

# Q3-2016 Dental Services Update



## M&A Update

The dental services industry transaction environment in the third quarter of 2016 was headlined by the private equity recapitalizations of Smile Brands and Great Expressions Dental Centers, completed the Company's third private equity recapitalization. In 2008, Audax Group, one of the largest and most active private equity firms investing in middle market businesses, acquired Great Expressions Dental from the original shareholder of the business\*. With rolled equity from the initial transaction, shareholders capitalized on the growth of the Company and the appreciation of their equity position as Great Expressions was acquired by OMERS Private Equity in 2011 and Roark Capital Group in September of this year.

Private equity secondary and tertiary exits continue to be active exits, allowing for well run platforms to get second and third bites of the apple.

\*Provident Healthcare Partners advised Great Expressions Dental on this transaction

## Select Transactions

Month	Acquirer	Target Company	Details
Sept 2016	Roark Capital Group	Great Expressions Dental Centers	Roark Capital Group, a private equity firm based in Atlanta that focuses on consumer brands and multi-unit businesses, acquired Great Expressions Dental Centers, a company that provides comprehensive affordable dental services through its network of 269 practices. Great Expressions is one of the largest dental support organizations in the United States with more than 900 providers that cares for over 600,000 patients per year. Terms of the transaction were not disclosed.
Sept 2016	Marquee Dental Partners	DDS General Dentistry	Marquee Dental Partners, a dental support organization that provides dentists with operational support and clinical autonomy, completed three tuck in acquisitions this quarter, marking the 10 <sup>th</sup> acquisition made since Chicago Growth Equity invested \$35 million in the Company in October 2015. The Company acquired DDS General Dentistry, Mid Tennessee Dentistry, and Westen Dental Group. Tom P. Carter, DDS General Dentistry, is a practice based in Bowling Green, KY. Mid Tennessee Dentistry, is an operation including seven family and cosmetic dentistry locations, as well as one that focuses on specialty care. Westen Dental Group, is a general dentistry practice in Bowling Green, KY. The acquisitions will enable the practices to focus on providing the best oral healthcare services by receiving support and clinical autonomy from Marquee Dental Partners. Financial terms of the transactions were not disclosed.
Sept 2016		Mid Tennessee Dentistry	
Aug 2016		Westen Dental Group	
Aug 2016	Gryphon Investors	Smile Brands Group	Gryphon Investors, a middle market private equity firm based in San Francisco, acquired Smile Brands Group, a national provider of support services to dental practices from private equity firm Welsh, Carson, Anderson & Stowe. Gryphon previously owned the predecessor to Smile Brands until 2005, and then formed a partnership with the former CEO and CFO to build a comprehensive dental services organization platform to acquire existing dental practices. Terms of the deal were not disclosed.
Aug 2016	Undisclosed	STX Healthcare Management Services	Harbert Management Corporation has exited its position in STX Healthcare Management Services to an undisclosed buyer. STX Healthcare Management Services is a pediatric dental clinic operator based in Bellaire, Texas.
July 2016	Hood River Dental	Gaulke Dental Clinic	Hood River Dental, a group of dental practitioners out of Oregon, acquired Gaulke Dental Clinic. The acquisition provides Gaulke Dental Clinic's patients with access to more dental services, such as same day crowns, third molar extractions, implants, and migraines. Terms of the deal were not disclosed.