

The Wisdom Tooth:
A Dental Industry
Newsletter



Market Overview

Indices Performance (% change)

	January 2024	LTM		January 2024	LTM
S&P 500	1.6%	17.6%	DJIA	1.2%	11.9%
Nasdaq	1.0%	28.3%	Russell 2000	(3.9%)	(0.7%)

Source: Federal Reserve: Bank of St. Louis

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

	January 2024	LTM		January 2024	LTM
Patterson Companies	5.0%	(2.2%)	Milestone Scientific	(17.3%)	(11.0%)
			Align Technology	(2.4%)	(5.4%)
			Dentsply Sirona	(2.4%)	(7.3%)
			Envista Holdings	(2.3%)	(40.8%)
			Henry Schein	(1.1%)	(14.0%)

Publicly Traded Dental Related Company Performance

(\$ in millions, except per share data)

Company	Share Price 01/31/2024	% 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	CY23 P/E	Gross	EBIT	EBITDA		
Align Technology	ALGN	\$267.32	64.7%	\$20,474	\$19,598	5.1x	31.4x	31.4x	46.0x	32.6x	69.7%	14.9%	18.7%	(1.6x)
Henry Schein	HSIC	\$74.84	83.4%	\$9,725	\$13,296	1.0x	15.1x	20.6x	22.1x	17.4x	31.0%	5.1%	6.9%	2.4x
Dentsply Sirona	XRAY	\$34.75	80.4%	\$7,362	\$9,172	2.3x	48.3x	NA	NA	NA	52.9%	(3.7%)	4.8%	9.5x
Envista Holdings	NVST	\$23.50	54.3%	\$4,028	\$4,842	1.9x	10.4x	16.1x	21.8x	29.0x	57.0%	11.6%	18.0%	1.8x
Patterson Companies	PDCO	\$29.86	86.5%	\$2,767	\$3,414	0.5x	8.8x	11.3x	14.5x	14.9x	21.2%	4.6%	5.9%	1.7x
Milestone Scientific	MLSS	\$0.57	42.3%	\$43	\$39	4.0x	NA	NA	NA	NA	64.9%	(72.8%)	(71.3%)	0.6x
Mean				\$7,400	\$8,393	2.5x	22.8x	19.9x	26.1x	23.5x	49.5%	(6.7%)	(2.8%)	2.4x
Median				\$5,695	\$7,007	2.1x	15.1x	18.4x	22.0x	23.2x	54.9%	4.9%	6.4%	1.7x
High				\$20,474	\$19,598	5.1x	48.3x	31.4x	46.0x	32.6x	69.7%	14.9%	18.7%	9.5x
Low				\$43	\$39	0.5x	8.8x	11.3x	14.5x	14.9x	21.2%	(72.8%)	(71.3%)	(1.6x)

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

Andrew Witik
(312) 283-0829
andrew.witik@thechicagocorp.com

The Wisdom Tooth: A Dental Industry Newsletter

Recent Industry News

Specialized Dental Partners Adds Three-office Endodontics Practice

January 2, 2024 – Irving, Texas-based Specialized Dental Partners recently added a Texas endodontics practice to its network. The DSO added Vaughn Endodontics, which has three locations in San Antonio, according to a Jan. 1 LinkedIn post. Specialized Dental Partners supports more than 200 practices in 35 states.

Flagship Specialty Partners Adds First Virginia Practice

January 5, 2024 – Charlotte, NC-based Flagship Specialty Partners recently added Virginia Oral & Facial Surgery to its network, its first partner practice in the state. Virginia Oral & Facial Surgery has seven offices throughout the state. Flagship supports more than 40 locations and 70 providers in Virginia, North Carolina and South Carolina.

Specialty1 Partners Adds California Periodontics Practice

January 5, 2024 – Houston-based Specialty1 Partners expanded its network with the addition of a California practice. The DSO partnered with James S. Minutello, DDS & Regina D. Minutello, DMD, MS, Inc. and Associates Periodontics & Implant Dentistry, located in Corona, CA, according to a Jan. 3 news release from Specialty1 Partners. The Company focuses on partnering with practices specializing in endodontics, oral surgery and periodontics, according to its website.

Aspen Dental to Build 3.5K-square-foot Location in Virginia

January 8, 2024 – Chicago-based Aspen Dental is constructing a new practice location at a shopping center in Culpeper, VA, according to a Jan. 5 report by Culpeper Times. The office will be 3,550 square feet and will share a building with a restaurant. The building was approved by the town planning commission in September. Aspen Dental is one of the largest DSOs in the U.S., supporting more than 1,000 practices across the country, including more than 20 in Virginia.

Smile Partners Continues Expansion in Georgia

January 10, 2024 – Troy, MI-based Smile Partners USA recently added a Georgia dental practice to its network. The management services organization partnered with Drescher & Cohen DDS in Atlanta, according to a Jan. 10 LinkedIn post. Smile Partners previously partnered with Greencastle Dental in Tyrone, GA, in June. Smile Partners supports more than 90 practices in Michigan, Georgia, Illinois and Alabama.

Rock Dental Brands Adds Affiliates in Four States

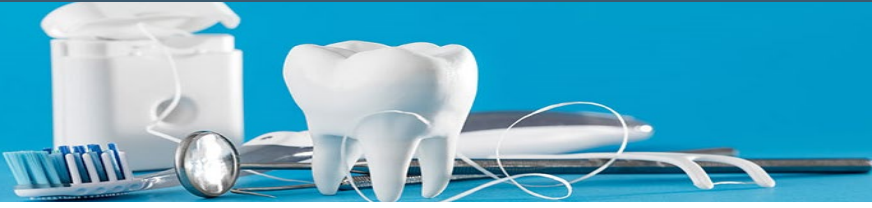
January 15, 2024 – Little Rock, AR-based Rock Dental Brands expanded its network with four practice affiliations. The DSO partnered with Cardinal Orthodontics in Ballwin and Rock Hill, MO; Smile Concepts Orthodontics in Apopka, FL; Meade Moore Pediatric Dentistry, in Germantown, TN; and Arkansas Oral & Facial Surgery Center, which has three locations, according to a Jan. 15 news release shared with Becker's. Rock Dental Brands supports more than 100 practices across five states.

Oral Surgery Partners Gets \$400M Credit Expansion

January 22, 2024 – St. Louis-based Oral Surgery Partners received a credit expansion of more than \$400 million to invest in the Company's infrastructure and complete additional acquisitions. In 2023, the oral surgery management group expanded by adding 17 practices across 11 states and hiring 25 corporate employees, including a COO and chief human resources officer, according to a Jan. 22 news release. With the increased funds, the Organization will continue to build on its 2023 growth, partnering with more oral surgeons and looking for more add-on acquisitions.

Tennessee DSO Acquires Fifth Practice

January 30, 2024 – Chattanooga, Tenn.-based Legacy Dental Group added Lookout Valley Dental to its network of practices, according to a Jan. 27 report by chattanooga.com. Lookout Valley Dental is led by Benjamin Blackiston, DMD, and is in Chattanooga, TN. The partnership marks the DSO's fifth practice acquisition in the past four years. Legacy Dental Group added another Chattanooga-based practice in November.



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.

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.