

# Q1-2015 Dental Services Update



## M&A Update

The first quarter of 2015 experienced a strong resurgence in the dental services industry, particularly as it pertains to private equity investment. With over two dozen PE backed platforms in the sector, the industry remains one of the most heavily backed across the healthcare spectrum. As time goes on, these portfolios will continue to see changes in sponsors (evidenced by Aspen Dental and American Securities), and a high degree of interest in the creation of new platforms, with multiple initial investments being made in the sector throughout the quarter. While there continues to be investment and consolidation in ancillary lines of dental services (i.e. wholesale/distribution, software, real estate, materials/products), the brick-and-mortar clinic services model still remains the most attractive for investors.

Month	Acquirer	Target Company	Details
March 2015	American Securities	Aspen Dental Management	American Securities has announced the recapitalization of Aspen Dental Management, one of the nation's largest dental practice management organizations, alongside of management as well as current investors, Ares Management and Leonard Green Partners. Acquired by Ares and Leonard Green in 2010, Aspen has grown to serving 1.2 million patients in 2014 across 30 states. Financial terms of the transaction were not disclosed.
March 2015	Long River Ventures	Convergent Dental	Long River Ventures has announced a \$9M investment in Convergent Dental. Convergent Dental is a Massachusetts based developer of computer-aided laser system for hard and soft tissue indications.
March 2015	Pine Tree Equity	Smile Design Dentistry	Smile Design Dentistry, a provider of dental services in Florida, has received an investment from Pine Tree Equity. Smile Design has 15 locations across the state of Florida and is a leading provider cosmetic dentistry, implants, orthodontics, and preventative care. No financial terms of the transaction were disclosed.
March 2015	District Line Partners	Planet DDS	Planet DDS. has closed on an equity investment from District Line Partners. Planet DDS is best known for their products Denticon and Dentiray, which are both web based on-demand service software products. Financial terms of the transaction were not disclosed.
March 2015	Cressey & Company/ Golub Capital	Sentage Corporation (d/b/a Dental Services Group)	Sentage Corporation, d/b/a Dental Services Group, has been recapitalized by Cressey & Company and Golub Capital. Dental Services Group is a Minnesota based company that operates a network of dental laboratories across North America. Financial terms of the transaction were not disclosed.
February 2015	Silver Oak Services Partners	Pediatric Dental Practice Management Company	Silver Oak Services Partners has closed on the acquisition of Pediatric Dental Practice Management Company (PDPMC). With more than 20 locations across the country, PDPMC serves over 1,000 pediatric patients per day. Financial terms of the transaction were not disclosed.
January 2015	Henry Schein	ADS Florida	Henry Schein Inc. has announced the acquisition of ADS Florida through its subsidiary, Henry Schein Financial Services. ADS is a real estate brokerage service focused on dental practices. Financial terms of the transaction were not disclosed.