

Dental Services

Q2 2023

Market Update

Q2 2023 has been an active quarter in the dental services sector, with the later months highlighting a surge in middle market DSO transaction volume. The uncertainty of credit markets and economic conditions in recent quarters resulted in fewer dental opportunities in market, but in June-2023, four notable dental transactions were closed. Additionally, Provident's DSO industry team expects many additional mid-sized DSOs to approach the market and close transactions in the following 3-6 months. Q2 market activity also reinforced investor excitement across various strategies and verticals, including acquisitions of investor-owned DSOs, private equity recapitalizations of founder-owned DSOs, majority and minority investments into specialty dental, partnerships with branded consumer clinics, and clinic carveouts between DSOs. Investors have pointed to stability in the credit market and dental's recession resiliency as key drivers of the broad interest across the sector.

Notable Transaction

In Q2 2023, Lindsay Goldberg acquired Lightwave Dental, a dentist-oriented DSO with 85+ clinics throughout the Southeast and Mid-Atlantic. Lindsay Goldberg is a large private equity investor with 5+ multisite healthcare platforms in sectors including mental health, physical therapy, women's health, and veterinary health care services.

This transaction highlights the continued interest in DSOs, at premium valuations from high-quality investors.



Select Transactions

Month	Acquirer	Target	Locations	States
April			6	AZ, NC
April			5	NY
June	NORWEST		30+	Southeast
June			24	AZ, FL, PA
June			35+	Northeast
June	LINDSAY GOLDBERG		85+	Mid-Atlantic / Southeast

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Publications

Article

Ajeya Shekar was recently quoted in [an article from DealFlow](#), examining the drivers of PE investment in dental services