

# Q1-2021 Dental Services Update

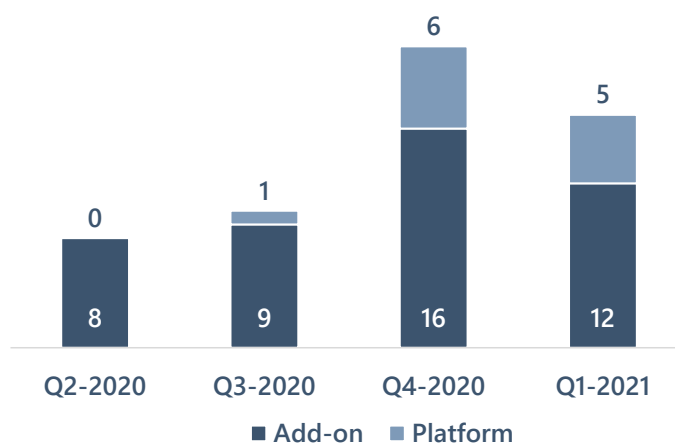


## Market Update

The dental services market continues to show signs of a healthy recovery following a halt in platform-level transaction activity from April to June 2020. Following initial COVID-19 shutdowns of most non-emergency dental care, some large dental services organizations maintained a decreased level of add-on transaction volume, however it was unclear when or if new private equity investment would return to the space. In recent months, it has become clear that investor interest in dental services has successfully rebounded to 2019 and early-2020 levels, with new private equity investment into 11 dental services platforms in Q4-2020 and Q1-2021, compared to an average of 3.5 new platforms per quarter in 2019.

This increase in investor interest is highlighted by several landmark transactions including Charlesbank's investment into MB2 Dental, Varsity Healthcare Partners' investment into Peak Dental Services, and ICV Partners' investment into Cherry Tree Dental. These businesses vary greatly in size and strategy – ranging from MB2's national presence and history of institutional ownership to Cherry Tree's single-state operations – but all share the characteristics required to attract investor interest from experienced healthcare investors. Many of the investment firms recently completing dental transactions are respected, experienced groups within the healthcare market and their renewed interest in the space will provide reassurance to the rest of the market that stability, growth, and consolidation are not going away in the dental services market.

### Post-COVID Dental M&A Activity



## Select Transactions

Month	Target	Investor	# of Locations	Geography
March	Cherry Tree Dental	ICV Partners	29	Wisconsin
March	P1 Dental Partners	Prairie Capital	26	Indiana
March	Reign Dental	DECA Dental	2	Washington
February	MB2 Dental	Charlesbank Capital Partners	250+	25+ states; HQ in TX
January	PEDIA	Smile America Partners	14	Illinois
January	Peak Dental Services	Varsity Healthcare Partners	39	Colorado
December	ClearChoice	Aspen Dental Management	65	25+ states; HQ in CO
December	Tru Family Dental	Heartland Dental Care	23	Michigan, Illinois
December	Midwest Dental	Smile Brands	230	15+ states, HQ in WI

## Provident Industry Coverage Team

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## Upcoming Conference



**Dykema Definitive  
DSO Conference**  
July 28-30<sup>th</sup>  
Aurora, CO