

The Wisdom Tooth:  
A Dental Industry  
Newsletter



Market Overview

Indices Performance (% change)

	January 2022	LTM		January 2022	LTM
S&P 500	(7.5%)	15.2%	NASDAQ	(9.7%)	6.0%
Dow Jones Industrial Average	(4.6%)	14.8%	Russell 3000	(6.6%)	15.0%

Source: Federal Reserve: Bank of St. Louis

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

	January 2022	LTM		January 2022	LTM
SmileDirectClub	8.9%	(81.8%)	Milestone Scientific	(37.4%)	(54.6%)
			Align Technology	(24.7%)	(8.9%)
			Dentsply Sirona	(4.2%)	(0.9%)
			Envista Holdings	(4.0%)	20.0%
			Henry Schein	(2.9%)	11.6%

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

Company	Share Price 01/31/2022	% 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	CY19 P/E	Gross	EBIT	EBITDA		
Align Technology	ALGN	\$494.96	67.1%	\$39,029	\$37,888	10.1x	34.2x	37.7x	53.5x	53.6x	74.6%	26.7%	29.5%	(1.0x)
Dentsply Sirona	XRAY	\$53.42	76.8%	\$11,678	\$13,615	3.2x	14.3x	22.6x	28.1x	80.8x	55.1%	14.2%	22.4%	2.0x
Henry Schein	HSC	\$75.30	90.2%	\$10,442	\$12,705	1.0x	12.7x	15.3x	17.2x	20.0x	29.0%	6.8%	8.2%	1.0x
Envista Holdings	NVST	\$43.24	92.2%	\$6,978	\$7,818	3.0x	15.3x	21.9x	22.5x	19.6x	54.0%	11.4%	16.9%	1.8x
SmileDirectClub	SDC	\$2.56	17.4%	\$305	\$521	0.7x	NA	NA	NA	NA	73.9%	(33.6%)	(23.7%)	(2.8x)
Patterson Companies	PDCO	\$28.69	76.8%	\$2,797	\$3,352	0.5x	10.9x	14.8x	17.6x	37.3x	19.3%	3.6%	4.8%	1.8x
Milestone Scientific	MLSS	\$1.29	26.6%	\$88	\$74	7.6x	NA	NA	NA	NA	61.6%	(70.1%)	(69.1%)	2.1x
<b>Mean</b>				\$10,188	\$10,853	3.7x	17.5x	22.5x	27.8x	42.3x	52.5%	(5.9%)	(1.6%)	0.7x
<b>Median</b>				\$6,978	\$7,818	3.0x	14.3x	21.9x	22.5x	37.3x	55.1%	6.8%	8.2%	1.8x
<b>High</b>				\$39,029	\$37,888	10.1x	34.2x	37.7x	53.5x	80.8x	74.6%	26.7%	29.5%	2.1x
<b>Low</b>				\$88	\$74	0.5x	10.9x	14.8x	17.2x	19.6x	19.3%	(70.1%)	(69.1%)	(2.8x)

Source: PitchBook

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

LTM = Last Twelve Months

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## The Wisdom Tooth: A Dental Industry Newsletter

### Recent Industry News



#### Heartland Dental Adds Seven-office Practice in Virginia

January 4, 2022 – Heartland Dental recently added LWSS Family Dentistry to its network. LWSS Family Dentistry has seven locations in Virginia offering general dentistry, orthodontics and pediatric dental services. Heartland Dental supports more than 2,300 dentists in more than 1,500 offices across 38 states



#### Great Lakes Dental Partners Adds Chicago Practice

January 5, 2022 – Great Lakes Dental Partners has added Beverly Smiles Family Dental to its network. Beverly Smiles Family Dental offers a range of services, including cosmetic fillings, implants, root canal therapy and extractions. Great Lakes Dental Partners supports more than 30 practices in Illinois and Indiana.



#### Rock Dental Brands Acquires ten Clinics

January 6, 2022 – Rock Dental Brands has acquired Ten dental clinics, including its first in Kansas City. The clinics are in Arkansas and Missouri and were acquired in the last few months. The Arkansas acquisition includes Hall Orthodontics in Hot Springs. The Missouri acquisitions include Bowen Orthodontics in Rolla and St. Roberts; Moore Orthodontics in Lee's Summit, Grandview, Pleasant Hill, Nevada and Butler; and Burselson Orthodontics and Pediatric Dentistry in Kansas City and Raymore.



#### Sage Dental Opens Four Locations in Florida, Reaches 70 Practices

January 7, 2022 – Sage Dental recently opened four locations in Florida. The new offices are in St. Cloud, Winter Haven, Plant City and Lakeland. The St. Cloud, Winter Haven, Plant City locations are open. The Lakeland location will open early this year and will mark the DSO's 71st location. Sage Dental said it plans to open seven more practices in the first quarter of this year.



#### Pacific Dental Services Reaches \$2 Billion in Revenue

January 11, 2022 – Pacific Dental Services exceeded \$2 billion in cumulative revenue in 2021. The milestone was one of several of the DSO's achievements in 2021. Others include implementing new technology at its practices, opening an integrated dental-medical practice in Nevada, offering free college tuition to its team members, and partnering with the American Diabetes Association to increase awareness of the link between oral health and diabetes. Pacific Dental Services supports more than 850 practices nationwide.



#### Spark Dental Management Gains 35 New Locations in Children's Dental Management Acquisition

January 12, 2022 – Spark Dental Management acquired Children's Dental Management along with its 35 locations and five dental surgery centers accredited by the Accreditation Association for Ambulatory Health Care. Spark Orthodontics founder Jason Hartman, DMD, has been named president of Spark Dental, with Children's Dental CEO Michael O'Donnell as the CEO.



#### Marquee Dental Partners Reaches 20 Florida Offices With Four-office Acquisition

January 20, 2022 – Marquee Dental Partners recently expanded its Florida footprint to 20 offices with the acquisition of Advanced Dental Arts. Advanced Dental Arts has four locations in the Tampa area. The practice provides several services, including dentures, cleanings, extractions, bone grafting and cosmetic dentistry



#### Espire Dental Lands Six-office Acquisition in Colorado

January 26, 2022 – Espire Dental recently acquired six practices in Colorado. The organization acquired the practices from Todd Matheson, DMD. The acquisition brings Espire Dental to 19 practices located throughout Colorado, California, Oklahoma and Wyoming.

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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.