

Q4-2021 Dental Services Update



Market Update

In Q4-2021, Provident observed continued, significant transaction activity in the dental practice and DSO markets. Transaction volume and demand for new partnerships has stayed high across all transaction types, including new platform formations, add-on acquisitions, and investor-owned DSO exits.

Continuing with Q2 and Q3-2021 trends, multiple private-equity owned DSOs closed transactions in the last quarter of the year. Examples of these transactions include two notable specialty dentistry platforms, U.S. Oral Surgery Management (acquired by Oak Hill Capital Partners) and Smile Doctors (acquired by TH Lee Partners). Other investor-backed platforms continued to invest in rapid M&A expansion, such as Community Dental Partners (backed by Boathouse Capital) which partnered with 3C Dental Group, more than doubling its clinic footprint. With the current investor sentiment and level of investment, Provident expects multiple investor-backed DSOs to transact in Q1 and Q2-2022, alongside continued investment in strategic add-on acquisitions.

As investors exit their DSO investments and generate successful return case studies, Provident expects interest in new platform transactions to continue as well.

Significant Transactions

 Has been acquired by A portfolio company of 	 Has been acquired by
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Select Transactions

Month	Target	Investor(s)	Locations	Geography
October	3C Dental Group	Community Dental Partners	20	Texas
October	Britely Dentures + Implants	Vista Verde Group	4	Southwest, Midwest
October	Pure Health Dental	Great Expressions Dental Centers	6	Ohio
October	Swish Dental	Mereo Capital Partners	12	Texas
November	Modern Dental Care	Dental Care Alliance	14	Wisconsin
November	U.S. Oral Surgery Management	Oak Hill Capital	50+	National
December	Beacon Dental Health	Dental365	14	Massachusetts
December	GPS Dental	Main Post Partners	23	Southeast, Midwest
December	LWSS Family Dentistry	Heartland Dental	6	Virginia
December	Smile Doctors	Thomas H. Lee Partners	290	National

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