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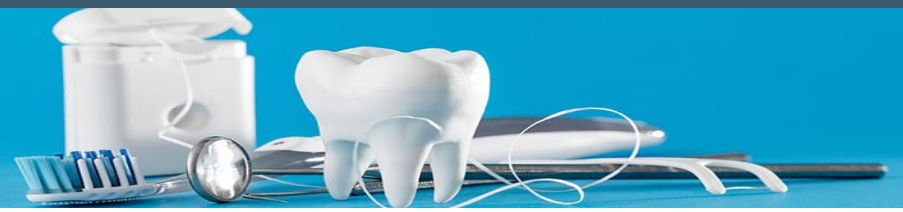

The Wisdom Tooth: A Dental Industry Newsletter

Market Overview

Indices Performance (% change)

	October 2021	LTM		October 2021	LTM
S&P 500	5.7%	40.8%	NASDAQ	6.4%	42.0%
Dow Jones Industrial Average	4.3%	35.2%	Russell 3000	2.5%	49.3%

Source: Federal Reserve: Bank of St. Louis

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

	October 2021	LTM		October 2021	LTM
Milestone Scientific	10.2%	6.7%	Envista Holdings	(6.5%)	(8.6%)
Patterson Companies	3.7%	(0.1%)	Align Technology	(6.2%)	(5.7%)
Henry Schein	0.2%	(2.8%)	SmileDirectClub	(3.2%)	(6.4%)
			Dentsply Sirona	(1.4%)	(3.1%)

Publicly Traded Dental Related Company Performance

($ in millions, except per share data)

Company		Share Price 10/31/2021	% of 52 Wk High	Market Capitalization	Enterprise Value	Valuation Multiples: TEV/Total Revenue	TEV/EBITDA	TEV/EBIT	PE Multiples: LTM P/E	CY19 P/E	LTM Operating Margins: Gross	EBIT	EBITDA	Net Debt/EBITDA
Align Technology	ALGN	$624.37	84.7%	$49,411	$48,247	12.8x	48.0x	48.0x	67.5x	53.6x	74.3%	26.7%	29.6%	(1.0x)
Dentsply Sirona	XRAY	$57.21	82.3%	$12,503	$14,564	3.6x	16.5x	27.4x	34.1x	80.8x	53.8%	13.1%	21.7%	2.3x
Henry Schein	HSIC	$76.35	91.5%	$10,666	$12,856	1.1x	13.2x	15.9x	18.0x	20.0x	28.5%	6.8%	8.2%	1.0x
Envista Holdings	NVST	$39.10	84.0%	$6,305	$7,235	2.6x	13.6x	19.4x	21.7x	19.6x	52.6%	11.2%	16.5%	1.9x
SmileDirectClub	SDC	$5.15	32.0%	$612	$827	1.1x	NA	NA	NA	NA	73.6%	(23.8%)	(21.8%)	(2.5x)
Patterson Companies	PDCO	$31.26	83.6%	$3,042	$3,618	0.6x	11.5x	15.5x	18.4x	37.3x	19.5%	3.7%	5.0%	1.8x
Milestone Scientific	MLSS	$2.06	42.5%	$138	$123	14.0x	NA	NA	NA	NA	61.6%	(71.3%)	(70.2%)	2.5x
Mean				$11,811	$12,496	5.1x	20.6x	25.2x	31.9x	42.3x	52.0%	(4.8%)	(1.6%)	0.9x
Median				$6,305	$7,235	2.6x	13.6x	19.4x	21.7x	37.3x	53.8%	6.8%	8.2%	1.8x
High				$49,411	$48,247	14.0x	48.0x	48.0x	67.5x	80.8x	74.3%	26.7%	29.6%	2.5x
Low				$138	$123	0.6x	11.5x	15.5x	18.0x	19.6x	19.5%	(71.3%)	(70.2%)	(2.5x)

Source: PitchBook

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

LTM = Last Twelve Months

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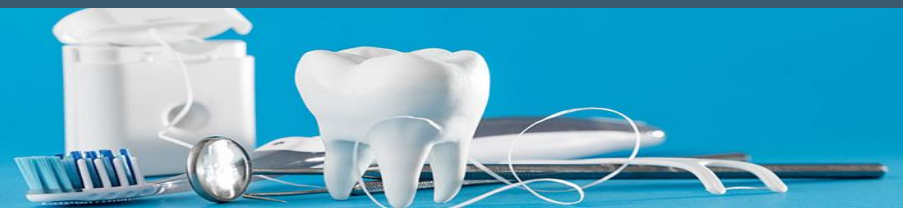

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Recent Industry News

ChildSmiles Acquires First Pennsylvania Practice

October 8, 2021 - Newark, New Jersey-based the ChildSmiles Group has entered the Pennsylvania market with its acquisition of Smiles 4 Keeps. Smiles 4 Keeps was founded 40 years ago and has locations in Wilkes-Barre, Scranton, Hazleton, and Bartonsville, Pennsylvania. ChildSmiles operates 150 dental practices, a pediatric dental ASC and two pediatric primary care practices in New Jersey, along with four dental practices in Pennsylvania.

Tennessee DSO Forms Dental Advisory Board

October 12, 2021 - Nashville, Tennessee-based Marquee Dental Partners has formed a dental advisory board to strengthen its clinical focus. The board, which held its first meeting this month, comprises of 10 dental professionals under the DSO's network. The board is led by Allen Myers, DDS, of the East Hamilton Dental practice in Chattanooga, Tennessee. Marquee Dental Partners supports more than 40 practices in five states.

Western Dental Names Executive VP, Chief Financial Officer

October 13, 2021 - Orange, California based Western Dental has appointed Paul Holt Executive VP and Chief Financial Officer. Mr. Holt has more than 20 years of experience as a Chief Financial Officer, including work at publicly traded healthcare companies NextGen Healthcare and NantHealth. Western Dental supports 343 offices in California, Texas, Arizona, Nevada and Alabama.

Texas DSOs Partner On Growth Opportunities

October 13, 2021 - Community Dental Partners is partnering with Houston-based 3C Dental Group on growth opportunities to support both organizations. Community Dental Partners supports 39 locations in Texas; 3C Dental Group supports 20 offices in Texas. The two companies said the partnership will allow both groups to expand their mission of reaching underserved populations.

Elite Dental Partners Taps Director Of Dental Implants and Surgery

October 13, 2021 - Elite Dental Partners has appointed Amy Stadtherr Director of Dental Implants and Surgery. Ms. Stadtherr will support the DSO's practices with dental implant services. She joins Elite Dental with 15 years of experience in the dental industry. She was senior territory sales manager for ten years and a regional education ambassador at Zimmer Biomet Dental supply company. Elite Dental Partners supports 98 practices in 12 states.

PDS Opens 850th Dental Practice

October 15, 2021 - Irvine, California-based Pacific Dental Services has opened its 850th supported dental practice, a significant milestone in the organization's 27-year history. PDS' focuses include the mouth-body connection and providing clinical excellence through modern dentistry with advanced, proven technology.

Spark Orthodontics Acquires Pediatric Practice

October 19, 2021 - Spark Orthodontics has acquired Cumberland Pediatric Dentistry & Orthodontics of Tennessee. Cumberland Pediatric Dentistry & Orthodontics of Tennessee has eight locations in Nashville, Tennessee. The practice will not change its name under the acquisition. Its four founders will become members of Spark Orthodontics' management team. The acquisition makes Spark Orthodontics a multispecialty practice covering dental and orthodontic services for patients as young as 18 months of age.

Elite Dental Partners Adds Vice President of General Counsel

October 19, 2021 - Elite Dental Partners has appointed Sarah Berman Vice President and General Counsel. Ms. Berman has 18 years of experience in healthcare law. She was most recently Vice President of Legal Services for Generations Healthcare Network, a nursing and rehabilitation service company.

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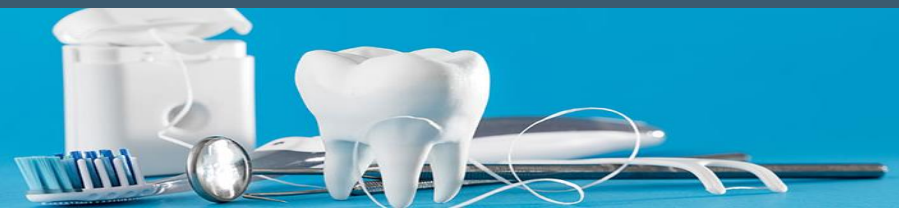

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Overview of the Chicago Corporation

- 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

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

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

Additional information is available upon request.

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