

Q1 2016 Dental Services Update



M&A Update

As another quarter comes to a close, the dental sector continues to be one of the most active throughout all of healthcare in terms of M&A, particularly as it pertains to private equity capital. Two new platforms were created, and most interestingly, we saw one of the largest strategic transactions to date in the dental sector with Dental Care Alliance acquiring North East Dental Management. Despite the rampant consolidation trends, we continue to see ample room for further consolidation as fragmentation continues to create opportunity both for entrepreneurs to grow their practices and for investment groups to seek out new platforms, as well as add-on acquisitions.

Select Transactions

Month	Acquirer	Target Company	Details
March 2016	S.C. Goldman & Company	Mid-Atlantic Dental Service Holdings	Mid-Atlantic Dental Service Holdings, based in Philadelphia, Pennsylvania, received a \$15 million minority equity investment in order to grow the dental support organization's operations. S.C. Goldman & Co. is a private family investment office and will look to support Mid-Atlantic's growth. As part of the transaction, Mitch Goldman has joined the Company as Chief Executive Officer
March 2016	Spring & Sprout Dental Holdings	German Orthodontics	Spring & Sprout Dental Holdings, a portfolio company of Huron Capital Partners, has continued its aggressive growth strategy by making two acquisitions in the first quarter. Rich Orthodontics, with seven locations throughout Pennsylvania, and German Orthodontics of Ohio, were both acquired by Spring & Sprout as it continues to expand its geographic footprint from its current operations in five states. Terms of both transactions were not disclosed.
February 2016		Rich Orthodontics	
January 2016	Marquee Dental Partners	Winfree & Denton Cosmetic & General Dentistry	Marquee Dental Partners, a Nashville, Tennessee-based dental support organization backed by Chicago Pacific Founders, announced the acquisition of Winfree & Denton Cosmetic & General Dentistry in Tennessee. Terms of the transaction were not disclosed, and this is the third acquisition for Marquee since the original investment by CPF in October of 2015.
January 2016	Beecken Petty O'Keefe & Company	Absolute Dental Management	Beecken Petty O'Keefe & Company completed its acquisition of Absolute Dental Management. Absolute operates over 20 dental offices throughout the state of Nevada, and through the partnership they gain the expertise of BPOC who has had successful investments in the sector including DentalCare Partners, Sirona Dental Systems, and Dentistry for Children. Financial terms of the transaction were not disclosed.
January 2016	Dental Care Alliance	North East Dental Management	Dental Care Alliance (DCA) has completed the acquisition of North East Dental Management (NEDM). NEDM, then known as Garden State Dental, was first invested in by DFW Capital Partners in 2007 and enjoyed a strong five year growth story before rebranding and selling to Sentinel Capital Partners in 2012. The acquisition marks a big investment by DCA and their new private equity partners as they were just bought by Harvest Partners in July of 2015 from Quad-C Management. Financial terms of the transaction were not disclosed.