein        | 11.9%      | 42.6%  | Milestone Scientific | (6.1%)     | 1.5%   |
| Envista Holdings    | 5.9%       | 184.7% | Align Technology     | (4.5%)     | 244.5% |
| Patterson Companies | 2.9%       | 119.6% |                      |            |        |

Recent Industry News

 North American Dental Group Taps New Compliance and Privacy Officer

March 1, 2021 - North American Dental Group has announced Keith Carrington as its Chief Compliance and Privacy Officer. Most recently, Mr. Carrington worked at a Florida healthcare technology and services company where he developed and implemented compliance programs, designed audit protocols, and revamped a code of ethics.

 Andrew Smith Named Executive Director of Association of Dental Support Organizations

March 2, 2021 - The Association of Dental Support Organizations (DSO) has selected Andrew Smith as its next Executive Director. Mr. Smith will represent the DSO industry to policymakers and other industry stakeholders to ensure that DSO-affiliated dentists operate in supportive environments. Succeeding Chris Badgley as executive director, Mr. Smith will begin his position immediately.

 Deca Dental Group Acquires Reign Dental, Expands into Third State

March 9, 2021 - Dallas-based Deca Dental Group expanded into a third state through its acquisition of Reign Dental, a Seattle-based DSO. After the transaction closes, Reign Dental will provide dental services under Deca's Ideal Dental brand. The partnership will help Reign Dental expand through metro Seattle. Founded in 2008, Deca has grown to include almost 100 affiliated practices across Texas, Florida, and now Washington.

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### **The Smilist Affiliates with Encore Dental, Eyes Further Expansion**

March 11, 2021 - The Smilist Management in Great Neck, New York, has affiliated with Encore Dental, a DSO with five offices in New Jersey. The partnership expands The Smilist's presence in metro New York to 34 locations and more than 90 dentists and specialists. The DSO is backed by Zenyth Partners, a private equity firm that invests in healthcare services companies.



### **Aspen Dental Opens First Colorado Practice, Others in Texas, and Wisconsin**

March 12, 2021 - Aspen Dental has opened its first practice in the state of Colorado. The DSO also opened a new practice in West Allis, Wisconsin, the 22nd Aspen Dental practice in the state. Aspen Dental opened its 45th Texas practice in Katy.



### **Dental Intelligence Acquires Modento**

March 12, 2021 - Analytics and workflow automation company Dental Intelligence has acquired Modento, a developer of a patient communication and management system. The entire Modento team will join Dental Intelligence. Financial terms of the deal were not disclosed.



### **Wisconsin DSO Cherry Tree Dental Gets Private Equity Investment**

March 16, 2021 - New York City-based ICV Partners has made a majority investment in Madison, Wisconsin-based Cherry Tree Dental. Cherry Tree is the largest independent general dentistry provider in Wisconsin, operating 28 locations in 10 markets. The dental practice management company is privately owned by a small group of partners, the majority of which are its participating dentists. ICV Partners is a private investment firm that supports management leaders of strong lower middle market companies pursuing growth.



### **Mid-Atlantic Dental Partners Taps New CEO**

March 17, 2021 - Mid-Atlantic Dental Partners named Leigh Feenburg as CEO. Mr. Feenburg is the DSO's former COO. Before joining Mid-Atlantic, Mr. Feenburg was the VP of operations at Southfield, Michigan-based Great Expressions Dental Centers.



### **Aspen Dental Opens 100th Florida Practice, 42nd Illinois Practice**

March 22, 2021 - Chicago-based Aspen Dental has recently opened new practices in both Florida and Illinois. The DSO opened its 100th Florida practice in Jacksonville and its 42nd practice in the state of Illinois.



### **SmileDirectClub Must Pay Align over \$45 Million**

March 24, 2021 - An arbitrator has determined SmileDirectClub owes Align Technology a \$99.7 million award, including \$54.2 million already paid. SmileDirectClub must pay Align \$45.5 million and additional daily interest of \$3,000 starting March 13 until payment is made in full. The payment is related to claims made by Align about the valuation of Align's membership interest in SmileDirectClub.



### **North American Dental Group Adds New York City Pediatric Practice**

March 29, 2021 - North American Dental Group is expanding its presence in New York City with the addition of Smiles4Kids Manhattan Pediatric Dental Group. Smiles4Kids specializes in dental care for children and patients with special needs.

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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.