

The Wisdom Tooth:
A Dental Industry
Newsletter



Market Overview

Indices Performance (% change)

	May 2022	LTM		May 2022	LTM
S&P 500	0.01%	(1.7%)	NASDAQ	(2.1%)	(12.0%)
Dow Jones Industrial Average	0.04%	(4.6%)	Russell 3000	(0.3%)	(5.1%)

Source: Federal Reserve: Bank of St. Louis

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

	May 2022	LTM		May 2022	LTM
Envista Holdings	8.6%	0.3%	SmileDirectClub	(23.8%)	(83.1%)
Henry Schein	5.6%	12.6%	Align Technology	(4.2%)	(53.2%)
Patterson Companies	2.7%	(5.1%)	Dentsply Sirona	(1.1%)	(41.3%)

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

Company	Share Price 05/31/2022	% 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	\$277.64	37.6%	\$21,880	\$20,997	5.2x	20.0x	22.4x	31.2x	71.0x	73.6%	23.2%	26.0%	(0.8x)
Dentsply Sirona	XRAY	\$39.56	58.4%	\$8,523	\$10,525	2.5x	11.9x	19.3x	23.5x	29.4x	55.5%	14.4%	22.6%	2.0x
Henry Schein	HVIC	\$85.64	92.4%	\$11,823	\$14,161	1.1x	13.1x	16.4x	18.6x	17.7x	29.7%	6.8%	8.5%	1.0x
Envista Holdings	NVST	\$43.04	82.7%	\$6,999	\$7,450	2.8x	15.8x	23.3x	27.1x	23.5x	56.5%	12.2%	17.9%	1.0x
SmileDirectClub	SDC	\$1.41	12.8%	\$170	\$428	0.7x	NA	NA	NA	NA	70.7%	(52.2%)	(39.9%)	(2.6x)
Patterson Companies	PDCO	\$31.59	84.5%	\$3,084	\$3,617	0.6x	11.2x	15.0x	18.5x	17.6x	19.4%	3.8%	5.0%	1.6x
Milestone Scientific	MLSS	\$1.01	33.7%	\$69	\$56	5.6x	NA	NA	NA	NA	61.4%	(79.7%)	(79.0%)	1.6x
Mean				\$7,507	\$8,176	2.6x	14.4x	19.3x	23.8x	31.8x	52.4%	(10.2%)	(5.5%)	0.5x
Median				\$6,999	\$7,450	2.5x	13.1x	19.3x	23.5x	23.5x	56.5%	6.8%	8.5%	1.0x
High				\$21,880	\$20,997	5.6x	20.0x	23.3x	31.2x	71.0x	73.6%	23.2%	26.0%	2.0x
Low				\$69	\$56	0.6x	11.2x	15.0x	18.5x	17.6x	19.4%	(79.7%)	(79.0%)	(2.6x)

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



U.S. Endo Expands in Three States

May 2, 2022 – Irving, Texas-based U.S. Endo Partners recently added practices in South Carolina, Wisconsin and Colorado. The new additions include Littleton-based Colorado Endodontic Specialists; West Columbia, South Carolina-based Central Carolina Endodontics; and Chippewa Valley Endodontics in Eau Claire, Wisconsin. The affiliations are a part of U.S. Endo's recent growth in several other states, including Missouri, Montana and Michigan.



Private Equity-Backed DSO Acquires North Carolina Practice

May 6, 2022 – Oakpoint has acquired a North Carolina dental practice. The private equity-backed DSO acquired the nonclinical assets of Wendell Family Dentistry, a general dentistry practice led by Heath Brantley, DDS. Oakpoint said its goals for 2022 include bringing in \$100 million in affiliated practice revenue and adding more than ten affiliate dental practices.



Smile Doctors Hits 324 Supported Clinics

May 10, 2022 – Smile Doctors, an orthodontics-focused DSO, has reached 324 supported clinics. In the first quarter, the DSO added eight practices to its network, which represents 18 clinics and 17 doctors. Smile Doctors' presence is now in 25 states.



Oakpoint Adds Endodontics with Latest Partnerships

May 12, 2022 – Raleigh, North Carolina-based Oakpoint is adding endodontic services to its roster through partnerships with two practices. The private equity-backed DSO recently partnered with Wake Forest Endodontics and Crabtree Endodontics in Cary, North Carolina, both owned by Jake Reynolds, DMD. Dr. Reynolds will continue to lead the practices without changes to clinical operations



Beacon Oral Specialists Adds Five Practices

May 17, 2022 – Beacon Oral Specialists has entered a strategic agreement to add five practices to its network. Beacon's newest affiliations include California-based Los Gatos Oral & Facial Surgery; California-based Agoura Hills Oral Surgery; California-based Chula Vista Oral & Maxillofacial Surgery Center; California-based Desert Maxillofacial Center; and Virginia-based Loudon Oral & Maxillofacial Surgery. Beacon, a portfolio company of private equity firm Blue Sea Capital, is now partnered with more than 80 oral surgeons practicing in 70 locations nationwide.



Imagen Dental Partners Adds Practices in Three States

May 18, 2022 – Scottsdale, Arizona-based Imagen Dental Partners recently added practices in Arizona, California and Wisconsin. The dental partnership organization has partnered with Tuscon, Arizona-based Campbell Dental Group; San Diego-based the Dentistry Collective; Green Bay, Wisconsin-based Meadowbrook Smiles Family Dentistry and De Pere, Wisconsin-based Timbercreek Smiles Family Dentistry.



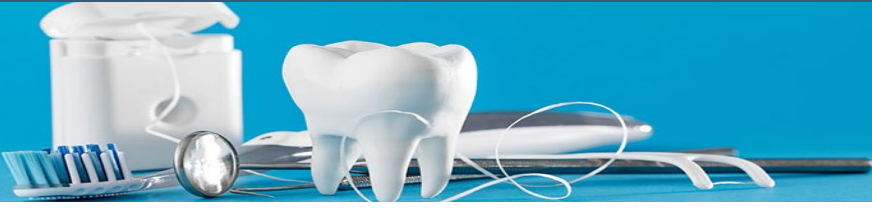
Sage Dental Hits 82 Total Practices

May 24, 2022 – Sage Dental has acquired two practices and opened four new locations in Georgia and Florida, bringing the DSO to 82 practices. The Georgia additions are in Stone Mountain, Marietta and Atlanta. The new Florida locations are in Orlando, Ocala and Zephyrhills.



Affordable Care's Practice Opening Spree: Three Practices in One month

May 25, 2022 – Affordable Care, a DSO supporting more than 400 affiliated dental practices across 42 states, is on an opening spree in the Midwest. The three practices Affordable Care opened this week include Affordable Dentures & Implants practice in Chesterfield, Michigan, Affordable Dentures & Implants practice in Algonquin, Illinois, and Affordable Dentures & Implants practice in Livonia, Michigan.



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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.