



SKYWAY
CAPITAL MARKETS

Sector Update:

Dental Service Organizations (DSOs)

April 2025

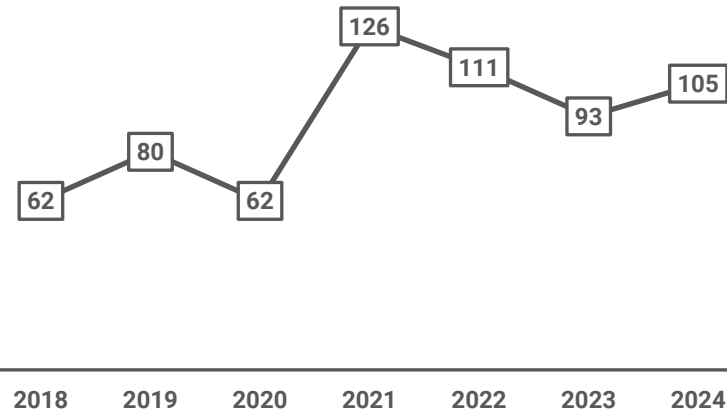
M&A Update

M&A Drivers

The Dental Service Organization (DSO) industry has experienced significant growth in recent years, driven by various factors influencing mergers and acquisitions. Private equity and institutional investors are attracted to the dental sector due to its **fragmented nature** and **potential for consolidation**, providing DSOs with the necessary capital to expand through acquisitions. Some of these factors include:

- Investments in **advanced dental technologies** and **data analytics by DSOs** enhance patient care and operational efficiency, making technologically adept practices appealing for acquisition.
- **Evolving healthcare regulations** and the **need for compliance drive smaller practices to partner with DSOs**, which can better navigate the complex regulatory landscape.
- DSOs offer **centralized administrative services** such as **human resources, marketing, and procurement**, allowing dental professionals to focus on patient care. This efficiency makes smaller practices attractive acquisition targets.

M&A Deal Count



Commentary

"We've seen in recent years a trend toward the consolidation of smaller dental practices, and that is continuing to grow at a rapid pace. Dental Service Organizations (DSOs), for example, have been expanding exponentially."

- Dennis Leonard, CEO @ Delta Dental of Massachusetts

Industry Overview

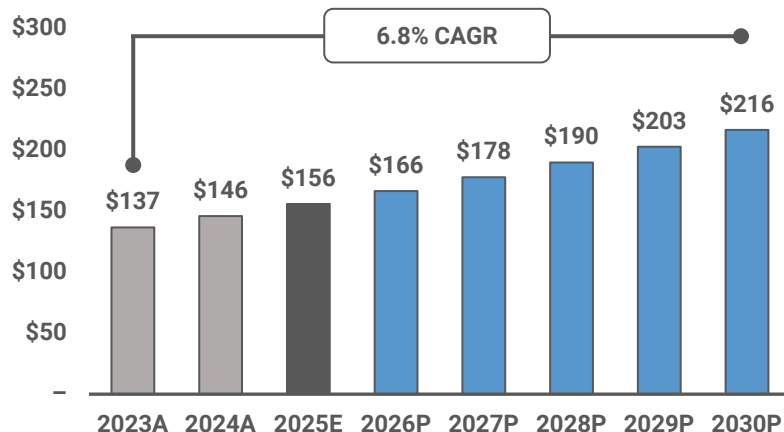
Market Snapshot

In recent years, the U.S. dental services market has experienced steady growth, driven largely by increasing public awareness of oral health. **In 2023, the dental services industry was valued at \$136 billion** and is projected to reach **\$216 billion by 2030, reflecting a CAGR of 6.8%.**

- The **expansion of dental coverage under Medicare Advantage and Medicaid** is also playing a significant role, making dental services **more accessible to older adults and low-income populations.**
- The growing adoption of **digital dental technologies**—such as **intraoral scanners, 3D printing, and CAD/CAM systems**—alongside the continued development of **teledentistry**, is enhancing efficiency and expanding access to care.

Market Size & Growth

(\$ in billions)

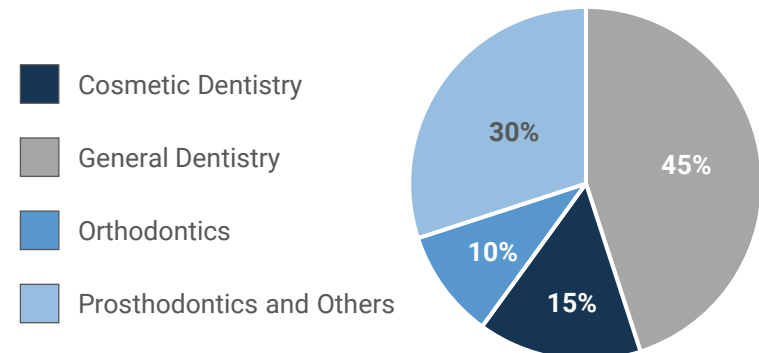


Market Drivers

Several factors are driving continued growth in the demand for dental services, including:

- **The advancements in dental care**, which include **laser dentistry, same-day crowns, porcelain veneers, dental implants**, and others, have led to a **robust surge in demand** for these procedures.
- **Dental ailments**, including **tooth decay** and **oral infections**, have also been **increasing due to various factors such as poor oral hygiene, unhealthy diets, and lifestyle choices.** This growing prevalence of dental ailments is creating a greater demand for services and treatments in dentistry.

Treatment Segmentation¹



1 - 'Other' category includes specialties: periodontics, endodontics, and pedodontics

Industry Overview (Cont.)

Dental Financing Sources

Dental care financing in the U.S. is primarily supported by a combination of private insurance and out-of-pocket payments, with public funding playing an increasingly significant role.

- As of 2023, **approximately 68.5 million adults—about 1 in 4—lack dental insurance.**

Nearly **80% of total dental spending comes from private sources**, including patient out-of-pocket payments and private dental insurance, while government programs cover only about 20%.

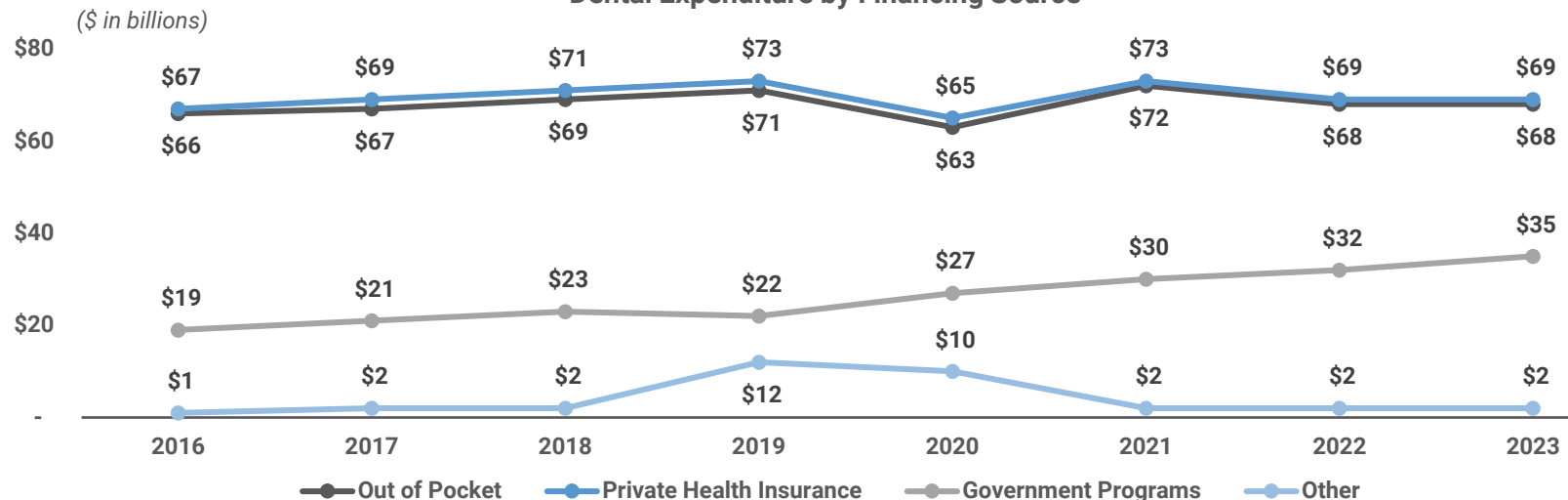
- In dollar terms, **both out-of-pocket spending and private insurance each contribute roughly \$68–\$69 billion annually**, whereas public programs such as **Medicaid and Medicare account for about \$35 billion.**

Market Growth

Americans utilize hundreds of millions of dental services annually. An industry analysis estimated over **451 million dental procedures were performed in the U.S.**

- Preventive visits account for a large share – for example, routine professional **oral hygiene (dental cleaning) is one of the most common services**, with roughly **200 million Americans expected to visit a dentist for preventive care in 2023.**
- Meanwhile, **cosmetic dentistry and orthodontics are growth areas**: approximately **40 million Americans sought teeth whitening in 2023** (a 15% increase over 2022), and around **2.5 million people received veneers** (up 20% year-over-year).

Dental Expenditure by Financing Source¹



¹ - 'Other' category includes the Paycheck Protection Program (PPP) and the Provider Relief Fund (PRF)

Competitive Landscape

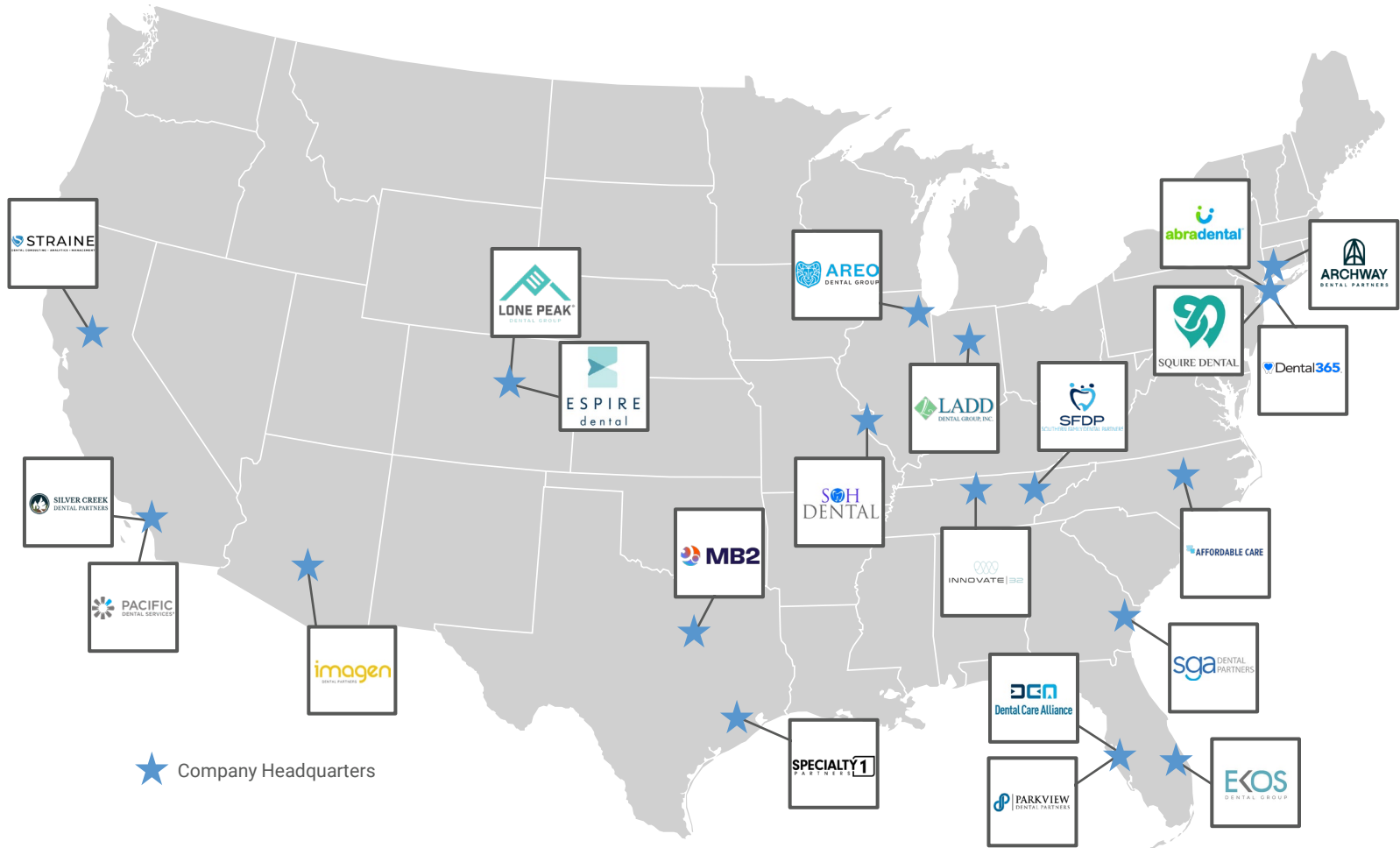
Select Private Equity-Backed Dental Service Organizations

 STRAINE DENTAL CONSULTING • ANALYTICS • MANAGEMENT	 CHATHAM CAPITAL	 Dental365	 TJC	 MB2 DENTAL	 Charlesbank	 AFFORDABLE CARE	 HARVEST PARTNERS		
 PARKVIEW DENTAL PARTNERS	 CATHAYCAPITAL	 LONE PEAK DENTAL GROUP	 BlackRock	 ESPIRE dental	 IRONWOOD CAPITAL	 abradental	 CLAIRVEST		
 SFDP SOUTHERN FAMILY DENTAL PARTNERS	 HEALY CAPITAL PARTNERS	 HUNTER STREET INVESTORS SPONSORS PARTNERS	 SPECIALTY 1 PARTNERS	 LEGACY CAPITAL VENTURES	 SILVER CREEK DENTAL PARTNERS	 AUXILIUM PARTNERS	 ARCHWAY DENTAL PARTNERS	 MARTIS CAPITAL	 Din Ventures
 sga DENTAL PARTNERS	 TG THURSTON GROUP	 INNOVATE 32	 SHORE Capital Partners	 LADD DENTAL GROUP, INC.	 LEAD CAPITAL PARTNERS	 DCA Dental Care Alliance	 MUBADALA		

Select Stand-Alone Dental Groups

 imagen DENTAL PARTNERS	 AREO DENTAL GROUP	 EKOS DENTAL GROUP	 SOH DENTAL	 PACIFIC DENTAL SERVICES	 SQUIRE DENTAL
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Geographic Competitive Landscape



Recent Transaction Activity

Target (Ownership)	Acquirer (Ownership)	Close Date	Location
Brown Family Dentistry (Clinics/Outpatient Services) <i>Operator of dental clinic</i>	Straine Dental Management (Chatham Capital)	Mar-25	Greenville, SC
Leedydental <i>Operator of a dental clinic</i>	Straine Dental Management (Chatham Capital)	Mar-25	Abilene, TX
Tiger Family Dental <i>Operator of a dental clinic</i>	Straine Dental Management (Chatham Capital)	Mar-25	Sedalia, MO
Union Dental Health <i>Provider of comprehensive dental services</i>	Dental365 (TJC)	Mar-25	Lewisburg, PA
Lawrence Dental Group <i>Operator of a dental clinic</i>	Dental365 (TJC)	Feb-25	Kingston, PA
O-G Family & General Dentistry <i>Provider of dental care services</i>	MB2 Dental (Charlesbank Capital Partners)	Feb-25	Glandorf, OH
Neptune Dental <i>Provider of dental care services</i>	ProSmile	Feb-25	Neptune, NJ
Lifetime Smiles Dental Care (2 Dental Care Practices in Florida) <i>A portfolio of two dental care practices</i>	Parkview Dental Partners (Cathay Capital)	Jan-25	Sarasota, FL
Vital Smiles Georgia <i>Operator of a dental clinic</i>	Lone Peak Dental Group (BlackRock)	Jan-25	Albany, GA
Oaktown Family Dentistry <i>Operator of a dentistry</i>	Imagen Dental Partners	Jan-25	Oaktown, IN
Westshore Periodontics & Dental Implants <i>Provider of a dental practice</i>	Paradigm Oral Surgery (BlackRock)	Dec-24	Avon, OH
Eastern Dental Management <i>Operator of a dental support organization</i>	Branford Castle Partners	Dec-24	Avenel, NJ
Tranquility Dental Wellness <i>Operator of dental wellness services</i>	Espire Dental (Ironwood Capital)	Dec-24	Lacey, WA
The Downtown Seattle Dentist <i>Operator of dental care services</i>	Espire Dental (Ironwood Capital)	Dec-24	Seattle, WA
Falls Pointe Dentistry <i>Provider of dental services</i>	MB2 Dental (Charlesbank Capital Partners)	Dec-24	Raleigh, NC
All About Kids Pediatric Dentistry <i>Provider of pediatric dental care services</i>	Abra Health (Clairvest Group)	Dec-24	Stamford, CT

Recent Transaction Activity (cont.)

Target (Ownership)	Acquirer (Ownership)	Close Date	Location
Schmitt Dental <i>Provider of comprehensive dental services</i>	Southern Family Dental Partners (Healy Capital Partners)	Dec-24	Clarksville, TN
Brush & Floss Dental Center <i>Provider of dentistry services</i>	Dental365 (TJC)	Dec-24	Stratford, CT
Triad Dentistry <i>Provider of comprehensive dental services</i>	MB2 Dental (Charlesbank Capital Partners)	Nov-24	Greensboro, NC
Bivens Dentistry <i>Operator of a dental practice</i>	Innovate 32 Services (Shore Capital Partners)	Nov-24	Mount Juliet, TN
Dr. Joe Pantaleo Dental & Facial Aesthetics <i>Provider of dental services</i>	Dental365 (TJC)	Nov-24	Smithtown, NY
Riccobene Associates Family Dentistry <i>Provider of comprehensive general and multi-specialty dental services</i>	Comvest Partners	Oct-24	Cary, NC
Seacoast Dental Implant & Oral Surgery Center <i>Operator of an oral surgery practice</i>	Specialty1 Partners (Legacy Capital Ventures)	Oct-24	Portsmouth, NH
Breezy Dental <i>Provider of dental services</i>	Parkview Dental Partners (Cathay Capital)	Oct-24	Clearwater, FL
Thomas Burdo <i>Operator of a dental clinic</i>	Seva Dental	Oct-24	Grand Rapids, MI
Lakeview Dental Care <i>Provider of dental care services</i>	The Smilist Dental (Zenyth Partners)	Sep-24	Gibbsboro, NJ
Diane W. Sherman <i>Provider of dental care services</i>	Silver Creek Dental Partners	Sep-24	Encinitas, CA
Guilford Smiles <i>Operator of a dental clinic</i>	Archway Dental Partners (Din Ventures) (Martis Capital)	Sep-24	Guilford, CT
Los Gatos Dental Group <i>Provider of dental treatment services</i>	Espire Dental (Ironwood Capital)	Sep-24	Los Gatos, CA
Legacy Dental Services Organization <i>Provider of dental care services</i>	Dental365 (TJC)	Sep-24	Abington, MA
Stroud William Thompson McMurry Family Dentistry <i>Operator of a dental clinic</i>	SGA Dental Partners (Thurston Group)	Sep-24	Shelby, NC
Marion Dental Group <i>Operator of a dental clinic</i>	Innovate 32 Services (Shore Capital Partners)	Sep-24	Ocala, FL

Skyway Capital – Firm Overview

Our team of 45+ professionals includes senior investment bankers with 25+ years, on average, of experience and expertise in mergers and acquisitions (M&A), capital markets, and private capital advisory. The firm is focused on middle-market businesses and has completed more than 200 transactions with a total transaction value exceeding \$20 billion.

M&A Advisory

Skyway Capital is a middle-market investment bank led by a team of highly experienced professionals, providing tailored sell-side and buy-side advisory services.

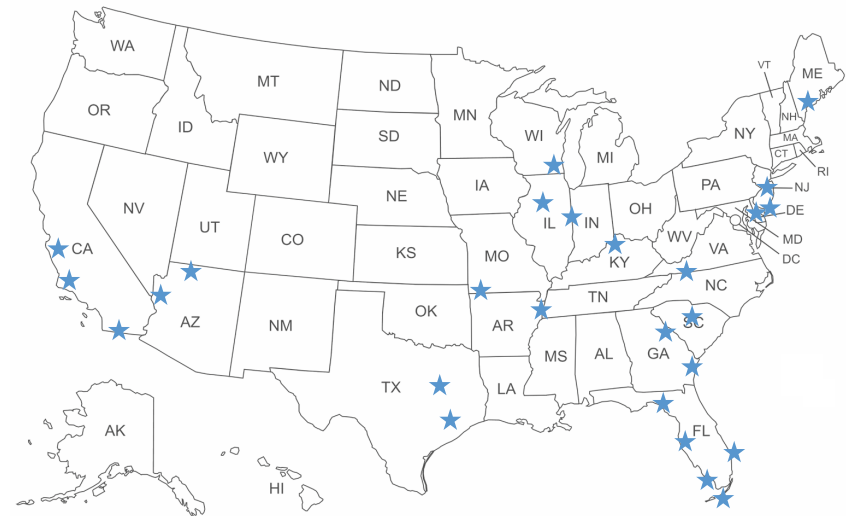
Capital Markets Advisory

Our team maintains a deep network of investor relationships and access to a wide range of capital sources to help companies obtain the necessary capital for achieving their growth, liquidity, and financing objectives.

Private Capital Advisory

Working with a select group of best-in-class sponsors, Skyway Capital helps structure offerings that provide investors with attractive features and risk-adjusted returns.

Nationwide Coverage



★ - Indicates select active & completed transactions

Sector Coverage

BUSINESS
SERVICES

HEALTHCARE

INDUSTRIALS

FINANCIAL
SERVICES

CONSUMER

Skyway Capital – Firm Overview (cont.)

Senior M&A Bankers



Jim DiCesaro, CFA
Senior Managing Director



Keith Hodgdon
Senior Managing Director



Jeff Hunt
Senior Managing Director



Russ Hunt
Senior Managing Director



Roger Overby
Senior Managing Director



Recent M&A Transactions



acquired by



acquired by



acquired by



acquired by



acquired by



acquired by



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acquired by



acquired by



acquired by



Skyway Capital – Healthcare Team

Senior Healthcare Bankers



Keith Hodgdon
Senior Managing Director



Jim DiCesaro, CFA
Senior Managing Director



Healthcare Focus

PROVIDER SERVICES

PHARMA SERVICES

HEALTH TECHNOLOGY

HEALTHCARE SERVICES

MEDICAL DEVICES

PHARMACY SERVICES

Select Healthcare Transaction Experience

TotalMed

acquired by

STELLA POINT
CAPITAL

JAY CARE
MEDICAL CENTER

acquired by

MBF
HEALTHCARE PARTNERS

PBS
Physician Business Services

acquired by

LINDSAY GOLDBERG

Women's Care Florida

acquired by

LINDSAY GOLDBERG

TMS
TMS Management Group, Inc.

acquired by

Envision
HEALTH CARE
POWERING THE DELIVERY OF CARE

DIAGNOSTIC CLINIC

acquired by

Florida Blue

Unilens

acquired by

VALEANT
Pharmaceuticals North America LLC

MATRIX
MEDICAL

acquired by

AeroCare

Bestgroup
IPA, Inc.

acquired by

JSA Medical Group
A HealthCare Partners Company

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