

The Wisdom Tooth:  
A Dental Industry  
Newsletter



Market Overview

Indices Performance (% change)

	August 2022	LTM		August 2022	LTM
S&P 500	(3.82%)	(12.81%)	NASDAQ	(4.07%)	(22.82%)
Dow Jones Industrial Average	(3.80%)	(10.87%)	Russell 3000	(3.29%)	(14.54%)

Source: Federal Reserve: Bank of St. Louis

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

	August 2022	LTM		August 2022	LTM
Milestone Scientific	1.3%	(48.9%)	Align Technology	(13.3%)	(66.1%)
			Patterson Companies	(10.2%)	(7.4%)
			Dentsply Sirona	(9.4%)	(46.7%)
			Envista Holdings	(8.8%)	(13.4%)
			Henry Schein	(6.9%)	(4.2%)

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

Company	Share Price 08/31/2022	% 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	\$243.70	33.0%	\$19,035	\$18,258	4.6x	19.1x	21.7x	31.2x	71.0x	72.6%	21.1%	24.0%	(0.8x)
Dentsply Sirona	XRAY	\$32.77	51.9%	\$7,060	\$9,062	2.2x	10.2x	16.6x	19.5x	29.4x	55.5%	14.4%	22.6%	2.0x
Henry Schein	HSIC	\$73.41	79.2%	\$9,992	\$12,311	1.0x	11.3x	14.1x	15.8x	17.7x	30.0%	6.9%	8.6%	1.0x
Envista Holdings	NVST	\$37.09	71.3%	\$6,060	\$7,057	2.8x	16.0x	24.6x	27.9x	23.5x	56.9%	11.3%	17.4%	2.3x
SmileDirectClub	SDC	\$1.14	15.4%	\$138	\$391	0.7x	NA	NA	NA	NA	70.3%	(58.3%)	(44.3%)	(2.7x)
Patterson Companies	PDCO	\$27.89	79.0%	\$2,715	\$3,164	0.5x	8.6x	11.0x	13.5x	17.6x	19.8%	4.4%	5.7%	1.2x
Milestone Scientific	MLSS	\$0.96	32.0%	\$66	\$56	6.0x	NA	NA	NA	NA	59.2%	(89.4%)	(88.7%)	1.3x
<b>Mean</b>				\$6,438	\$7,186	2.5x	13.0x	17.6x	21.6x	31.8x	52.0%	(12.8%)	(7.8%)	0.6x
<b>Median</b>				\$6,060	\$7,057	2.2x	11.3x	16.6x	19.5x	23.5x	56.9%	6.9%	8.6%	1.2x
<b>High</b>				\$19,035	\$18,258	6.0x	19.1x	24.6x	31.2x	71.0x	72.6%	21.1%	24.0%	2.3x
<b>Low</b>				\$66	\$56	0.5x	8.6x	11.0x	13.5x	17.6x	19.8%	(89.4%)	(88.7%)	(2.7x)

Source: PitchBook

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

LTM = Last Twelve Months

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

## The Wisdom Tooth: A Dental Industry Newsletter

### Recent Industry News



#### PepperPointe Partnerships Adds First Dental Practices Outside Kentucky

August 1, 2022 – Lexington, Kentucky-based PepperPointe Partnerships has expanded into New York, marking the Company's first addition outside Kentucky. The DSO added eight orthodontic and pediatric dental practices, 10 doctor partners and 20 office locations in New York. PepperPointe supports 110 total practices, serving more than 275,000 patients.



#### Dental365, Premier Care Dental Management Expand with New Jersey DSO

August 2, 2022 – New Hyde Park, New York-based Dental365 and Premier Care Dental Management have acquired Dental Care New Jersey, an eight location DSO. Dental Care New Jersey, founded by Jerome Simon, DDS, and Brent Simon, has offices in Bridgewater, Hillsborough, Somerset, Basking Ridge, Princeton, Marlboro, Springfield and Watchung. With the acquisition, Premier Care Dental Management supports 106 practices across Massachusetts, Rhode Island, New York, Connecticut and New Jersey.



#### Five Practices Join MB2 Dental

August 2, 2022 – Carrollton, Texas-based MB2 Dental recently affiliated with practices across five states. MB2 Dental added My Dental Office of Beverly Hills in California, led by Joel Strom, DDS; Lumos Dental in New Haven, Connecticut, led by Jennifer You, DMD; Iconic Dental in Walsenburg, Colorado, led by James Shoff, DMD; Murray Scholls Family Dentistry in Beaverton, Oregon, led by Scott Walker, DMD; and Rick Burns Orthodontics in Elkhart and Middlebury, Indiana, led by Rick Burns, DDS. MB2 Dental supports more than 400 practices in more than 35 states.



#### Affordable Care Opens Two Practices in One Week

August 5, 2022 – Affordable Care has opened two Affordable Dentures & Implants practices in one week. The DSO opened a Cincinnati practice August 4<sup>th</sup>; it also opened a practice in Destin, Florida, on August 5<sup>th</sup>. The Cincinnati practice is led by Omar Alhmoud, DDS. The Destin practice is led by Tuan Le, DDS. Affordable Care supports more than 400 locations across 42 states.



#### Private Equity-Backed DSO Acquires Indiana Dental Practice

August 12, 2022 – Kokomo, Indiana-based DSO Signet Leadership recently acquired Logansport, Indiana-based Dill Family Dentistry. Signet Leadership is backed by private equity firm Lead Capital Partners. The dental practice will continue operations under Ladd Dental Group, Signet's flagship partner, as Ladd's eighth location in the state.



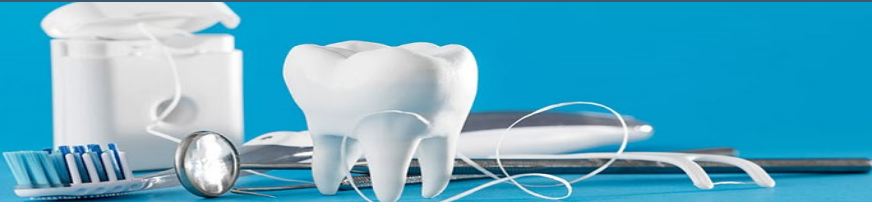
#### Guardian Dentistry Closes Q2 with Six More Affiliations

August 15, 2022 – Miami-based Guardian Dentistry Partners recently added six more practices to its network to round out the second quarter of 2022. The six additions are West Cary (North Carolina) Dental; North Penn Dental in Lansdale, Pennsylvania; Cedar Walk Family and Cosmetic Dentistry in Charlotte, North Carolina; Arlington Virginia Dental Excellence; Pesis Family Dental in Hills, Michigan; and the office of Layth Saraf, DMD, in Greensboro, North Carolina. The dental partnership organization supports practices in Alabama, Florida, Michigan, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Texas and Virginia.



#### Great Lakes Dental Partners Adds Illinois Practice

August 30, 2022 – Chicago-based Great Lakes Dental Partners recently added an Illinois dental practice to its network. Algonquin, Illinois-based Signature Dental Group affiliated with the DSO. Great Lakes Dental Partners supports more than 40 locations in the Midwest.



# The Wisdom Tooth: A Dental Industry Newsletter

## Overview of the Chicago Corporation

- Highly regarded investment bank with a long, distinguished history.
- Focused on middle market private companies owned by families, entrepreneurs and private equity firms 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](http://www.thechicagocorp.com).

Information contained in this publication is based on data obtained from sources we deem to be reliable, however, it is not guaranteed as to accuracy and does not purport to be complete. Nothing contained in this publication is intended to be a recommendation of a specific security or company nor is any of the information contained herein intended to constitute an analysis of any company or security reasonably sufficient to form the basis for any investment decision. Nothing contained in this publication constitutes an offer to buy or sell or the solicitation of an offer to buy or sell any security. Officers or employees of affiliates of The Chicago Corporation, or members of their families, August have a beneficial interest in the securities of a specific company mentioned in this publication and August purchase or sell such securities in the open market or otherwise.

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

Additional information is available upon request.