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Brocair Partners, founded in 2004, is a financial advisor to businesses serving the healthcare, wellness, and pharmaceutical industries. We provide mergers & acquisitions, corporate finance, and strategic advisory services to companies worldwide.

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Dental Products Market Analysis

The worldwide professional dental industry encompasses the diagnosis, treatment and prevention of disease and ailments of the teeth, gums and supporting bone.

The principal categories of the dental product market are dental consumable products, dental laboratory products, and dental specialty products.

Dental Consumable Products	Dental Laboratory Products	Dental Specialty Products
• Consist of dental sundries and small equipment used in dental offices for the treatment of patients	• Are used in the preparation of dental appliances by dental laboratories	• Specialized treatment products used within the dental office and laboratory settings

The market for dental products is expected to grow at a compound annual growth rate (CAGR) of 7%, reaching an estimated size of \$27.6 billion by 2015. Below are some of the tailwinds for the industry:

- Increasing worldwide population.
- Growth of the population 65 or older – The percentage of the U.S., European, Japanese and other regions' population over age 65 is expected to nearly double by the year 2030. In addition to having significant needs for dental care and healthcare, the elderly in these regions are well positioned to pay for the required procedures since they control sizable amounts of discretionary income.
- Natural teeth are being retained longer – individuals with natural teeth are much more likely to visit a dentist in a given year than those without any natural teeth remaining.
- The changing dental practice in North America and Western Europe – dentistry in North America and Western Europe has been transformed from a profession primarily dealing with pain, infections and tooth decay to one with increased emphasis on

preventive care and cosmetic dentistry.

- Increasing demands for patient comfort and ease of product use and handling.
- Per capita and discretionary incomes are increasing in emerging nations – as personal incomes continue to rise in the emerging nations of the Pacific Rim, CIS and Latin America, healthcare, including dental services, is a growing priority.

The U.S., Canada, Western Europe, Japan, Australia and certain other countries are highly developed markets that demand the most advanced dental and health products and have the highest level of expenditures for dental and medical care. In these markets, dental care is increasingly focused upon preventive care and specialized dentistry, in addition to basic procedures, such as excavation of teeth and filling of cavities, tooth extraction and denture replacement. These markets require varied and complex dental products, utilize sophisticated diagnostic and imaging equipment, and demand high levels of attention to protect against infection and patient cross-contamination. A broader segment of the population in these markets can afford higher end treatments in both dental and medical care.

In certain countries in Central America, South America, Eastern Europe, the Pacific Rim, the Middle East and Africa, most dental care is often limited to excavation of teeth, filling of cavities and other restorative techniques, reflecting more modest per capita expenditures for dental and medical care. These markets demand diverse products and broader alternatives to address patient and professional needs.

Dental Products Index

Below is an index of dental products companies compared to the S&P 500 over the past four years.



*Dental Products index includes: Align Technology, Inc.; Biolase Technology, Inc.; COLTENE Holding AG; DENTSPLY International, Inc.; Henry Schein, Inc.; Meta Biomed Co. Ltd.; Nobel Biocare Holding AG; Osstem Implant Co. Ltd.; Patterson Companies, Inc.; SDI Ltd.; Shin Hung Co., Ltd.; Shofu, Inc.; Sirona Dental Systems, Inc. Straumann Holding AG; Value Added Technologies Co. Ltd.; and Young Innovations, Inc.

Source: Capital IQ

Comparable Company Analysis

Below is a snapshot of selected companies in the dental products market.

Company	Price	52-Week		EV*	Net Debt	Market Cap	EV/Sales			EV/EBITDA		
		High	Low				2010	2011	LTM	2010	2011	LTM
Align Technology Inc.	\$ 26.25	\$ 39.82	\$ 21.20	\$ 1,829.5	\$ (328.0)	\$ 2,157.5	3.1x	3.4x	3.4x	10.7x	15.2x	13.3x
BIOLASE, Inc.	\$ 1.92	\$ 3.38	\$ 1.49	\$ 59.4	\$ 0.9	\$ 58.5	1.9x	1.5x	1.1x	NA	NA	NA
COLTENE Holding AG	\$ 28.51	\$ 38.01	\$ 26.19	\$ 146.2	\$ 28.3	\$ 117.9	1.7x	1.2x	0.9x	11.1x	9.9x	7.2x
DENTSPLY International Inc.	\$ 38.39	\$ 41.38	\$ 32.55	\$ 7,276.8	\$ 1,779.5	\$ 5,458.6	2.3x	2.8x	2.5x	11.3x	16.5x	13.8x
Henry Schein, Inc.	\$ 77.79	\$ 80.75	\$ 59.78	\$ 7,678.8	\$ 520.0	\$ 6,781.7	0.8x	0.8x	0.9x	10.0x	9.4x	10.4x
Meta Biomed Co., Ltd.	\$ 2.47	\$ 4.58	\$ 2.21	\$ 42.2	\$ 0.0	\$ 42.2	1.7x	2.9x	1.8x	8.5x	13.5x	8.4x
Nobel Biocare Holding AG	\$ 8.13	\$ 14.32	\$ 8.11	\$ 1,007.4	\$ 12.7	\$ 994.7	3.0x	2.0x	1.3x	15.6x	11.5x	7.3x
Osstem Implant Co Ltd.	\$ 28.57	\$ 31.00	\$ 8.99	\$ 405.8	\$ 0.0	\$ 405.8	2.3x	1.3x	2.8x	19.8x	11.1x	23.2x
Patterson Companies, Inc.	\$ 34.48	\$ 36.42	\$ 27.48	\$ 4,044.4	\$ 269.5	\$ 3,774.9	1.2x	1.0x	1.1x	9.9x	8.9x	10.0x
SDI Limited	\$ 0.25	\$ 0.26	\$ 0.10	\$ 37.9	\$ 8.2	\$ 29.7	0.5x	0.5x	0.7x	6.8x	7.4x	6.4x
Shin Hung Co., Ltd.	\$ 6.62	\$ 9.11	\$ 6.58	\$ 63.4	\$ 0.0	\$ 63.4	NA	0.7x	0.4x	NA	12.9x	8.1x
Shofu Inc.	\$ 10.21	\$ 13.19	\$ 9.19	\$ 82.8	\$ (81.3)	\$ 164.1	0.4x	0.4x	0.4x	3.8x	3.8x	4.6x
Sirona Dental Systems Inc.	\$ 57.97	\$ 59.50	\$ 39.15	\$ 3,147.1	\$ (25.6)	\$ 3,169.8	3.1x	2.7x	3.3x	11.9x	10.7x	13.3x
Straumann Holding AG	\$ 110.98	\$ 186.59	\$ 108.13	\$ 1,590.8	\$ (124.7)	\$ 1,715.5	4.2x	3.2x	2.2x	15.2x	14.6x	11.3x
Value Added Technology Co., Ltd.	\$ 10.23	\$ 13.35	\$ 5.28	\$ 151.8	\$ 0.0	\$ 151.8	NA	NA	1.2x	13.9x	28.9x	38.7x
Young Innovations Inc.	\$ 34.05	\$ 40.44	\$ 26.90	\$ 254.7	\$ (15.0)	\$ 269.7	2.5x	2.2x	2.3x	9.5x	8.2x	8.7x

	EV/Sales			EV/EBITDA		
	2010	2011	LTM	2010	2011	LTM
High	4.2x	3.4x	3.4x	19.8x	28.9x	38.7x
Mean	2.1x	1.8x	1.6x	11.3x	12.2x	12.3x
Median	2.1x	1.5x	1.3x	10.9x	11.1x	10.0x
Low	0.4x	0.4x	0.4x	3.8x	3.8x	4.6x

*Enterprise Value (EV) = market capitalization + debt + minority interest

All currency figures in USD. Price figures in actual dollars; EV, Net Debt, and Market Cap in millions
Market Cap and Enterprise Value as of 11/13/2012

Comparable Transaction Analysis

Below is a snapshot of selected transactions in the dental products market.

Closing Date	Target	Buyer	Transaction Description	Total Trans. Value (\$m)	Enterprise Value (\$m)	EV*/ Revenues	EV*/ EBITDA
NA	Neodent S.A.	Straumann Holding AG	Straumann Holding AG signed an agreement to acquire a 49% stake in Neodent from founders Geninho Thomé and Clemilda de Paula Thomé for approximately CHF 260 million in cash. Under the terms of agreement Straumann will have an option to increase its stake in Neodent to 100% over the next six years. Post acquisition Straumann and Neodent will operate independently as separate businesses and brands. Neodent S.A. manufactures and supplies of dental treatment equipment.	275.3	561.8	6.6x	NA
11/5/2012	Southern Anesthesia & Surgical, Inc.	Beecken Petty O'Keefe & Company; Golub Capital	Beecken Petty O'Keefe & Company and Golub Capital acquired Southern Anesthesia & Surgical, Inc. from PSS World Medical Inc. for \$68 million. Southern Anesthesia & Surgical supplies pharmaceuticals, dental disposables, dental anesthesia, and emergency response products for practices.	68.0	68.0	NA	NA
9/10/2012	Iowa Dental Supply, LLC	Patterson Dental Supply, Inc.	Patterson Dental Supply, Inc. acquired Iowa Dental Supply, LLC from brothers Rick and Mike Cacciatore in cash. Iowa Dental Supply distributes dental supplies in Iowa and had \$13 million as sales for year ended December 31, 2011.	NA	NA	NA	NA
9/5/2012	Riemser Arzneimittel AG	AXA Private Equity	AXA Private Equity acquired Riemser Arzneimittel AG from Riemser's founding Braun family. NORD Holding Unternehmensbeteiligungsgesellschaft mbH and various minority stakeholders including TVM Capital GmbH. Riemser Arzneimittel AG develops and produces human, veterinary, and dental pharmaceutical products in Germany and internationally. The company posted sales revenues of approximately €100 million in 2011.	NA	NA	NA	NA
8/17/2012	Orthodontic Design & Production, Inc.	G&H Wire Company, Inc.	G&H Wire Company, Inc. acquired Orthodontic Design & Production, Inc. G&H is a platform company for The Riverside Company. ODP designs, manufactures, markets, and distributes orthodontic appliances.	NA	NA	NA	NA
8/3/2012	IOS Technologies, Inc.	Glidewell Laboratories, Inc.	Glidewell Laboratories, Inc. acquired the remaining stake in IOS Technologies, Inc. IOS designs and manufactures dental care equipment. Its products provides digital dental impressions and 3D models of a patient's teeth by taking an intra oral optical impression.	NA	NA	NA	NA
7/17/2012	TIDI Products, LLC	J.H. Whitney & Co., LLC	J.H. Whitney & Co., LLC acquired TIDI Products, LLC from Arrowhead Mezzanine LLC, Maranon Capital, L.P., and Beecken Petty O'Keefe & Company. TIDI manufactures and supplies single-use infection prevention products for medical, dental, and foodservice markets.	NA	NA	NA	NA
6/21/2012	Southern Implants, Inc.	Keystone Dental, Inc.	Keystone Dental, Inc. acquired Southern Implants, Inc. from MedVenture Associates and other shareholders. Southern Implants engages in the research, development, manufacture, and marketing of dental implants and related restorative components for implant surgeons and restorative dentists.	NA	NA	NA	NA
6/18/2012	OraPharma, Inc.	Valeant Pharmaceuticals International, Inc.	Valeant Pharmaceuticals International, Inc. acquired OraPharma, Inc. from Water Street Healthcare Partners for approximately \$460 million. The consideration consists of approximately \$312 million and up to \$114 million in potential contingent payments based on certain milestones, including revenue targets. In addition, Valeant will repay at closing \$37.9 million of assumed debt. OraPharma, a pharmaceutical company, engages in the discovery, development, and commercialization of oral healthcare products for dental professionals and patients.	463.9	463.9	4.9x	NA
6/4/2012	Dental Complex JSC	Kaltenbach & Voigt GmbH & Co. KG	Kaltenbach & Voigt GmbH & Co. KG acquired Dental Complex from the firm's original founders. Dental Complex engages in distribution of dental products throughout Russia.	NA	NA	NA	NA
3/2/2012	Biomain AB	Heraeus Kulzer GmbH	Heraeus Kulzer GmbH acquired Biomain AB from Jerry Wiener, Joachim Samuelsson and other shareholders. Biomain AB is the Scandinavian market leader in the field of custom CAD/CAM-produced implant prosthetics and components.	>29.9**	NA	NA	NA
11/18/2011	Stick Tech Ltd.	GC EUROPE N.V.	GC Europe Nv acquired Stick Tech Ltd. from Bioxid Ltd, Aura Capital Oy, Inveni Secondaries Management Oy and a group of private owners. The company, which is based in Finland, develops and manufactures dentistry equipment and products.	NA	NA	NA	NA
11/15/2011	Den-Mat Holdings, LLC	Centre Partners Management LLC & Mill Street Partners	Mill Street Partners LLC and Centre Partners Management LLC acquired 100% of Den-Mat Holdings, LLC from DLJ Merchant Banking Partners. Den-Mat Holdings manufactures and markets cosmetic and restorative dental products.	NA	NA	NA	NA
9/29/2011	Medical Imaging Technologies Pty Ltd.	Shimadzu Medical Systems Pty Limited	Shimadzu Medical Systems Pty Limited acquired the Planmeca & Planmed (OPG & Mammo systems) distributorship from Medical Imaging Technologies Pty Ltd for AUD 1.5 million. Those business lines engage in the sale and service of dental equipment.	1.5	1.5	NA	NA
9/1/2011	Bio Medi Face S.A.	Heraeus Kulzer Schweiz AG	Heraeus Kulzer Schweiz AG acquired 100% of Bio Medi Face SA. Bio Medi Face engages in the research, development, and production of bio-medical prosthetics.	NA	NA	NA	NA
8/31/2011	Astra Tech AB	DENTSPLY International, Inc.	DENTSPLY International, Inc. acquired Astra Tech AB from AstraZeneca PLC for \$1.8 billion in cash. DENTSPLY International obtained debt financing commitments from Morgan Stanley for the transaction. Astra Tech develops, manufactures, and markets dental implants, abutments, and medical devices.	1,785.0	1,785.0	3.3x	17.0x
7/7/2011	Dental Equipment Specialist, Inc.	Benco Dental Company	Benco Dental Company acquired 100% of Dental Equipment Specialist, Inc., a family-owned company serving the central valley of California with dental services and equipment.	NA	NA	NA	NA
7/5/2011	Dental Wings, Inc.	Straumann Holding AG	Straumann Holding AG acquired a 30% stake in Dental Wings, Inc. The company provides open dental CAD/CAM solutions.	NA	NA	NA	NA
5/31/2011	Al's Dental Repair Service, Inc.	Benco Dental Company	Benco Dental Company acquired 100% of Al's Dental Repair Service. Upon closing, Al's Dental Repair became Benco Dental's Fresno, California branch. Al's engages in distribution and repair of dental products and equipment.	NA	NA	NA	NA
4/29/2011	Cadent, Inc.	Align Technology, Inc.	Align Technology, Inc. acquired Cadent, Inc. from Apax Partners Worldwide LLP, Goldrock Capital, Pitango Venture Capital, SV Life Sciences, and others for \$190 million in cash. The purchase price included debt amount adjustments. Cadent provides 3-D digital and CAD/CAM solutions for orthodontic and dentistry industries.	190.0	190.0	4.8	NA
4/27/2011	Guangzhou Wandong Company	Beijing Wandong Medical Equipment Co. Ltd.	Beijing Wandong Medical Equipment Co. Ltd. acquired an additional 30% equity of Guangzhou Wandong Company from an individual shareholder. Beijing Wandong now owns 80% of Guangzhou Wandong.	NA	NA	NA	NA
3/22/2011	Novalar Pharmaceuticals, Inc.	Septodont Limited	Septodont Limited acquired Novalar Pharmaceuticals, Inc. from a group of investors. The financial terms of the transaction were not disclosed. As part of agreement, Septodont acquired OraVerse from Novalar Pharmaceuticals, Inc. Novalar shut down following the sale of OraVerse as it has no other drug candidates in its pipeline. Previously, Novalar developed oral pharmaceuticals for the dental space.	NA	NA	NA	NA
1/25/2011	UNI-DENT nv	Elysee Dental Solutions B.V.	Elysee Dental Solutions B.V. acquired 100% of UNI-DENT nv. UNI-DENT owns and operates dental laboratories.	NA	NA	NA	NA
1/14/2011	Flemming Dental Service GmbH	AUCTUS Capital Partners AG	AUCTUS Capital Partners AG acquired a majority stake in Flemming Dental Service GmbH from an international consortium of investors. The financial terms of the deal were not disclosed. Flemming Dental manufactures dental prostheses.	NA	NA	NA	NA
12/31/2010	Implant Direct International, Inc.	Sybron Dental Specialties, Inc.	Sybron Dental Specialties Inc. acquired a 75% interest in Implant Direct International, Inc. Sybron Dental and Implant Direct will combine their implant and abutment businesses into a single operation to be named Implant Direct Sybron International.	NA	NA	NA	NA
12/31/2010	Discus Holdings, Inc.	Koninklijke Philips Electronics NV	Koninklijke Philips Electronics NV acquired Discus Holdings, Inc.. Upon closing of the transaction, Discus became part of Philips' Consumer Lifestyle sector's Health and Wellness business. Discus engages in the manufacture, marketing, and distribution of products for the aesthetic dentistry market.	179.3	179.3	NA	NA
11/5/2010	Amann Girrbach AG	TA Associates, Inc.	TA Associates, Inc. acquired a stake in Amann Girrbach AG from Hypo Unternehmensbeteiligungen AG which is managed by Alpine Equity and the company's founders. Amann Girrbach manufactures dental laboratory equipment.	37.3	NA	NA	NA

*Enterprise Value (EV) = market capitalization + debt + minority interest

**As reported in Swedish media, converted at SEK 6.7 - USD 1.