



## Q1 '14/Q4 '13 DENTAL SERVICES INDUSTRY UPDATE

### Market Update

The last two quarters have shown a bit of a slow down as it pertains to consolidation, however the continued trend of strategic acquisitions in key focus geographies continues. As an example, *Provident Healthcare Partners* successfully represented Baystate Dental, a leading provider of dental services in Western Massachusetts, in their recapitalization with North East Dental Management. With the Baystate owners retaining a significant ownership stake, they were able to find a true growth partner that will help them expand rapidly throughout the Massachusetts and New England markets while providing NEDM a strong, sizeable platform in a geography that they were interested in moving into for some time. Further acquisitions along this line of logic are likely, particularly as private equity groups look to expand their existing platforms as there are over two dozen PE-backed companies in this sector.



Has been recapitalized by **Sentinel Capital Partners** through its portfolio company



### NOTEWORTHY TRANSACTIONS

Month	Acquirer	Target Company	Details
February 2014	Henry Schein, Inc.	Lincoln Dental Supply	Henry Schein, Inc. acquired Lincoln Dental Supply from Keystone Industries. Lincoln Dental Supply was a Cherry Hill, NJ-based supplier and distributor of dental supplies to dental laboratories. Lincoln was absorbed into Henry Schein's Zahn Dental division. The deal enhanced Zahn's distribution network, which has been expanding into new markets through acquisitions. Lincoln Dental Supply reported sales of approximately \$18 million in 2013, however further financial terms of the transaction were not disclosed.
February 2014	Henry Schein, Inc.	Arseus NV	Henry Schein has acquired 4 dental equipment distributors and 1 IT services subsidiary from Arseus. The total revenue of the 5 units was approximately \$97m. Arseus is a Belgian-based R&D specialist for specialized medical fields and pharmaceutical compounding. The acquisition of several Arseus businesses will allow Henry Schein to increase its European foothold. The financial terms of the deal were not made available.
January 2014	Gentle Dental Group	Dean, Israel & Associates	Gentle Dental Group, a portfolio company of private equity group Linden LLC, completed its acquisition of Dean, Israel & Associates., a general and cosmetic dentistry provider based in Boca Raton and Cooper City, FL. Financial terms of the transaction were not disclosed.
January 2014	National Dentex Corporation	Tri-County Dental Lab, Inc.	National Dentex Corporation, a subsidiary of GeoDigm Corporation, completed the acquisition of Tri-County Dental Lab, Inc. Tri-County will be merged into the operations of Keller Laboratories in Fenton, MO. Financial terms of the transaction were not disclosed.
January 2014	Dynamic Dental Partners, Inc.	Personal Dental Care, Inc.	Dynamic Dental Partners, Inc., a portfolio company of Huron Capital Partners, announced the acquisition of Personal Dental Care, Inc. Personal Dental Care is a Richmond, VA based provider of general and cosmetic dentistry services. With the acquisition, Dynamic Dental Partners now operates from 32 locations across Virginia, Florida, and Arizona. Financial terms of the transaction were not disclosed.
January 2014	Park Dental	St. Croix Valley Dental	Park Dental and St. Croix Valley Dental have merged. The transaction expanded Park Dental's presence in the Midwest. With this successful acquisition, Park Dental now operates with 111 dentists across 36 locations. The financial terms of the transaction were not disclosed.
December 2013	Henry Schein, Inc.	BioHorizons, Inc.	Henry Schein, Inc. acquired a 60% interest in BioHorizons, Inc., which reported revenues of \$115 million. As part of the deal, Henry Schein provided approximately \$145 million in distributions to shareholders in addition to an equity investment. BioHorizons was an Alabama-based provider of unique dental implant products, marketing in 85 markets with over half its revenue coming from the U.S. This investment along with Henry Schein's investment in CAMLOG Biotechnologies AG will strengthen the Company's position in the two largest markets in the dental implant sector, the U.S. and Germany.