

The Wisdom Tooth:
A Dental Industry
Newsletter

Market Overview

Indices Performance (% change)

	April 2022	LTM		April 2022	LTM
S&P 500	(8.8%)	(1.4%)	NASDAQ	(13.3%)	(11.2%)
Dow Jones Industrial Average	(4.9%)	(3.3%)	Russell 3000	(9.0%)	5.1%

Source: Federal Reserve: Bank of St. Louis

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

	April 2022	LTM		April 2022	LTM
			Milestone Scientific	(33.6%)	(59.9%)
			Align Technology	(33.5%)	(51.3%)
			SmileDirectClub	(28.6%)	(82.6%)
			Dentsply Sirona	(18.8%)	(40.8%)
			Envista Holdings	(18.7%)	(8.5%)

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

Company	Share Price 04/30/2022	% 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	CY21 P/E	Gross	EBIT	EBITDA		
Align Technology	ALGN	\$289.91	39.3%	\$22,846	\$21,939	5.4x	23.4x	23.4x	32.6x	71.0x	74.3%	25.5%	28.3%	(0.9x)
Dentsply Sirona	NRAY	\$39.99	57.5%	\$8,616	\$10,568	2.5x	11.0x	17.2x	20.9x	29.4x	55.5%	14.4%	22.6%	2.0x
Henry Schein	HSIC	\$81.10	87.5%	\$11,196	\$13,546	1.1x	13.0x	15.9x	18.2x	17.7x	29.6%	6.9%	8.4%	1.1x
Envista Holdings	NVST	\$39.62	76.1%	\$6,442	\$6,829	2.7x	14.8x	22.1x	26.8x	23.5x	56.9%	12.3%	18.4%	0.8x
SmileDirectClub	SDC	\$1.85	16.5%	\$223	\$454	0.7x	NA	NA	NA	NA	72.1%	(48.8%)	(37.8%)	(2.2x)
Patterson Companies	PDCO	\$30.77	82.3%	\$3,004	\$3,537	0.6x	11.0x	14.7x	18.0x	17.6x	19.4%	3.8%	5.0%	1.6x
Milestone Scientific	MLSS	\$1.01	31.9%	\$69	\$55	5.3x	NA	NA	NA	NA	61.3%	(68.9%)	(68.2%)	2.0x
Mean				\$7,485	\$8,132	2.6x	14.6x	18.7x	23.3x	31.8x	52.7%	(7.8%)	(3.3%)	0.6x
Median				\$6,442	\$6,829	2.5x	13.0x	17.2x	20.9x	23.5x	56.9%	6.9%	8.4%	1.1x
High				\$22,846	\$21,939	5.4x	23.4x	23.4x	32.6x	71.0x	74.3%	25.5%	28.3%	2.0x
Low				\$69	\$55	0.6x	11.0x	14.7x	18.0x	17.6x	19.4%	(68.9%)	(68.2%)	(2.2x)

Source: PitchBook

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

LTM = Last Twelve Months

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Recent Industry News



Imagen Dental Partners Expands Minnesota Footprint

April 4, 2022 – Scottsdale, Arizona-based Imagen Dental Partners has added Harmony Dental to its network. The Bloomington, Minnesota-based practice is led by Xuan Thou, DDS, and offers personalized and advanced dental care. Imagen Dental now has more than 30 practices in ten states.



U.S. Endo Partners Adds Utah Practice

April 5, 2022 – Irving, Texas-based U.S. Endo Partners has added Maple Ridge Endodontics to its network. The Utah-based practice is led by Bryan Cardon, DMD. Maple Ridge Endodontics specializes in root canal therapy, apicoectomy and cracked tooth treatments.



Private Equity-Backed DSO Acquires Two Dental Practices

April 5, 2022 – Cordental Group, a portfolio company of private equity firm NMS Capital has acquired Gateway Dental Group in Des Moines, Iowa, and the practice of Barry Liebman, DDS, in St. Louis. Dr. Liebman's practice merged with another Cordental Group affiliate, Boain Dental Care South County in St. Louis and his patients were transferred to one of Boain Dental Care's other locations. Gateway Dental Care specializes in general and cosmetic dentistry, restorative care, and sleep apnea.



SIMKO Specialty Dental has Partnered with Blue Sea Capital to Form Specialty Smile Partners

April 8, 2022 – SIMKO Specialty Dental and its affiliated practices ("SIMKO"), a well-respected and nationally recognized orthodontics and pediatric dentistry group have entered into a strategic partnership with Blue Sea Capital ("Blue Sea"), a leading growth-oriented private equity firm, to form Specialty Smile Partners LLC ("Specialty Smile Partners"). As part of the transaction, the doctors and management team of SIMKO will maintain their current roles within their respective organizations while also helping to lead the Specialty Smile Partners platform. SIMKO and its affiliated practices will continue to operate under their respective brands in existing markets. The Chicago Corporation acted as financial advisor and Dykema acted as legal counsel to SIMKO.



U.S. Oral Surgery Adds Third Practice in Indiana

April 13, 2022 – Irving, Texas-based U.S. Oral Surgery Management ("USOSM") has added its third Indiana Practice to its network. The management services organization entered a partnership with Michiana Oral & Maxillofacial Surgery in South Bend, Indiana. The practice is led by Jay Asdell, DDS. USOSM now supports practices in 19 states.



U.S. Endo Partners Expands in Florida with Latest Partnership

April 15, 2022 – U.S. Endo Partners has added Florida Root Canal Specialists to its network. The practice is led by Steven Frey, DDS, and Ryan Harris, DDS. The practice specializes in the diagnosis and treatment of root canals. This addition expands U.S. Endo Partners reach to Fort Myers and Cape Coral, Florida.



Candid Continues to Expand Teledentistry to DSOs with New Partnership

April 19, 2022 – National Dental has chosen Candid to be its new clear aligner partner. The partnership aims to help National Dental stand out from competition and help its practices increase their orthodontic capabilities with few disruptions to in-office scheduling. National Dental has nine New York-based practices in New York City and Nassau and Suffolk counties with 140 full-time employees and 25 dentists.



Gen4 Dental Partners Adds Three Minnesota Practices to its Network

April 28, 2022 – Private equity-backed DSO Gen4 Dental Partners expanded its Minnesota presence after adding three Rochester-based practices to its network. The organization added Rochester Dental Clinic, Stone Barn Dentistry and Gentling Dental Care to its network. Gen4 now has 17 practices.

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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.