

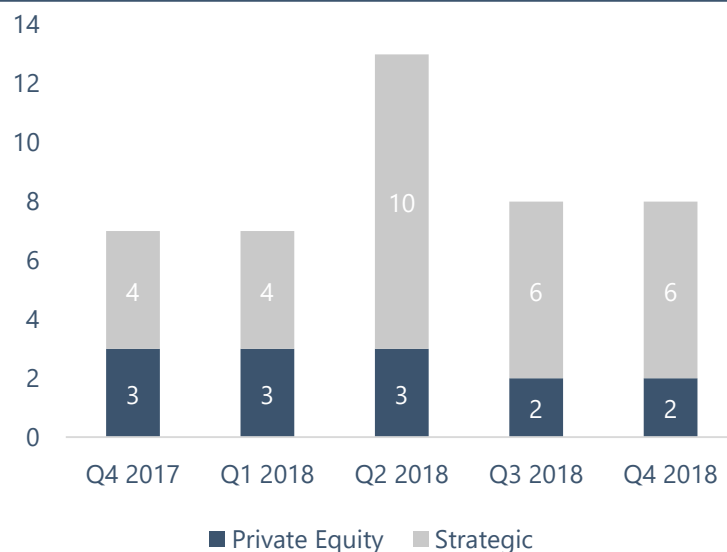
Q4-2018 Dental Services Update



Market Update

Merger & acquisition activity within the dental services sector as consolidation continued at a strong pace. Similar to the third quarter, the transaction activity during the fourth quarter was largely driven by strategic consolidators such as Marquee Dental, North American Dental, Mid-Atlantic Dental, and Western Dental. Marquee Dental and North American Dental leveraged acquisitions to increase their respective geographic densities within existing markets. Mid-Atlantic Dental and Western Dental completed the largest transactions by location footprint of the quarter acquiring Birner Dental Management Services, and The Guardian Life Insurance Company's DSO operations respectively. Each of these transactions greatly increases the footprint of these organizations and will provide entrance into new markets as both acquisition targets already possessed a presence in three separate states. Two new private equity platforms were also created during the fourth quarter with Parkstone Growth Partners making an investment in Florida-based Bayview Dental Associates, and MBF Healthcare Partners recapitalization of Texas-based Rose Dental Group. The strong fourth quarter of M&A points to continued consolidation and investment heading into 2019 within the dental services sector.

Investment Activity Breakdown



Select Transactions:

Month	Acquirer	Target	Target – Number of:		
			Locations	Dentists	State(s)
December	Western Dental	The Guardian Life Insurance Company of America's DSO Operations	63	Undisclosed	3
December	Parkstone Growth Partners	BayView Dental Associates	7	8	1
December	Mid-Atlantic Dental Partners	Birner Dental Management Services	66	100	3
November	Marquee Dental Partners	Shabo Smile Dental Studio	1	1	1
November	Marquee Dental Partners	Dr. Jeffrey Weissman Family and Cosmetic Dentistry	1	1	1
November	North American Dental Group	Complete Dental Care	1	1	1
October	MBF Healthcare Partners	Rose Dental Group	4	20	1

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